

## **Priorities of Rural and Agriculture Modernization of Georgia**

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The present abstract was prepared due to the following reasons, including: a) Association Agreement concluded between Georgia and EU on June 27, 2014 under which Georgia has committed to its rural and agriculture development in compliance with EU policy and best practices; b) Social issues (mostly caused by COVID-19 pandemic); c) Regional war conflicts and geopolitical instability (Azerbaijan -Armenia, Russia – Ukraine ...); d) Macroeconomic and political instability resulted in increased demand for food production. As a result, the prices on food products have been significantly raised which led to instability of domestic currencies, including Georgian Lari (GEL). The research showed that the aforementioned objectives can be achieved through complex solutions of the four priorities:

**Priority 1. Rational and efficient land use:** agricultural land inventory, develop land tenure plans by municipalities, develop land balance, establish „The state fund of land acquisition”, draft and approve the land code, develop a master plan for land degradation control, adopt modern soil cultivation practices, develop a scheme to monitor the usage of mineral and organic fertilizers and their imports, update the land legislation;

**Priority 2. Rural development:** prioritize establishing cooperatives based on the principle “one village - one cooperative”, communal lands should be transferred back to villages for use for an indefinite period of time, the community (village) will be responsible for its own development and modernization, each village should have its own sustainable development (social economic and environmental) strategy and its own investment fund comprising internal and externally mobilized financial resources, adoption and spreading of the advanced innovative practices, establish specialized educational-innovational regional/municipal centers with demonstration plots, small greenhouses and artificial insemination livestock farms, small guesthouses, conference/training center with IT systems, small equipment for weather forecast and other innovative technologies. Such centers should be able to earn income (developing business plans, investment and grant projects, etc.), review and teach the best agricultural, veterinary, bioengineering, IT and other practices, analyze their potential for Georgia and facilitate their adoption;

**Priority 3. Food security:** to improve local production of crops and forage for cattle farming, agribusiness in order to achieve self-sufficiency in staple food products, developed on the norms of food product consumption, several scenarios of staple food production (Wheat, Corn, Oats, Barley, Potatoes, Beans, Vegetables, Fruits, Meat products, Eggs, Milk and dairy products, etc) and their shares in the food demand and needs of the population of Georgia have been forecast for the period of 2023-2030;

**Priority 4. Export-oriented approach:** create “Specialized/agricultural investment fund“ for the adoption of international innovative agri-food technologies; directing banks and financial institutions towards the comprehensive development of the agri-food industry; simplifying the foundation and registration procedures for Georgian and foreign joint ventures with the foreign capital can be attracted through the preferential regime; the Prime-Minster should guide the investment business model of rapid modernization with the relevant ministries, their affiliated organizations, municipalities, companies involved as stakeholders in the process.