

## Farm Diversification and the Corresponding Policy for Its Implementation in Georgia

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**Abstract :** The paper shows the necessity of farm diversification in accordance with the current trends in agricultural sector of Georgia. The possibilities for the diversification and the corresponding economic policy are suggested. The causes that hinder diversification of farms are revealed, possibilities of diversification are suggested and the ability of increasing employment through diversification is proved. Index of harvest diversification is calculated based on the areas used for cereals and legumes, potatoes and vegetables and other food crops. Crop and livestock production indexes are analyzed, correlation between crop capacity index and value-added per one worker and one ha is studied. Based on the research farm diversification strategies and priorities of corresponding economic policy are presented. Based on the conclusions relevant recommendations are suggested.

**Keywords :** farm diversification, diversification index, agricultural development policy

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