

AGRICULTURAL SCIENCES

GEORGIA'S FOOD SECURITY: REALITY AND CHALLENGES

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Abstract

The article discusses the food security of the state and its special place in the security structure. The authors note that the problem includes multi-vertical (macro economics-household-individual) and horizontal (regional-spatial) institutional-organizational and mental aspects of statehood. According to the authors, there is a high correlation between the level of stability of the state and the country's food security; We believe that they are particularly relevant for Georgia, which is in the process of institutional reconstruction and development and also has a high vulnerability in terms of food security. The authors consider two reasons for this: on the one hand, the relatively low level of agricultural development and efficiency in Georgia and, on the other hand, the high level of dependence on imports to provide the country's population with food.

According to the authors' recommendation, the government of the country should confront this situation with a more targeted, effective, and, to some extent, protectionist agrarian policy, the goal of which will be the expansion of local food products, food production, the scale of the processing industry based on the use of the appropriate grain base and the latest technologies, the social and economic prestige of labor in the agricultural sector. raise. An important reserve in this direction is the country's land fund and increasing the efficiency of its use.

Keywords: Food security, Agro-food products, self-sufficiency, food products, dependence on imports.

Introduction

Food security, in its full, broad sense, is a two-component concept: firstly, it represents the possibility of access to food products necessary for the life and normal physical and social functioning of the population of a particular country (in specific cases - of this or that region), and secondly, it is the country's the potential to produce and access food products in such quantities that will not make the given state too dependent on other countries, without turning the latter into a tool for political influence on the food supply process (embargoes, cabal supply conditions, price manipulation, etc.).

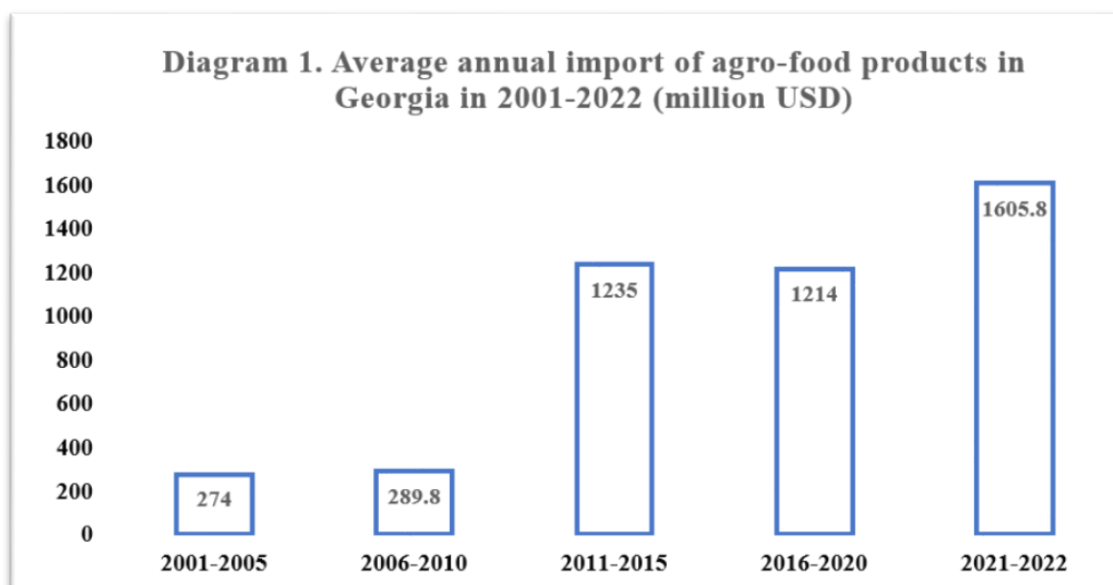
Naturally, food security at the level of each household is determined by a stable income that is sufficient for the normal physical functioning and social activity of its members.

Discussion

Despite some recent signs of stabilization, agriculture remains the weakest link in the Georgian economy. Labor productivity in this area is 3-4 times lower than in other sectors of the economy, and although the ratio of wages to the average national

indicator is much higher than the similar indicator with labor productivity (the average wage in agriculture is at the level of 2/3 of the rest of the sectors of the economy, while Productivity is less than 2/5), the economic and social attractiveness and prestige of activity in the agricultural sector is still quite low. The mentioned circumstance leads to a systematic outflow of the labor force from this sector to other sectors of the economy and outside the country, and its shortage is increasingly observed in rural areas.

All this adequately reflects the role and weight of agriculture in the country's national economy and food supply. Compared to 1990, the share of agriculture in the economy of Georgia decreased 4 times or more (from 30.0% in 1990 to 7.4% in 2021), including wheat production - approximately 2.4 times, corn production - 1.2 times, potatoes - 3.9 times, vegetables - 3.0 times, meat - 2.3 times, eggs - 1.2 times. The yield level in Georgia is about 3-4 times lower than the European average. Productivity lags even further in other aspects, for example, the average yield of flour (1543 liters) in Georgia is almost 6 times less than the average European level (about 9000 liters).



After gaining independence, a significant trend can be observed: the import of agricultural products and food products to Georgia is growing rapidly. Its volume in Georgia in 2022 compared to the beginning of the century increased 11.0 times, while the country's economy - about 3.1 times, and agricultural products only 1.3 times. Such dependence on imports, in addition to reducing the number of jobs and leading to an increase in unemployment (in parallel - the

motivation for emigration), leads to the outflow of foreign exchange resources from the country. Only during the last ten years, has the total negative trade balance of agro-food products reached 3.5 billion, exceeded the US dollar, and since the beginning of the century - 11.0 billion. US dollars.

Table (1) shows the ratio of imported and local products in the resources of the main agricultural products.

Table 1.

The ratio of imports to local production by types of main agricultural products in 2021 (%)

Product	%
Wheat	354.4
Corn	35.6
Potatoes	8.1
Vegetables	72.5
Meat	116.8
Milk and milk products	26.4
Egg	2.6

As for such important consumer products as oil and sugar, the share of their local production in the country's resources is insignificant, and their import costs the country tens of millions of US dollars every year (in 2022, oil imports to Georgia amounted to 55.2 million US dollars, sugar - 94.4 million US dollars).

According to the latest statistical data, the level of self-sufficiency of the country is wheat - 22 percent, corn - 74 percent, potatoes - 115 percent, vegetables - 61 percent, meat - 51 percent, milk and dairy products - 81 percent, eggs - 98 percent, oil - 4 percent, with sugar - 0 percent.

The products named according to the level of self-sufficiency of Georgia can be divided into three groups:

The first - high - products, the share of local production in consumer resources is high (90% and more). At the modern stage of development for our country, these are potatoes and eggs;

The second is a group with significant deficits. These include meat, milk and dairy products, vegetables, corn. According to them, the level of self-sufficiency ranges from $\frac{1}{2}$ to $\frac{3}{4}$;

Third - products with acute shortage. The level of self-sufficiency in products of this group is below 25 percent (wheat, sugar, oil).

However, despite its rather high cognitive and applied value, the self-sufficiency rate does not serve as a solid, objective indicator of food security. Although it shows the share of local production in the balance of relevant products, it does not tell us anything about how the population is provided with relevant products about the rational norm of consumption. For example, the level of self-sufficiency in meat is 51 percent, which tells us that out of the average annual consumption of 38 kg per head of the population, about 19.4 kg is locally produced, but this 38 kg is only 60 percent of the rational consumption level (63 kg per year), is already completely different. Puts the problem of food security in context. - To achieve a rational level of consumption of meat and meat products, it is necessary that the total annual consumption is 25 kilograms more than the actual one! This would require an increase of about 2.3 times over current levels of local production or imports. To cover the said deficit at the expense of

imports, it would be necessary to increase annual imports from the current 93.1 mln. from USD to USD 216.0 million. Each household would need an additional 100-100 GEL every month to buy meat and meat products, taking into account their prices and the affordability of the household, which is about 8 percent

of the current household income. As we can see, with this particular consumer product and in general, the solution to the food security problem simultaneously goes through a significant increase in the production/import of the relevant resources and the income of the population.

Table 2.

Added value produced in the agricultural sector in Georgia and import and export of agro-food products in 2010-2022 (million USD)

	2010	2015	2020	2021	2022
Added value created in the agricultural sector in US dollars, at the average annual exchange rate of GEL/\$	1034,5	1168,0	1154,7	1204,6	1480,0
Import of Agrofood products	964,4	1111,5	1212,6	1354,0	1857,6
Export of Agrofood products	349,3	612,3	942,3	1142,0	1261,7
Percentage ratio of Agrofood products to the added value created in the agricultural sector:					
- import	93,2	95,2	105,0	112,4	125,5
- export	33,8	52,4	81,6	94,8	85,3

The volume of products produced in the agricultural sector and the import of agro-food products can be considered serious indicators of food security. Their formation is indeed based on different pricing methodologies, but they present a fairly objective picture for characterizing the general trend.

The mentioned table allows making two important conclusions:

First, the ratio of imports to local production is increasing. - Despite the growth of the agricultural sector of Georgia, which increased almost 1.5 times after 2010, during the same period, the import of agro-food products doubled, due to which the ratio of the latter to the value of agricultural sector products increased by 32.3 points;

Secondly, parallel to the increase in imports, the export of agro-food products is also growing significantly - it was 349.3 million in 2010. 1261.7 million in US dollars by 2022. increased to the US dollar (3.6 times), which reduces the share of products of local origin in the consumer market of Georgia at an even faster pace, which currently does not exceed 15-20 percent.

In such conditions, the saturation of the local market with food creates an illusory effect of a good situation. - The saturation of the market is largely related to the low solvency of a significant part of the population. Given their much higher income levels, the current supply of most types of food products (local production + imports) would not be sufficient to meet their needs, even within physiologically recommended norms. In addition, excessive dependence on imports increases the fragility of the country's food security and risks in the event of external negative factors (unfavorable supply conditions).

Excessive dependence on imports, especially if a country has a monopoly on the import of goods, makes the receiving country a potential supply hostage, with at least three threats:

First, immediate stoppage of supply, embargo, or sanctions on these products will create serious problems in meeting the needs of the country's population, as it will be necessary to rearrange the supply chains, which is a time-consuming process. In

addition, such a situation, as a rule, significantly increases the price of products in the consumer market;

Second, the export quota in the supplying country, the introduction (increase) of export duties also increases the price of products and directly affects the well-being of the population;

Thirdly, the government of the country should oppose the mentioned situation with a more targeted, effective, and to some extent, protectionist agrarian policy, the purpose of which will be to expand the scale of the processing industry based on the use of local food products, food production, the appropriate grain base, and the latest technologies, to raise the social and economic prestige of labor in the agricultural sector. An important reserve in this direction is the increase in the efficiency of the use of the country's land fund, 85 percent of which is still owned by the state.

Conclusion

Although the importance of food security seems to be easily perceived and understood at different levels of public life, the attitude towards it is still far from ideal, which cannot respond to the challenges and risks that poses to the country's security in terms of food security: agriculture, and in general, local agro-food products. The dynamics of production growth lags behind the requirements of the time, with individual food products, where the country has the production potential, the level of self-sufficiency (meat, wheat, oil, etc.) is low or critically low. Moreover, the level of self-sufficiency is determined by the available resources, while the ratio of the volume of these resources to the level of providing food products for the entire country's population at a rational level is only about 50-80 percent. Low labor productivity and, accordingly, relatively low wages, despite individual segmental successes and breakthroughs in terms of productivity, introduction of new technologies, investment attraction, and remuneration, which have not yet acquired a systemic character, create a rather fertile ground for the migration of the most mobile, able-bodied part of the rural population to urban areas or abroad. This creates a problem for the country's security in other directions - demographic and military.

From the point of view of state security, the increase in the competitiveness of imported dumped products in the conditions of national currency strengthening, compared to local production, is not uncommon.

The strategic direction of the state's economic and agrarian policy should be to increase the effectiveness of the use of all resources available in the country, including the land, the sharp increase in the motivation of the workforce, the connection with the land resources and other components of agricultural products, using the relevant economic and financial levers, including the subsidy system. , with the formation of tax benefits and a preferential credit system.

Food security is not only an important component of national security, but by its essence and influence on the physical and mental health of society members, their economic and social activity, and motivation, it has a significant impact on other components of national security as well, and accordingly, it requires much more institutional, organizational and financial support and provision.

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