



PROJECT FACTSHEET

South Caucasus 2017

HIGHER INCOME IN THE SOUTH CAUCASUS THANKS TO COMPETITIVE AGRICULTURAL PRODUCTS



Urban honey production: beehives on a rooftop in Batumi, Georgia. © SDC

Livestock farming is an important source of income for a large part of the rural population in Georgia, Armenia and Azerbaijan. But many farmers live from subsistence farming and produce just enough food for their own needs. The aims of the project are to strengthen smallholder farms and to provide them with access to markets. This way, farmers can sell their honey, meat, cheese and wool products, and to sustainably increase their incomes.

CONTEXT

Agriculture is a key economic sector in Georgia, Armenia and Azerbaijan. About 40% of the labour force works in this sector, mostly on smallholder farms. Despite its great significance for people in rural areas, most of whom are poor, the agriculture sector accounts for only about 10% of GDP in these three countries. Many farms produce only enough to meet their own needs and have nothing left to sell. The reasons for this include insufficient access to markets, too little investment in production and a high degree of vulnerability to external shocks. Despite these obstacles, there is considerable potential for development, especially in livestock farm-

ing, which accounts for about 50% of agricultural production. Opening up regional and cross-border markets offers good opportunities to export honey, meat, cheese, wool and other agricultural products, and therefore to increase local farmers' incomes.

THE PROJECT'S OBJECTIVES AND KEY ACTIVITIES

The aim of the project is to help local farmers in Georgia, Armenia and Azerbaijan to boost their productivity and thus their incomes. The project focuses on all stages of the value chain – from production to sale – and encompasses activities in the meat and dairy sectors as well as honey production and wool processing. Honey production and wool processing have become increasingly important in recent years.

Local honey is best

Locally produced honey was long thought to be inferior. Consumers therefore used to prefer honey imported from abroad. The project promotes the production and marketing of local honey. To this end, the project fosters better cooperation and dialogue between producers and customers. In addition, a honey festival has been launched to promote the sale of regional products.

Wool: turning a waste product into a marketable commodity

Until recently, the main purpose of sheep farming was for meat and cheese production. Wool was only sold locally, in small quantities, and the remains were not further processed. Growing demand for wool for the production of carpets may offer sheep herders an additional sales market for what was until recently a waste product. The project is developing business relationships between wool producers, processing plants, traders and distributors, thereby creating additional sources of income for the local population.

«Women's Room»: a place to exchange ideas and experiences

Women play a key role in smallholder farms, which tend to be family-run. Therefore, the project includes activities that empower women in the agricultural sector. The «Women's Room» initiative, which was launched successfully in the recent years, is a place mainly but not exclusively for women, where they can get together in their local community to exchange ideas and experiences and make use of various services. In the «Women's Room», everyone has access to the internet and other information, and can seek advice, including career advice, and sign up for continuing education and training (e.g. computer courses). Experience so far has been good and there are plans to extend the initiative to other village communities.

THE PROJECT IN BRIEF

Title

Alliances Caucasus Programme (ALCP)

Duration

Phase 3: 2017–2021

Total budget

Phases 1–3: CHF 16'230'000

Implementation

Mercy Corps Europe in collaboration with local organisations

Partners

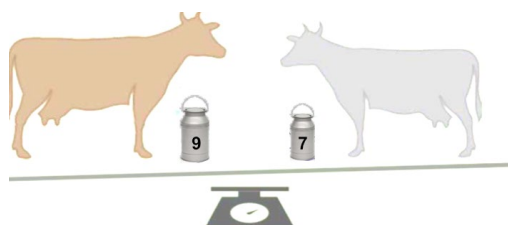
Ministry of Agriculture of Georgia, regional and municipal authorities, service providers, dairy and meat processing enterprises, veterinarians

ACHIEVEMENTS SO FAR AND EXPECTED RESULTS

Since its launch in 2008, the project has proved very successful and is therefore being expanded. These are some of the concrete results of the project:

Increased weight and daily milk yield:

Improved breeding calves – local calves

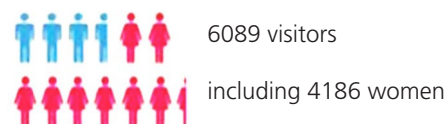


Increased incomes (since 2008):

- Project beneficiaries increased their incomes by 27% (14% above the national average)
- **Goal by 2021:** an additional 10'000 farmers will have increased their income by 10%



Visitors to the «Women's Room» (2013-2016):



Raw milk use (2016):

- 70% resold
- 18% for own consumption
- 12% processed into cheese



Job creation:

- 268 full-time equivalent positions were created
- **Goal by 2021:** another 150 full-time equivalent positions will have been created

FURTHER INFORMATION

The SDC's activities in the South Caucasus:
<https://www.eda.admin.ch/deza/en/home/countries/south-caucasus.html>

Project homepage: <https://www.alcp.ge>

Infographics source: ALCP – Mercy Corps Georgia

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