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 **Headway**
July 30, 2008 ★ www.mcc.gov

Georgian Farm Services Centers Equip Farmers to Increase Productivity

Farmers in Kaspi, a rural district in central Georgia's Shida Kartli region, now have access to a state-of-the-art Farm Service Center selling fertilizers, seeds, tools, veterinary preparations and disinfectants, and appropriate pest management solutions. This one-stop agricultural shop, created through a grant provided by the Millennium Challenge Georgia (MCG) Agribusiness Development Activity, also provides tractor rentals and training on the use of modern agricultural technologies.

These basic services create previously unavailable opportunities for farmers in this promising agricultural region. The transition from centrally planned agriculture to a market economy has been paved with barriers to prosperity. During Soviet times, farmers worked for state farms that mostly produced two staples: tea and grapes. All inputs and machinery were provided by the state and independent farming activities were limited.

Farmers now struggle to diversify their crops and increase their productivity as they have little access to quality seeds and fertilizers as well as a limited understanding of modern agricultural techniques. Often, they leave their land uncultivated simply because machinery is unavailable.

“Farm Service Centers are especially helpful as they will represent a countrywide network of standardized agri-markets and will also offer extension services – so crucial for local farmers in this transition period,” explains Rusudan Kacharava, Director of the Agribusiness Development Project of MCG.

“Development of the agricultural sector is impossible without increasing farmers’ knowledge of new technologies and access to high quality inputs,” agrees Tamaz Niparishvili, local entrepreneur and director of Kaspi’s Farm Service Center.



Tamaz Niparishvili obtained a grant from Millennium Challenge Georgia to open a Farm Service Center in Kaspi. Niparishvili used matching personal funds to expand his store and equip it with a warehouse and training facilities.



Niparishvili already had a small shop in Kaspi and, knowing what he needed to tap into new opportunities, used the grant from MCG to buy a tractor, a delivery van and an initial inventory of farm supplies. He also devoted personal funds to expand his store and equip it with a warehouse and training facilities.



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Kaspi has approximately 11,000 hectares of arable land and orchards, so Niparishvili is confident that the demand for the Farm Service Center can only grow, as it provides critical services to clients in the region. Not only will Niparishvili's shop rent machinery to farmers but it is also planning to bring consultants to farmers' plots to provide them with advisory services that will expose them to new techniques and help them make better informed decisions.

Kaspi's Farm Service Center is among the first of a network of 30 planned by MCG. As of May 2008, MCG's Agribusiness Development Activity had awarded \$550,990 in grants for the establishment of 12 Farm Service Centers. Grantees have contributed \$914,000 of their own funds to the centers. In addition to the farmers that will benefit from the Farm Service Centers' supplies and technical support, the centers themselves are expected to create 90 new jobs.

An innovative partner who is leading the way, Niparishvili states that "There is a lot to do. We want to increase the competitiveness of Georgian agribusiness. The development of the agricultural sector in the region will bring stable incomes and improve farmers' standard of living."

For more information on MCC's innovative \$295 million compact with Georgia, visit www.mcc.gov.