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CREATING OPPORTUNITIES

Agriculture in Georgia

March 2026

Content

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Agricultural Development Index by Galt & Taggart

Index aggregates three sub-indices

Productivity

- Annual crops
- Animal products
- Labor force productivity

Price stability

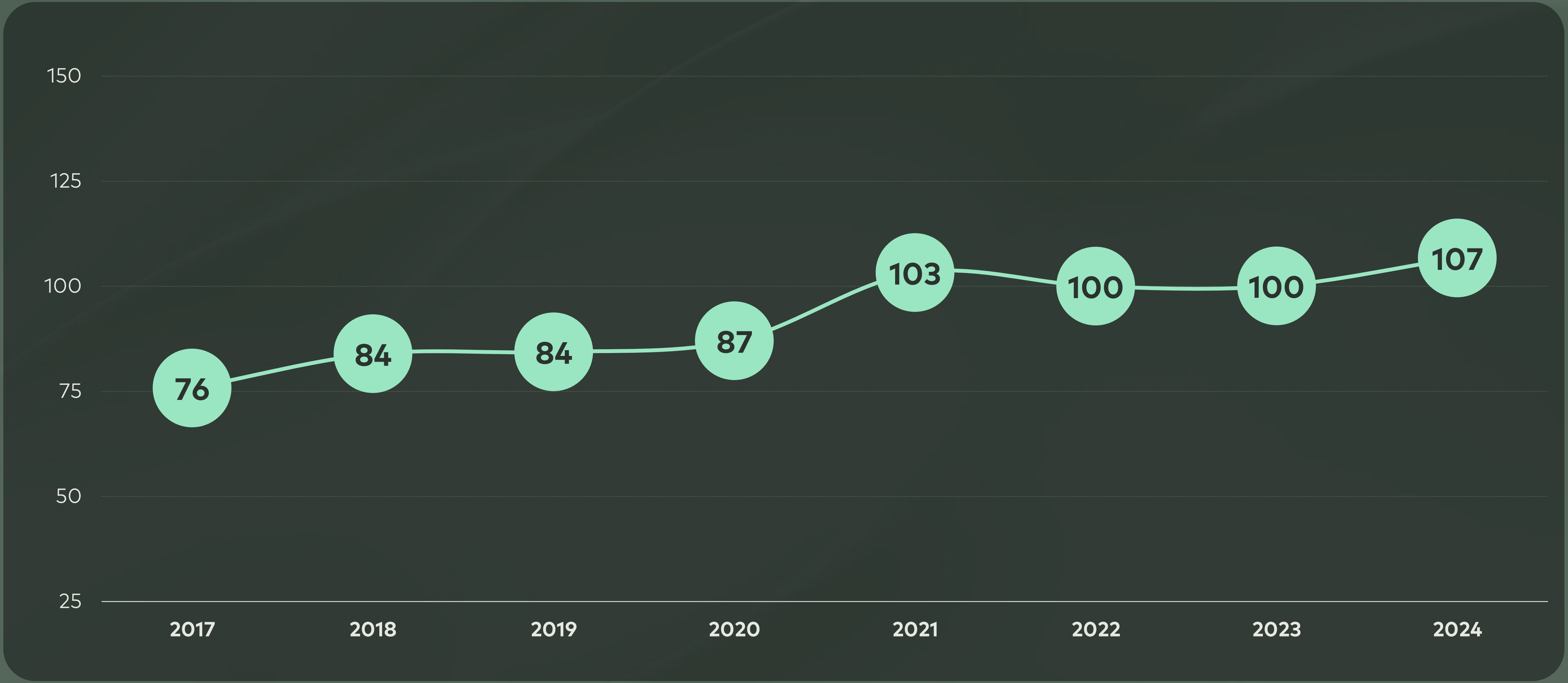
- Food price volatility
- Farm's gate prices
- Intermediate costs

Investments

- Capital expenditures
- Programs execution
- Share in government budget

Dynamics of sub-indices

Agricultural Development Index for Georgia by Galt & Taggart



Systematic data and indicators are essential for assessing progress

- **Galt & Taggart** will measure agricultural progress annually using an index

- Improving the **quality and frequency of data** in the agricultural sector is essential for effective policymaking and timely monitoring of results

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Food product market overview

Food product market in Georgia grew rapidly in recent years and reached ₾ 21.5bn in 2025

Local demand ₾ 21.5bn

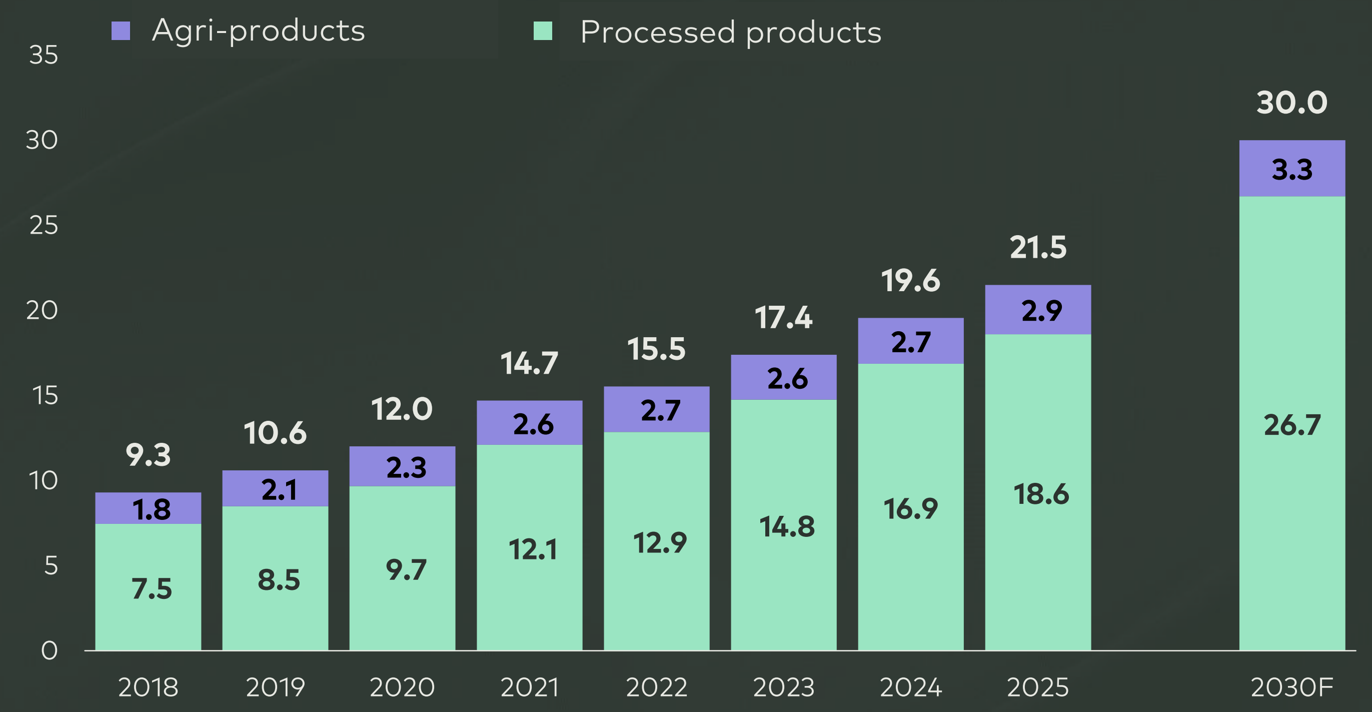
Foreign demand ₾ 4.5bn

Local production	Import	Export
₾ 16.2bn	₾ 5.3bn	₾ 4.5bn

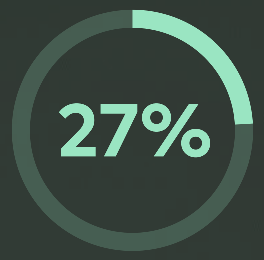
Source: Geostat, Galt & Taggart; note: the 2025 figures are preliminary estimates

Food products market doubled in size over 2019-25 and we estimate it to reach ₾ 30bn by 2030; the consumption of processed products will remain the main source of growth

Local consumption of food products, ₾ bn



Import share in consumption



Import value by 2030

₾ 8.0bn

Source: Geostat, Galt & Taggart; note: the 2025 figures are preliminary estimates

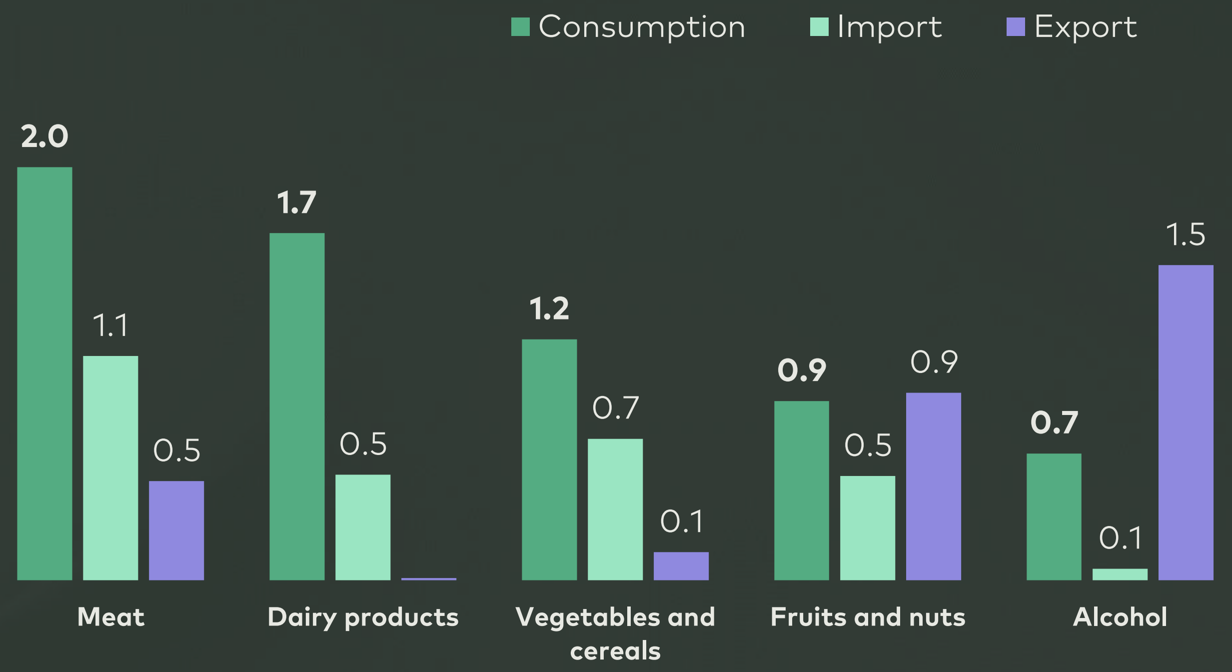
Consumption of key agricultural products reached ₾6.4 bn in 2025. Georgia relies on imports for meat, dairy, and vegetables, while fruits and grape-based alcohol are largely exported

Main agricultural products - Consumption, import and export, ₾ bn

Total consumption ₾ **6.4**bn

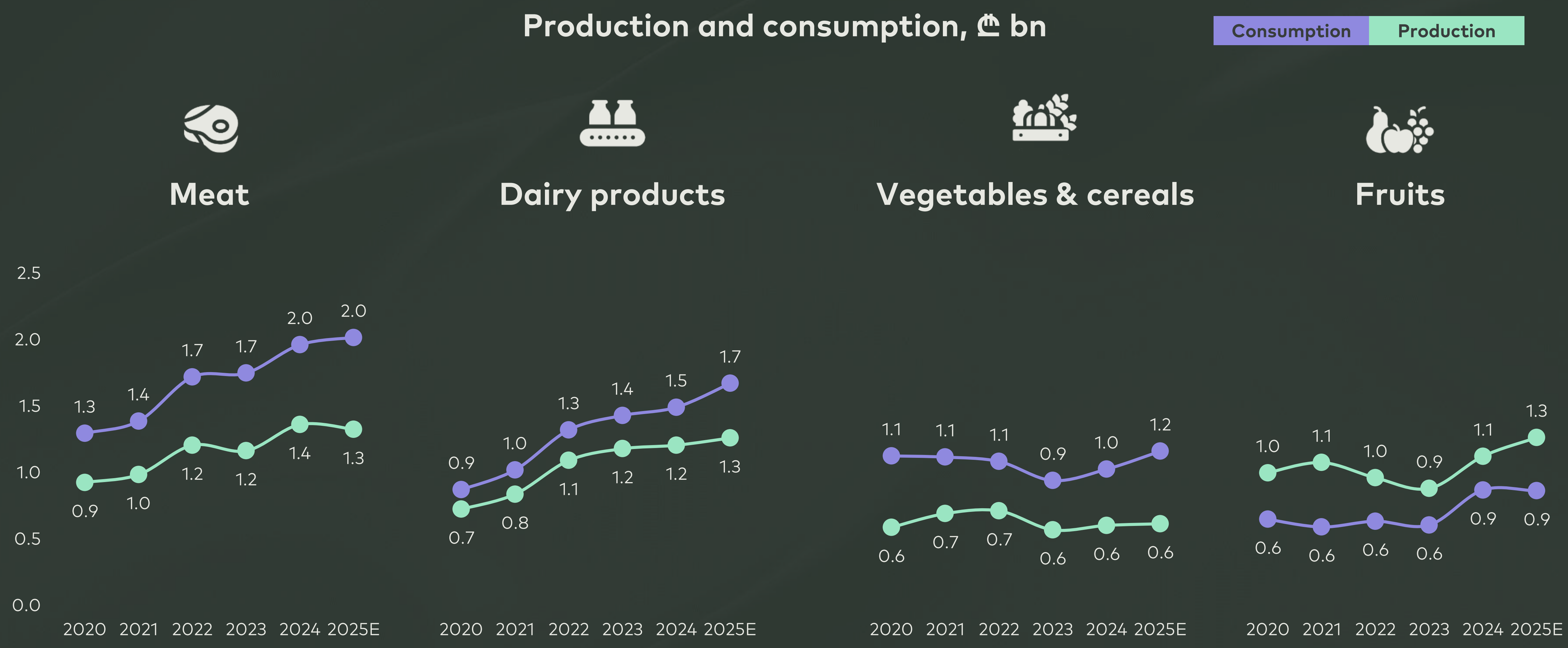
Import ₾ **2.8**bn

Export ₾ **3.0**bn



Source: Geostat, Galt & Taggart; note: Meat consumption includes the consumption of meat, fish and eggs, while meat imports and exports also include the trade of live animals; Fruits and nuts include fruits, nuts, melons, watermelons and pumpkins; Alcoholic beverages include only grape based alcohol, such as wine and brandy.

Consumption shows a particularly strong increase in meat and dairy products, driven by both higher quantities and rising prices



Source: Geostat, Galt & Taggart; note: Meat consumption includes the consumption of meat, fish, and eggs; Fruits include fruits, nuts, melons, watermelons and pumpkins

As the economy developed, demand for higher-value products increased, which local production was unable to satisfy

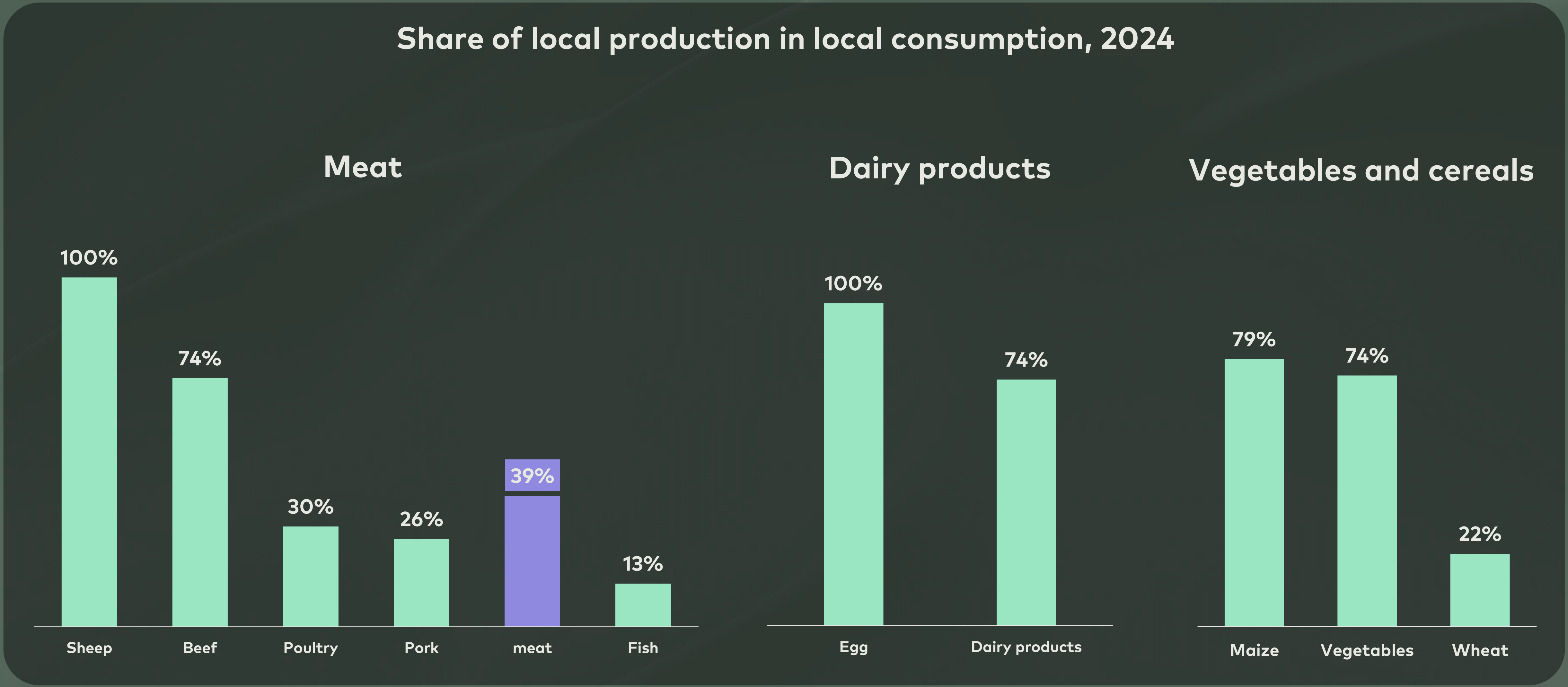
Consumption and self-sufficiency of Selected Products in Georgia

	Consumption in **Georgia** kg/ per capita 2016-24 (2016)	(2024)	Consumption in the **EU** kg/ per capita	Self-sufficiency in **Georgia** 2016-24 (2016)	(2024)
Meat	37	51	79	46%	39%
Dairy products	173	206	237	82%	74%
Wheat	126	114	102	19%	22%
Vegetables	112	108	176	78%	74%
fruit	62	66	129	125%	132%

2016 2017 2018 2019 2020 2021 2022 2023 2024

Source: Geostat, FAO, Galt & Taggart; note: consumption = production / (production + import - export); Meat includes poultry, beef, sheep and pork; Meat self-sufficiency also takes into account live pig imports

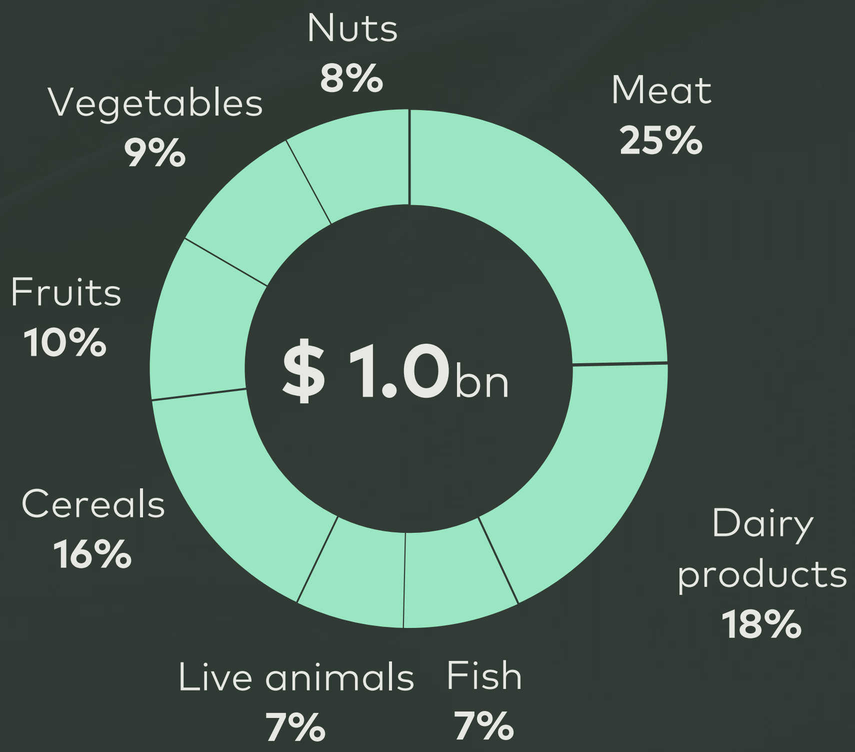
Self-sufficiency is high for certain products, however, dependence on imports for meat and fish indicates potential for expanding local production



Source: Geostat, Galt & Taggart; note: consumption = production / (production + import - export); Meat includes poultry, beef, sheep and pork; Meat self-sufficiency also takes into account live pig imports

Main imported products are meat, dairy products, cereals and fruits

Imports by products, 2025



Top supplier counties and their shares in total imports

Products	Country	Share
Meat	Brazil	33%
Dairy products	France	14%
Fish	Norway	18%
Live animals	Russia	73%
Cereals	Russia	72%
Fruit	Ecuador	42%
Vegetables	Turkey	53%
Nuts	USA	39%

Source: Geostat, Galt & Taggart

We forecast the consumption of cheese, fish, poultry and pork to reach ₾ 3bn by 2030, creating potential to expand local production by an additional ₾ 1bn

Cheese consumption

2025 **₾ 900**mn

2030 **₾ 1,400**mn

13% Import share 2025

Poultry consumption

2025 **₾ 500**mn

2030 **₾ 800**mn

66% Import share 2025

Pork consumption

2025 **₾ 400**mn

2030 **₾ 500**mn

45% Import share 2025

Fish consumption

2025 **₾ 200**mn

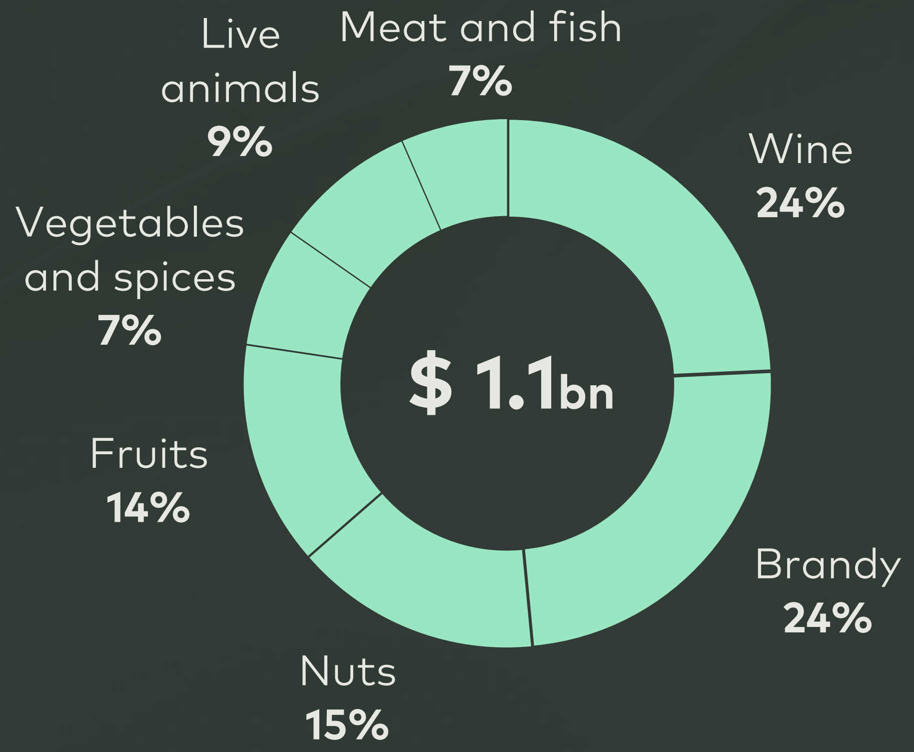
2030 **₾ 300**mn

85% Import share 2025

Source: Geostat, Galt & Taggart

Exports are heavily concentrated in wine, brandy and nuts, while diversification across export markets remains a challenge

Exports by products, 2025



Top export destinations and their share in total

Product	Country	Share
Wine	Russia	64%
Brandy	Russia	56%
Nuts	Italy	21%
Fruits	Russia	74%
Vegetables	Russia	35%
Live animals	Azerbaijan	44%
Meat and fish	Armenia	31%

70% of total exports go to CIS countries

Source: Geostat, Galt & Taggart; the vegetables category includes all annual crops , including Cereals, spices and also bay leaves

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Challenges and opportunities

Large portion of production comes from households, whose productivity is significantly lower compared to commercial farms

Share of businesses in production

30% — In selected products

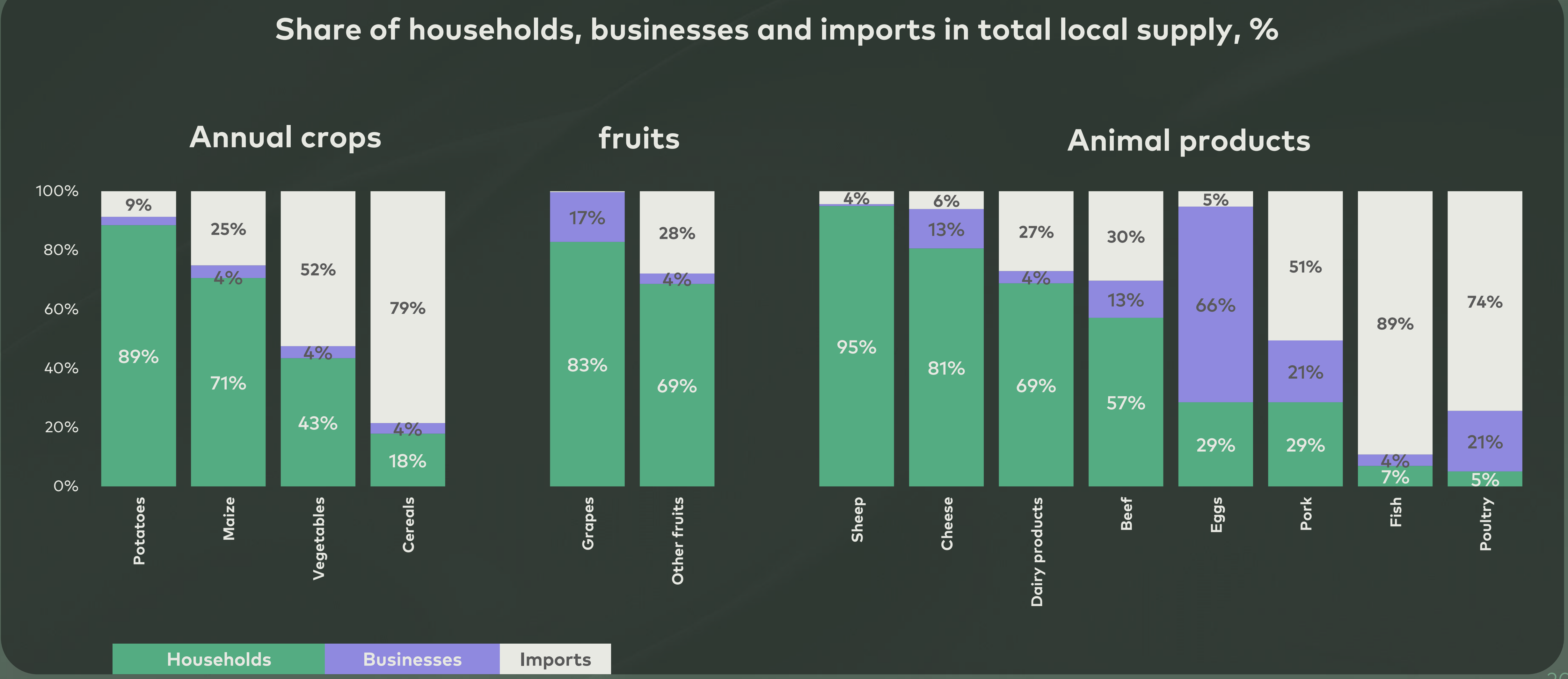
13% — In primary production

Labor productivity and yield

	Business	Households
Labor productivity '000 GEL/worker	28	17
Average yield, ton/ha	30	5

Source: Geostat, FAO, Galt & Taggart; note: Average yield per hectare is calculated using peaches as an example

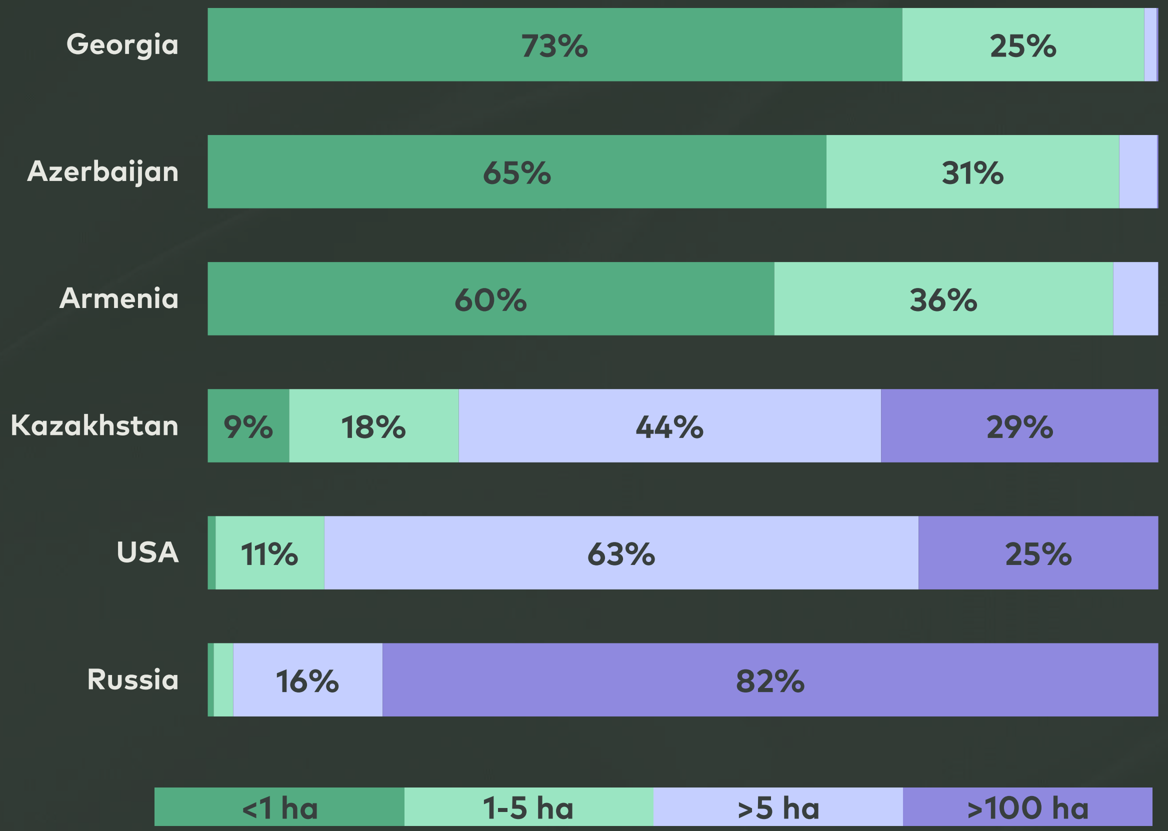
Productivity growth largely depends on strengthening the role of businesses and transitioning to a more corporatized production model



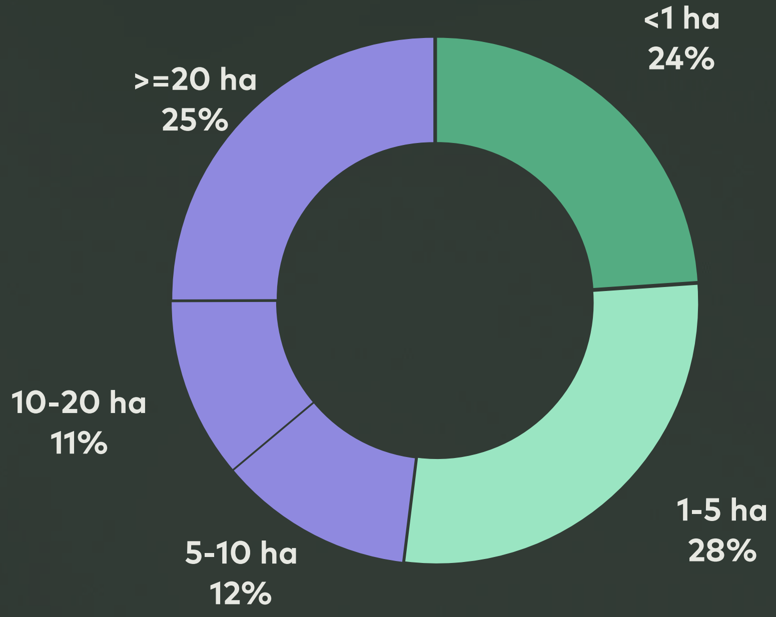
Source: Geostat Galt & Taggart; note: share is in quantity (kg); fish only includes aquaculture;

Significant share of land is fragmented and used inefficiently, which represents one of the main constraints to the sector's development

Number of farms by farm size



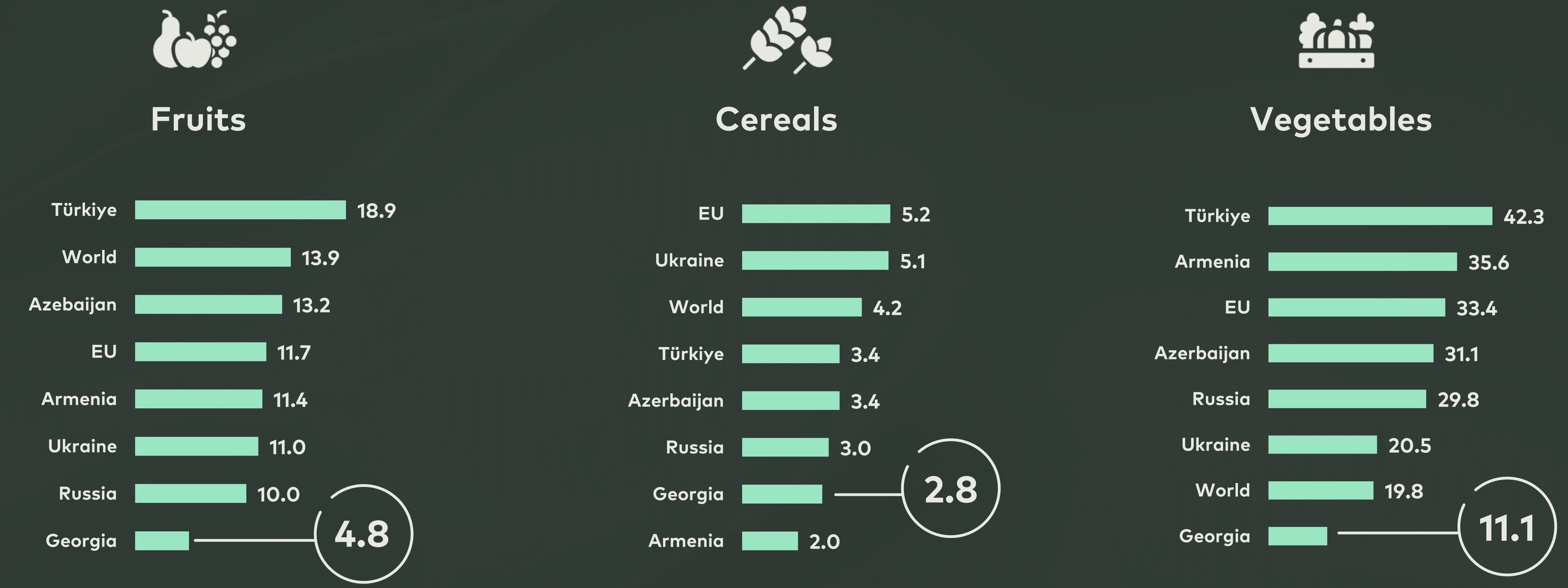
Land distribution by farm size in Georgia, ha



Source: Geostat, FAO (Latest available data), Rural Development Agency, Wine Agency, The Ministry of Environmental Protection and Agriculture of Georgia, Galt & Taggart

Low corporatization, lack of knowledge and lack of technology usage contribute to relatively low yields in Georgia

Average yield, ton/ha, 2024



Source: FAO; Note: Includes production by both businesses and households.

Development of cold storage infrastructure increases product selling prices and business profitability

Cold storage facilities, 2025

Cold storage capacity, m^3	295K
Share of own production	45%
Average utilization rate	51%

Apple example

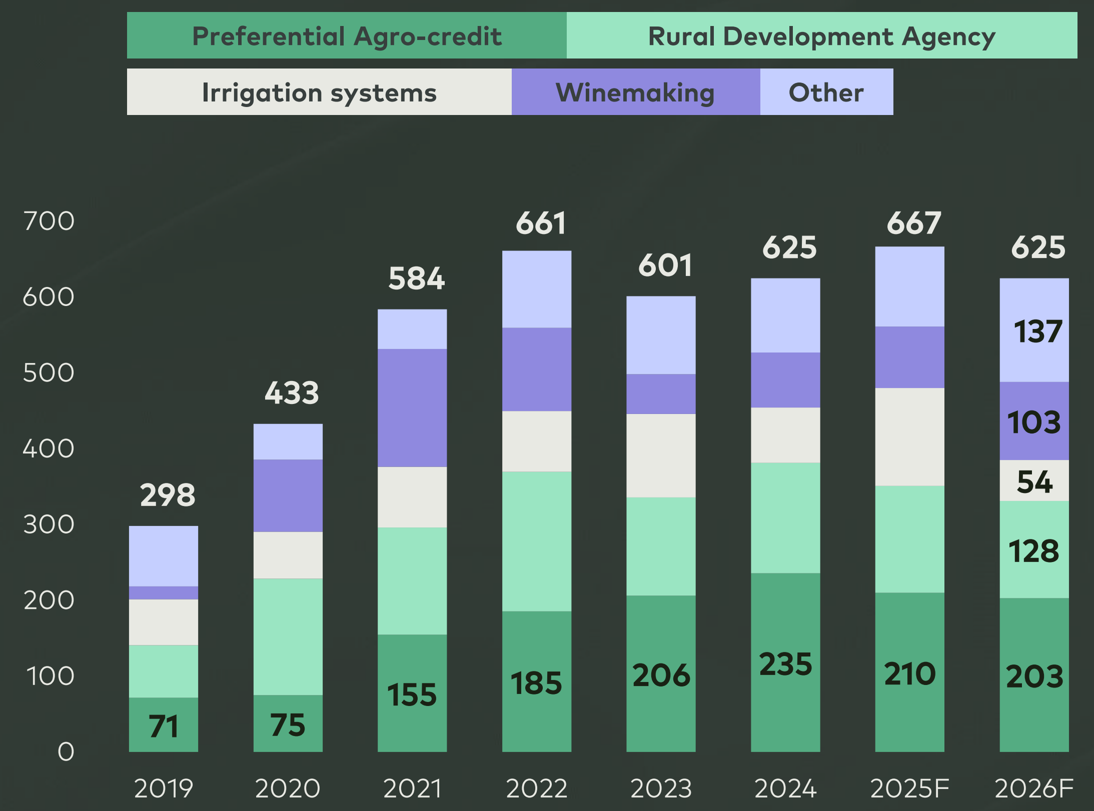
25% — IRR in case of cold storage

20% — IRR without storage, selling during the season

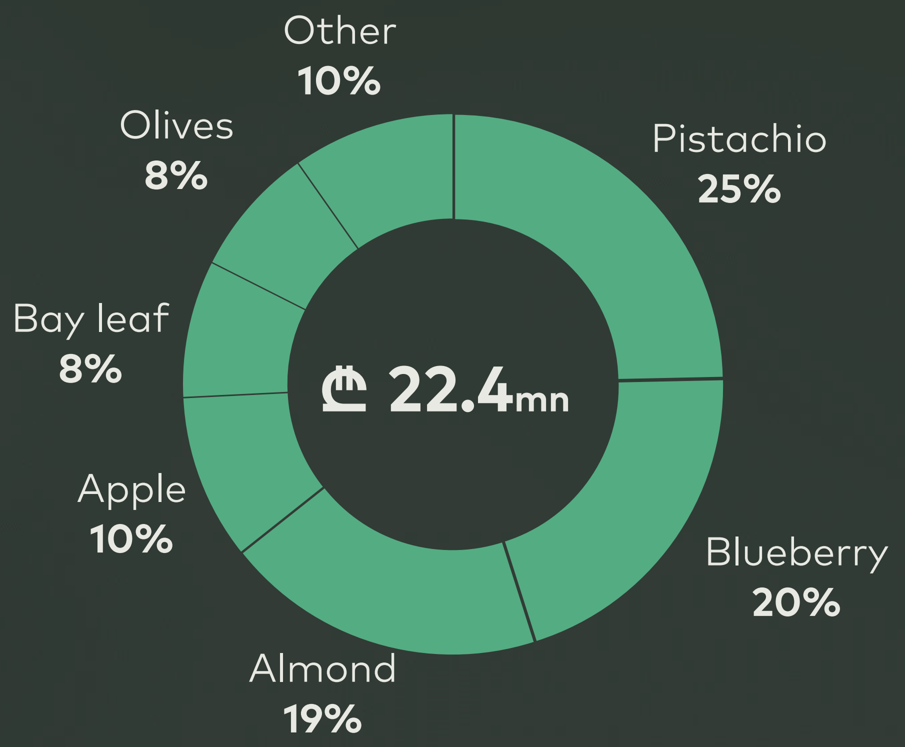
Source: Geostat, Galt & Taggart: Note: IRR to equity

Government programs play an important role in improving sector efficiency and developing new export opportunities

Government spending on agriculture, GEL mn



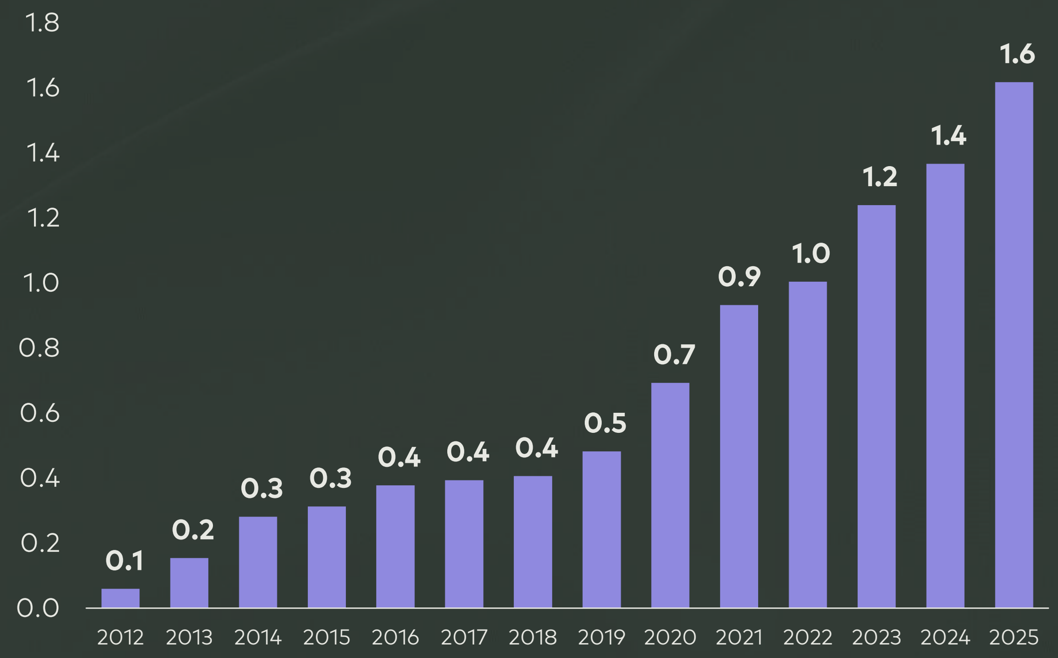
Orchards financed under the "Plant the Future" program, 2025



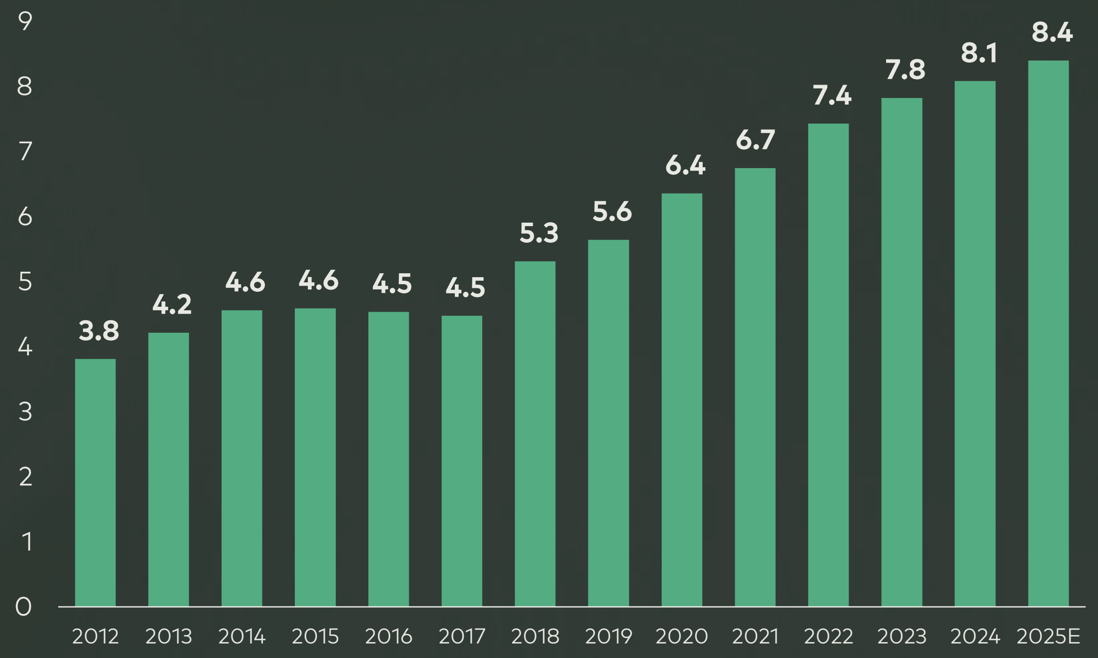
Source: Geostat, Ministry of Finance, Rural Development Agency, The Ministry of Environmental Protection and Agriculture of Georgia Galt & Taggart; Note: the "Plant the Future" program illustrates the The orchard and berry financing components have been selected from the "Plant the Future" program

Agricultural production has doubled since 2018, supported by increased lending and government-backed agro-credit programs

Bank lending to agriculture, GEL bn



Gross agricultural output, GEL bn



Source: Geostat, NBG, Galt & Taggart;

Key priority for agricultural development is to increase productivity and diversify exports

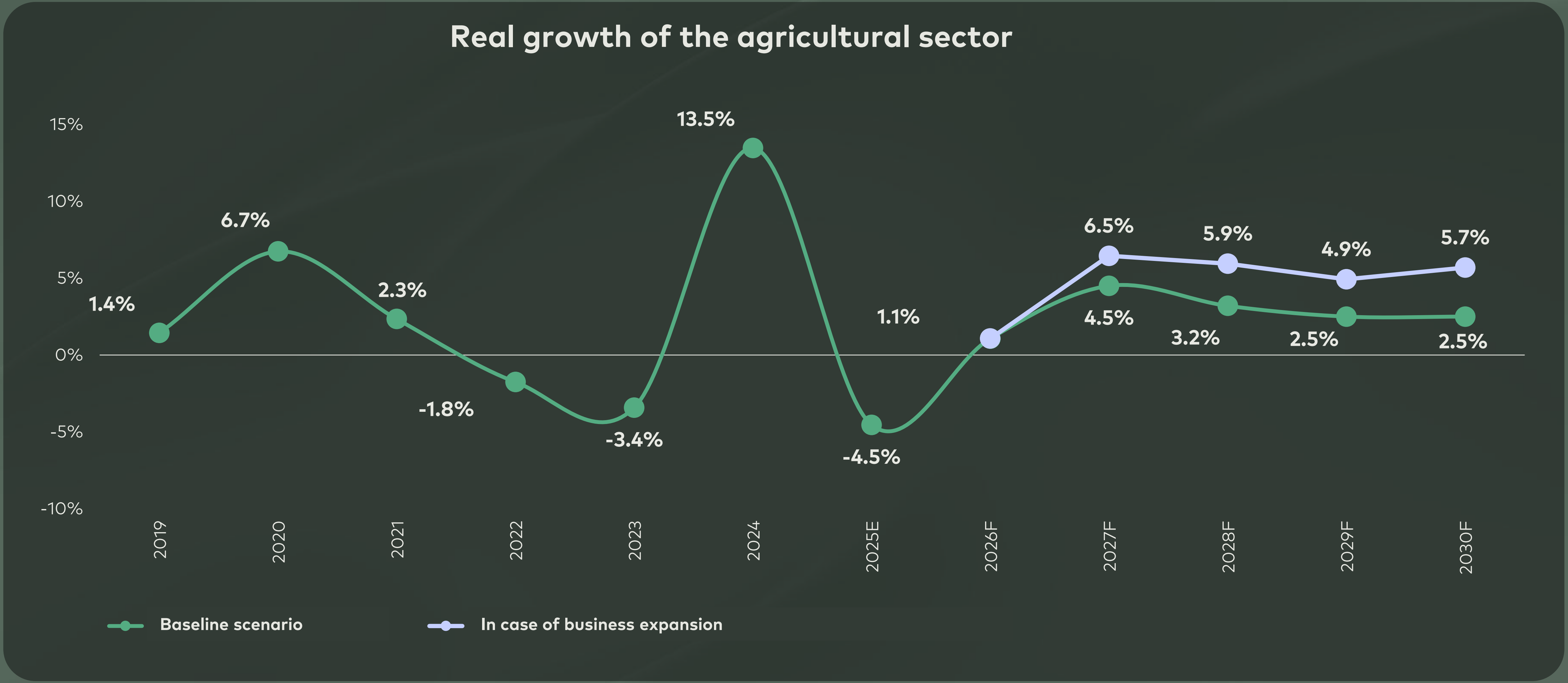
Challenges

- Low corporatization
- Lack of knowledge/data
- Low technological intensity
- Irrigation
- Crisis management

Opportunities

- Accessing new export markets
- Development of logistics
- Government support
- Import substitution
- Vertical integration

Business expansion and increased investment will double the growth rate of agriculture



Source: Geostat, Galt & Taggart;

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