



LEPL NATIONAL WINE AGENCY

Report

2024

Third quarter

Introduction

The main activity of the LEPL National Wine Agency is to promote the development of viticulture and winemaking. To achieve this goal, the National Wine Agency focuses on the following areas:

- ◆ Development of viticulture.
- ◆ Promotion of Georgian wine and growth in exports
- ◆ Initiatives to support the harvest process
- ◆ Research and popularization of Georgian grape culture
- ◆ Development of the Georgian wine place of origin system
- ◆ Laboratory analysis of wine

Among the activities carried out in the third quarter of 2024, it is worth noting:

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Harvest 2024



On August 20, the vintage coordination headquarters was opened in Telavi, attended by the Minister of Environment Protection and Agriculture, Otar Shamugia. The minister noted that the state has prioritized the viticulture and winemaking sector for years, making significant investments to support its development.

During the harvest, the coordination headquarters in Telavi and Ambrolauri, as well as the Ministry of Environment Protection and Agriculture hotline (1501), operated 24 hours a day.

As of October 1, 268,000 tons of grapes were processed in Georgia, with 265,000 tons harvested from Kakheti, 1,600 tons from Racha, and the remainder from various wine-growing regions across the country. A total of 450 wine companies and wineries participated in the harvest process.

To promote the sale of the harvest by winegrowers, maintain grape quality, and support the stable development of the wine industry, the Government of Georgia implemented a harvest subsidy:

- In the Kakheti region, all companies that pay at least 1.00 GEL to vine growers for 1 kg of Rkatsiteli will receive a state subsidy. Additionally, since September 13, "Harvest Management Company" Ltd. has been purchasing 1 kg of Saperavi grapes from vintner farmers for 1.50 GEL.
- In the Racha region, all companies that pay at least 8 GEL to winegrowers for 1 kg of Alexandrouli and Mujuretuli grapes grown in the Khvanchkara microzone will receive a subsidy. In exchange for the purchase of 1 kg of Alexandrouli and 1 kg of Mujuretuli, the state subsidy of 4 GEL will be provided to the companies.

According to the coordination headquarters, the harvest management company LLC promptly began collecting grapes damaged by the strong hail and wind that affected the Kakheti region on August 23-24, starting from the second day of the disaster. Winegrowers were compensated 1.00 GEL for 1 kg of damaged, out-of-condition grapes. A total of 1,800 tons of damaged grapes were processed.

During the harvest period, the National Wine Agency employed about 100 young people as operators in wine enterprises. Selected candidates received special training from specialists at the Ministry of Environment Protection and Agriculture at the vintage coordination headquarters. The vintage Marshal Gelovani str. 32, 0159, Georgia, Tbilisi. T: +995 32 974103. ,

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registration program has been operational in the country since 2013, ensuring the collection of complete and accurate data on submitted grapes, which is crucial for producing high-quality wine.

Promotion of Georgian wine



The state program for the promotion of Georgian wine this year was set at 16 million GEL, which is 2 million GEL more than the budget for 2023.

From January to September, Georgian wine was showcased at 27 international exhibitions and festivals, along with 80 tasting presentations, involving a total of

150 Georgian wine companies. These presentations took place in 14 countries: the USA, Norway, Italy, the Netherlands, Japan, Poland, Germany, China, France, Great Britain, Belgium, Hungary, the Republic of Korea, and Latvia.

Additionally, Georgian wine was featured in Georgia at 12 exhibitions/festivals and 12 tasting presentations, and 14 wine tours were organized with the participation of foreign wine professionals.

Among the events held in the third quarter, it is worth noting

„Seoul International Wine and Spirits Expo 2024“

From July 4 to 6, ten Georgian wine-producing companies participated in this international wine and spirits exhibition in Seoul. Additionally, with the support of the National Wine Agency and organized by Chan Jun Park, the vice-president of the Korean International Sommeliers Association and the founder of the Korean Wine Writers Club, a large-scale tasting of Georgian wine took place, attended by more than 150 guests.

Georgian Wine Festival in Krakow

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On July 7-8, with the support of the National Wine Agency and the organization of its contractor, "O-Lile," a Georgian wine festival was held at the historic Dwór w Tomaszowicach palace in Krakow, Poland. Approximately 20 Georgian wine companies, including large, medium, and small producers, participated in the festival. The event attracted around 1,000 guests, including local importers, representatives from the HoReCa sector, wine consumers, journalists, and bloggers.

Presentation of Georgian Wine in Berlin

On July 9, a presentation-seminar on Georgian wine took place in Berlin, Germany, at the Deutsche Wein und Sommelierschule wine institute. The event was attended by international marketing experts, students, and wine enthusiasts, and was chaired by Yvonne Heistermann, president of the German Sommelier Association.

Texas Sommeliers Conference TEXSOM

From August 25-27, as part of the TEXSOM Sommeliers' Conference, a large-scale tasting of Georgian wine was held in Irving, Texas, USA. Approximately 70 different Georgian wines were presented at the tasting. The event attracted experts and professionals from the wine industry, significantly contributing to the awareness of Georgian wine in professional circles, promoting its popularity, and ultimately boosting worldwide sales.

Visit of German Wine Professionals

From September 3-8, German wine journalists, bloggers, and sommeliers visited Georgia. The guests explored more than 10 companies and cellars producing Georgian wine in the regions of Kartli and Kakheti, tasting various styles of Georgian wine. The group included the well-known influencer and sommelier Toni Askitis, who shares news and trends in the wine industry on his popular channel, #Asktoni.

Georgian Wine Campaign in the USA

The United States is a strategic market for Georgian wine. Since 2013, measures implemented with the support of the National Wine Agency have significantly increased awareness of Georgian wine in the USA.

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In September and October, an active campaign was launched to promote and raise awareness of Georgian wine in the US market:

- From September 16-18, Emily Saladino, an editor at the prestigious American wine publication "Wine Enthusiast" and a member of the tasting commission, visited Georgia. During her visit, she conducted a blind tasting of Georgian wines, evaluating the samples according to the 100-point rating system used by Wine Enthusiast. She also toured the Kakheti region. The evaluations of the wines presented at the tasting will be published on the Wine Enthusiast website.
- From September 7-13, a tour for American wine professionals took place in Georgia. The 12-member group included representatives from the wine trade and Colangelo & Partners. During the tour, the wine professionals visited Georgian wine producers in Kakheti and Kartli, where they learned about Georgian winemaking technology and tasted both classical and traditional Georgian wines on-site.
- From September 15-20, a press tour for American wine journalists was held in Georgia, during which wine professionals again visited Georgian wine producers in Kakheti and Kartli, learned about Georgian winemaking technology, and tasted both classical and traditional Georgian wines on-site.
- Starting September 23, for two weeks, outdoor advertising banners for Georgian wine were displayed on 25 lightboxes in Manhattan, New York City.
- On September 26, a large-scale presentation of Georgian wine, titled "Grand Tasting," was held in New York City for wine professionals, media representatives, and members of the commercial sector. Approximately 400 attendees participated in this significant event.
- In October and November, an advertising campaign for Georgian wine will be featured in the prestigious publication "The New York Times." On the official website of The New York Times, a block banner will display a slideshow of Georgian wine advertising. The average weekly viewership for the publication exceeds 100 million users.

Presentation of Georgian Wine in the Republic of Korea

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On September 24, a large-scale presentation of Georgian wine was held in Seoul. The event featured a professional master class and a presentation for 300 invited guests, including experts in winemaking, sommeliers, buyers, media representatives, and influencers. At the tasting, 40 different wines from 15 Georgian producers were showcased. Additionally, a master class on pairing Georgian wine with Korean cuisine was conducted.

Export of Wine and Alcoholic Beverages for the First 9 Months of 2024



In the first nine months of 2024, Georgia exported 73.6 million liters of wine worth 214.5 million US dollars to 68 countries. Compared to the same period last year, the quantity increased by 9%, and revenue grew by 11%.

Notable export growth was observed in the following countries: Poland - 12% (4.5 million liters), Germany - 30% (1 million liters), USA - 66% (994 thousand liters), Lithuania - 3% (480 thousand liters), Great

Britain - 19% (245 thousand liters), Turkey - 44% (334 thousand liters), Canada - 16% (154 thousand liters), and South Korea - 50% (68.5 thousand liters).

A total of 36.3 million liters of alcoholic beverages were exported to 55 countries, representing a 65% increase compared to the same period last year. Revenue from the export of alcoholic beverages reached 210 million US dollars, marking a 61% increase.

Quality Control

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To enhance the competitiveness of alcoholic beverages produced in Georgia within local and international markets, the relevant services of the National Wine Agency regularly monitor the quality of Georgian wine and other alcoholic beverages.



In the first nine months of 2024, inspection control was conducted in 75 companies for quality assurance of wine and alcoholic beverages. A total of 1,462 samples were taken, revealing violations in 15 samples from 10 companies. Additionally, 9 state inspections were carried out in 6 companies, with 52 samples taken, and violations found in 21 samples from 1 company.

In the economic zone of clearance, international audit companies "Bureau Veritas" and "SGS" conducted inspections in 59 companies, collecting 321 samples, with violations noted in 6 samples from 2 companies.

Control of the internal market was performed on products from 78 companies, with 136 samples taken, of which violations were found in 73 samples.

Tastings

For the organoleptic testing of export alcoholic beverages, 137 tastings were conducted from January to September. A total of 6,327 samples were submitted, of which 6,049 were evaluated as positive and 278 were evaluated as negative.

Certification

During the reporting period, a total of 6,983 applications for certification of export documentation were submitted. Based on these applications, various documents were issued, including:

- Form VI-1 certificate (for European Union countries) - 1,852 pieces

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- Certificate of conformity - 6,564 pieces

In total, 8,416 certificates were issued by the National Wine Agency's certification department to various alcoholic beverage producing companies.

Vineyard Cadaster Program



In the third quarter of the current year, the following activities were undertaken to complete the vineyard cadastre, ensure the proper functioning of the system, and update cadastral information:

- Registration of new winegrowers and vineyards throughout Georgia.
- Systematically updating winegrowers'

information in accordance with established cadastral norms.

- Preparing a tender proposal and conducting a tender, resulting in the selection of "Ruka Mapping" as the winning company. This company will perform aerial photography of the viticulture zones in Meskheta and Western Georgia, as well as produce maps.
- A meeting was held with Rudy Favaro, the Director of the Cadastre Information System Abaco, and Project Manager Cristian Shingo to enhance the system. An agreement was reached on implementing several improvements.
- During the harvest, cadastre employees across Georgia ensured the accuracy of the registration of winegrowers and their vineyards in the cadastral system.
- Conducted systematic field inspections of vineyards in the Kakheti, Racha, and Lechkhumi viticulture zones.

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Research and Promotion of Vine and Wine Culture



Within the framework of the "Promotion of the Origin of Georgian Grapes" program, the following activities were undertaken during the reporting period:

- The book "Racha-Lechkhumi Viticulture Regions," authored by Luka Gventsadze in 1940 and previously unpublished, has been prepared for printing. This work will be published as part of the series "Georgian Grapes and Wine: Literary Heritage," established by the agency.
- To develop the theoretical basis for bio-molecular analysis spearheaded by Professor Patrick McGovern, a collection of grape samples from wild

and cultivated varieties and the production of experimental wines commenced on August 1, involving researchers from the Caucasus International University. In the second stage, a complex chemical analysis of these samples will be conducted in U.S. laboratories led by McGovern.

- In September of this year, the "Lechkhumi (Dekhvir) Archaeological Expedition" conducted excavations to study an ancient monument located near the Dekhvir Archaeological-Ethnographic Museum. The goal was to obtain archaeological and archaeobotanical materials related to viticulture and winemaking for further study.

- The laboratory analysis of the archaeobotanical and paleobotanical materials collected during this year's excavations at the "Azizkendi" (Chalcolithic period) archaeological site, conducted by the Georgian-Canadian expedition, has commenced at the National Museum of Georgia.

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- Three samples of vine pips, discovered during the archaeological excavations of the ancient site, were sent to the Weizmann Institute of Science laboratory in Israel for radiocarbon dating.
- Researchers Gabriele Cola and Gabriela de Lorenzis from the University of Milan (Italy) have been officially invited to join the project to process agrometeorological information and conduct molecular studies.

The activities carried out by the National Wine Agency are actively covered in print, electronic, social and television media: (<http://wine.gov.ge/>,

<https://www.facebook.com/nationalwineagency/>,

<https://www.youtube.com/channel/UC0CPwXo8f7-QA329kmicFwQ>)

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