



USAID
FROM THE AMERICAN PEOPLE

2023

USAID AGRICULTURE PROGRAM



UNLOCKING POTENTIAL FOR GEORGIAN WINE IN U.S. MARKETS



Cultivating New Frontiers in Agriculture (CNFA)



CNFA

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Unlocking Potential for Georgian Wine in U.S. Markets

Introduction

As the birthplace of wine, Georgia has a rich winemaking history spanning thousands of years. The country is renowned for its distinct winemaking methods and actively boasts over 500 grape varieties, with qualities unique to each region. [1] These traditions hold great significance in Georgian culture and the same can be said about its importance to the economy, with the wine industry accounting for approximately 1% of the country's annual GDP and supporting the livelihoods of more than 120,000 wine grape growers, wine manufacturers and exporters.[2]

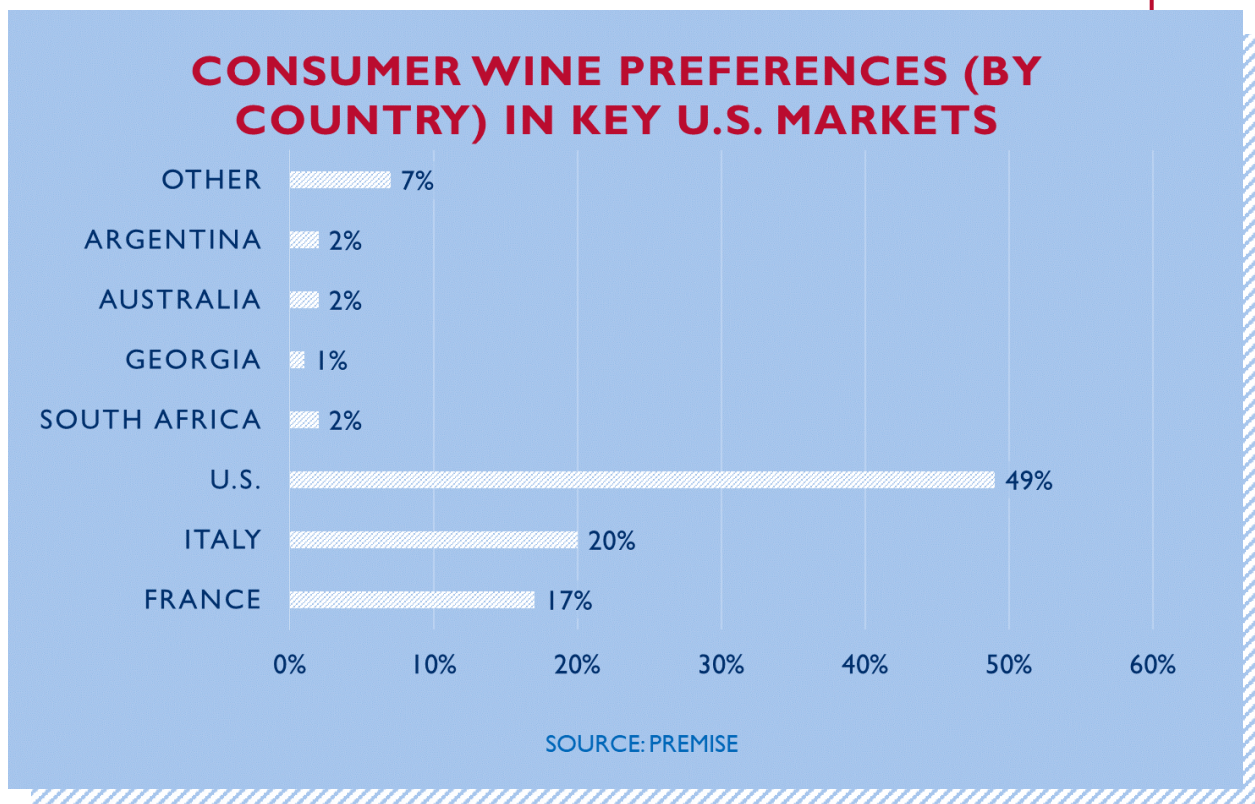
Despite its long history and prestige, Georgian wine exports to countries outside of Eastern Europe remain insignificant when compared to its exports to other countries. In the U.S., Georgia ranked 16th among wine suppliers in 2022 and accounted for only 0.11% of total wine imports. Similarly, the market share of Georgian wine in target markets like Germany and South Korea was 0.1% (ranked 16th) and 0.07% (ranked 21st), respectively, highlighting consumers' preferences for wines from more well-known markets like France, Italy and the U.S.[3]

500

Grape varieties cultivated by Georgia's wine industry

120K

Georgian livelihoods supported by the wine industry



[1] https://gwa.ge/en/history_/unique-grape-varieties/

[2] <https://www.geostat.ge/en/modules/categories/752/section-2-land-operated-by-agricultural-holdings>

[3] www.trademap.com



Background and History of Georgian Wine

Strategically located at the crossroads of Europe and Asia, between the Caucasus Mountains and the Black and Caspian Seas, Georgia has long enjoyed its historical status as a regional hub for commerce and trade. For centuries, the country's geographic location was critical to its success as a trade route for merchants traveling along the Silk Road.[4] Today, Georgia's geography continues to shape its economy, climate and cultural identity, with its food, agriculture and ancient winemaking traditions all playing a central role.

Georgia's viticulture and winemaking history dates back approximately 8,000 years to the Neolithic period, when the "qvevri" winemaking method was thought to have been first introduced.[5] Moreover, the industry has and continues to thrive thanks to the country's high altitude, temperate climate and mineral-rich soils, which enables the healthy growth of vines and the production of premium quality grapes.

In modern day Georgia, wine is considered one of the country's most recognized and distinguished export commodities and is even the country's most valuable agricultural commodity by percentage of GDP.[6] According to an annual study conducted by Georgia's National Wine Agency, its wine industry generated approximately \$252.5 million in sales from wine exported to 66 countries in 2022. This was the highest figure recorded in the country's independent history—5.5% higher than in 2021. [7] Although Georgia's wine sector has been growing, it has struggled to diversify its market reach. Most notably, Georgia exports approximately 58% of its total wine exports to Russia, highlighting the need for increased diversification into new markets.

[4]https://www.export.gov/article?series=a0pt0000000PAtpAAG&type=Country_Commercial__kav

[5]<https://gwa.ge/en/history/>

[6]https://www.transparency.ge/sites/default/files/georgias_agriculture_sector.pdf

[7]<https://wine.gov.ge/En/Files/Download/15372>

Qvevri Winemaking Method

Georgia's most notable winemaking method, "qvevri," which was named for the clay pots used to ferment, store and age wine, was recognized as an Intangible Cultural Heritage Monument by UNESCO in 2013. This distinguished status has helped raised international awareness of the ancient tradition and has helped foster the re-popularization of Georgian wine in the modern day.

SOURCE: GEORGIA WINE AGENCY



Breaking into New Markets

While the need for market diversification has long been recognized by Georgian winemakers, the destabilization of the sector's regional trade partners has given this need new impetus. In March 2023, the [USAID Agriculture Program](#), a five-year, \$26.8 million program funded by USAID and implemented by [Cultivating New Frontiers in Agriculture](#), partnered with [Premise](#), a U.S.-based crowdsourced insights company, to pilot a consumer insights survey of Georgian wine that explores the preferences, behaviors and opinions of consumers across three strategic U.S. markets: the state of California, Washington, D.C., and New York City.

In Georgia, USAID partners with government agencies, businesses and local communities to develop programs that catalyze economic growth, private sector investment and job creation—particularly creating opportunities for women, youth and members of marginalized communities. This support strengthens economic resilience, creates inclusive growth that benefits more people and helps key sectors become more competitive in international markets. Specific USAID programs, for example, help Georgian firms access lucrative export markets and obtain diverse sources of investment, as well as promote sustainably managed natural resources and workforce skills training to benefit Georgian workers and close gaps in the labor market.[8]

A key part of USAID's five-year Country Development Cooperation Strategy,[9] the USAID Agriculture Program fosters inclusive and sustainable market systems development, accelerating growth in agricultural sub-sectors with the highest potential to create jobs and increase revenues for micro, small and medium enterprises. In the wine sector, the USAID Agriculture Program supports government and export-oriented organizations to promote Georgian wine internationally by developing relationships with potential distributors in key export markets, including in the U.S. This support compliments the growth of the U.S. wine industry by opening up new markets and solidifying partnerships that are mutually beneficial for both Georgian and U.S.-based industry professionals. Through its partnership with Premise, the Program is also helping local producers better understand these markets to make the most of the opportunities available to them.

The insights survey sampled 400 consumers over the age of 21, establishing a baseline of consumer preferences and opinions about Georgian wine focused on factors such as the frequency of consumption as well as preferences like quality, flavor and price. According to the resulting data, respondents expressed interest in Georgian wines and ranked them similarly to wines from Australia, Argentina and South Africa. Of the participants surveyed, 20% responded that they had tried Georgian wine and 91% indicated their willingness to try it. The results also showed that 52% of respondents were able to find Georgian wine at their local wine shop, while 33% noted that they were able to find it at specialty wine shops. These findings reveal strong export potential for Georgian wine products, especially within these promising U.S. markets.[10]

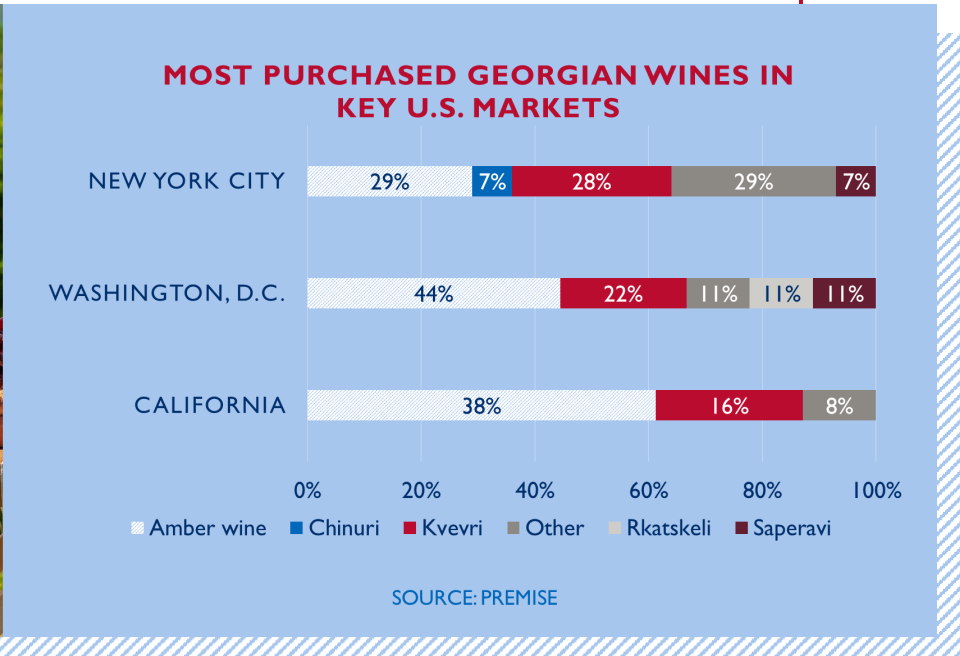
The survey also highlighted three primary factors that influenced consumers' choices when purchasing wine: price, grape variety and region of origin. Fifty-seven percent of respondents considered the cost of Georgian wines to be comparable to wines from other regions. Many responded that they were not aware of the unique grape varieties used in Georgian wines, such as Saperavi, Rkatsiteli and Mtsvane. Moreover, 90% of respondents noted that they were not familiar with Georgia's distinction as the oldest wine-making region in the world.[11] These findings ultimately underscore the potential for Georgian wine producers to increase awareness to consumers.

[8]<https://www.usaid.gov/georgia>

[9]<https://www.usaid.gov/georgia/cdcs>

[10]<https://www.premise.com/wp-content/uploads/Data-and-Insights-for-Export-Promotion-1.pdf>

[11]<https://www.premise.com/wp-content/uploads/Data-and-Insights-for-Export-Promotion-1.pdf>



The Value of Real-time Data

Consumer insight surveys, like the one conducted by the USAID Agriculture Program and Premise, offer market actors—producers, government agencies, exporters, financial institutions and donors—the opportunity to gather real-time data and insights across frontier and emerging markets. By utilizing secure cloud-based servers and aligning itself with industry safety and privacy standards, the survey methodology ensures that only pertinent information is requested from consumers. This quick, secure and comprehensive collection of data can ultimately help stakeholders develop targeted marketing strategies that enable trade and drive export growth. Simultaneously, it can help businesses understand consumer needs so they can make informed decisions about their products and brand to enhance their credibility and competitiveness in new markets.

In the case of Georgia’s wine industry, the U.S. consumer preferences survey provided winemakers with an understanding of critical market trends, which has helped producers and other relevant stakeholders identify areas to increase exports, while also enabling them to tailor their marketing efforts around notable perceptions and preferences.



Saperavi wine, a dry red wine, was the second most purchased Georgian wine in California. It was much less purchased in Washington, D.C. and New York City, which might reflect Californian’s preference for this over other types.

91%

of survey participants were willing to try Georgian wine

90%

of respondents noted that they were unfamiliar with Georgia’s distinction as the oldest wine-making region in the world

THE VALUE OF CONSUMER INSIGHT SURVEYS



Understanding consumer needs.

Gather valuable information about consumer preferences, expectations and pain points so producers can tailor their offerings effectively.



Product development and improvement

Get feedback on existing products to help producers identify areas for improvement, uncover desired features and refine their development process.



Market segmentation

Enable producers to segment their target market based on demographics, psychographics or preferences so strategies and offerings can be tailored accordingly.



Competitive analysis

Gain insights into product comparisons to allow producers to understand advantages and disadvantages and adjust marketing and positioning strategies.



Brand perception and loyalty

Gauge consumer perception and loyalty to help producers identify areas for brand improvement and enhance customer loyalty.



Pricing and value perception

Assess how consumers perceive product value and pricing so producers can optimize pricing strategies for profitability and competitiveness.



Communication and marketing effectiveness

Evaluate marketing messages, campaigns and channels to enable producers to refine strategies and engage their target audience more effectively.

SOURCE: PREMISE

Insights for Future Trade Facilitation and Export Promotion

When local producers, government agencies and partners have a clear understanding of consumer preferences and behaviors in target markets, they can make informed, data-driven decisions on how to effectively enhance their brand and export competitiveness.

The findings from the Georgian wine consumer insights survey serve as a strong foundation for tracking key market trends and developing effective strategies to elevate Georgian wine products abroad. This—coupled with the introduction, in recent years, of economic policies that expand trade to U.S. and European markets—enables Georgian winemakers to unlock access to new markets, expand economic opportunities and increase revenues and incomes.[12] It can also help producers improve international recognition and understanding of Georgia’s rich winemaking process, history and culture, in turn influencing the development of other sectors like gastronomy and tourism.

Using these findings, the USAID Agriculture Program will continue to work in conjunction with key partners, including the Ministry of Environmental Protection and Agriculture, Ministry of Economy and Sustainable Development, National Wine Agency, Georgian Wine Association and various wine exporters, to identify priority markets, attend relevant trade shows and run more effective campaigns promoting Georgian products in international markets. It will also continue to support Georgia’s wine industry in identifying, understanding and unlocking key export markets, ultimately increasing producer incomes, enhancing development in the sector and strengthening global awareness of the value and significance of Georgian wine.

About USAID in Georgia: Since 1992, USAID has provided approximately \$1.9 billion in assistance to Georgia while working hand-in-hand with Georgia’s government and people to strengthen democratic institutions, catalyze economic growth, promote human rights and the rule of law and advance the Georgian people’s stated goal of achieving Euro-Atlantic integration. USAID currently invests in 39 development activities with a total value of approximately \$373 million.



[12]https://www.export.gov/article?series=a0pt0000000PAtpAAG&type=Country_Commercial__kav



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