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## Small Farm Diversification Opportunities in Viticulture-Winemaking Sector of Georgia

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**Abstract :** The paper analyses the role of small farms in socio-economic development of agriculture in Georgia and evaluates modern concepts regarding the development of the farms of this size. The scale of farms in Georgia is studied and the major problems are revealed. Opportunities and directions of diversification are discussed from the point of increasing the share of Georgian grapes and wine both on domestic and international markets. It's shown that the size of vineyard areas is directly reflected on the grape and wine production potential. Accordingly, vineyard area and grape production dynamics is discussed. Comparative analysis of small farms in Georgia and Italy is made and the major differences are identified. Diversification is evaluated based on cost-benefit analysis on the one hand and on the other hand, from the point of promoting economic activities, protecting nature and rural area development. The paper provides proofs for the outcomes of diversification. The key hindering factors for the development of small farms are identified and corresponding conclusions are made, based on which recommendations for diversification of the farms of this size are developed.

**Keywords:** small farms, scale of farms, diversification, Georgia

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