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**GEORGIA**

# SUCCESS STORY

## Cultivating Georgia's Herb Industry

### Exporter seeks to grow market by increasing credit access for farmers



Using modern post-harvest handling technologies and a new type of packaging allowed Herbia to enter higher-end European markets, in addition to continuing to export to Ukraine and the Commonwealth of Independent States countries.

***“We believe that giving farmers access to credit is crucial for industry development,” said Zurab Janelidze, Herbia’s director.***

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Small-scale farmers in Georgia face numerous challenges. Deficient production practices and technologies combined with lack of access to agricultural credit are among the shortcomings hindering the development of the country’s fresh herbs industry.

A major exporter, Herbia, Ltd., in Imereti Province’s Tskaltubo District, has helped 150 local small-scale growers, each owning at least 650 square meters (about 7,000 square feet) of greenhouse space, obtain agricultural credits. Serving as a reputable and trustworthy guarantor, Herbia acted as an intermediary between the small-scale growers and the Bank of Georgia by providing company real estate as collateral and backing it up with its history of professionalism and accountability. Now, each farmer has working capital to cover operations and input supply costs.

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Herbia emerged as a major consolidator and exporter of fresh herbs primarily due to assistance from USAID. With USAID’s help, it was able to construct a modern consolidation/pack house in Tskaltubo equipped with forced air cooling and modern post-harvest handling technologies. The project developed and implemented a strategy focused on penetrating alternative, higher-end export markets. USAID also helped it develop a business plan for establishing the first industrial, 4-hectare (9.8 acre) greenhouse in Tskaltubo.

“We were already very thankful for Herbia because it provided a steady and fair market for our produce,” said Alexander Janelidze, a local supplier who grows fresh herbs in the village of Tkachiri. “Without their support, these financial resources would not have been available to us. This intervention enables us to grow and sell high-demand herbs in a timely manner,” he said.

Seasonally, farmers supply Herbia with 300 tons of herbs. It is expected that, with Herbia’s support, growers can increase production capacity by approximately 25 percent.