

Risk-taking and Avoidance Decisions in Pandemic Agriculture in Georgia

Authors : Nino Damenia

Abstract : The paper discusses the risks arising in agriculture in Georgia, the possibilities of their acceptance and prevention, the threat created by the pandemic crisis, and the state programs for overcoming them. The share of agriculture in the country's GDP is 8.3%. Over the past five years, Georgia has imported \$ 5.9 billion worth of agri-food products. Despite these figures, agriculture has become an important sector for the Georgian government since 2012, as evidenced by the more than 1.5 billion GEL spent from the 2012-2020 budget for agricultural development. Any field of agriculture, be it poultry, livestock, cereals, fruits, or vegetables, is very sensitive to various climatic and viral risks. Avoiding these risks requires additional investment. It is noteworthy that small farms are mainly affected by the risks, while relatively large farms face fewer problems because they are relatively prepared to face the problems and can avoid them more easily. An example of viral risk in the article is the export of hazelnuts, which has quite a lot of potential. Due to the spoilage of the crop caused by Brown Marmorated Stink Bug (BMSB), hazelnut exports have declined considerably over the years. If the volume of hazelnuts exported in 2016 was 179 378 thousand USD, due to the deficit caused by Brown Marmorated Stink Bug (BMSB) in 2018, it became 57 124 thousand USD. And after the situation was relatively settled, hazelnut seedlings were poisoned. By 2020, this figure improved to 91,088 thousand US dollars. The development of the agricultural sector and the reduction of risks require technological development, investor interest, and even more state support to enable more small farms to have the potential for greater production and sustainable development. The aim of the study is to identify the risks arising in the agricultural sector of Georgia before and after the pandemic, to evaluate them, compare them with the agriculture of some European countries, and to develop the necessary recommendations to avoid the emerging risks. The research uses methods of analysis and synthesis, observation, induction, deduction, and analysis of statistics. The paper is based on both Georgian and foreign scientific research, as well as state-published documentation on agricultural assistance programs. The research is based on the analysis of data published by the European Statistics Office, the National Statistics Office of Georgia, and many other organizations. The results of the study and the recommendations will help reduce the risks in agriculture in Georgia and, in general, to identify the existing potential and the development of the sector as a whole.

Keywords : risk, agriculture, pandemi, brown marmorated stink bug (BMSB)

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