



EM Consulting Ltd.

International Trade Department

Georgian Hazelnut
Unique Opportunity for Cooperation
For your Food Business

EM Consulting Introduction

Dear Partner it is my pleasure to introduce you EM Consulting, which is your opportunity in the international business and advisory cooperation.

EM Consulting Ltd. is young company, which was based in 2008. Thanks to our short history, young people and dynamic world, we are trying to catch widest range of your needs. You can find our services from online tailor across energy consulting in renewable to international trade. This wide range is possible thanks to young and dynamic people who work for EM Consulting Ltd.

All of our steps are according our customers, we know that your costs are critical in nowadays business, so we offer you professional service for the low prices.

Our International Trade Department Team found unique opportunity for your company in the area of Hazelnuts trade. Please refer to text below and don't hesitate to ask us whether you have any question.

Josef Zadnik
Project Manager

Georgia Introduction

Brief Georgia Introduction

Georgia is a country in the Caucasus region of Eurasia. Situated at the juncture of Western Asia and Eastern Europe, it is bounded to the west by the Black Sea, to the north by Russia, to the south by Turkey and Armenia, and to the east by Azerbaijan. Georgia covers a territory of 69,700 km² and its population is 4.7 million, largely ethnic Georgians.

The history of Georgia can be traced back to the ancient kingdoms of Colchis and Iberia, and it was one of the first countries to adopt Christianity as an official religion, early in the 4th century. At the beginning of the 19th century Georgia became a part of the Russian Empire. After a brief period of independence following the Russian Revolution of 1917, Georgia was forcibly incorporated into the Soviet Union in 1922.

Independence was restored in 1991. Like many post-communist countries Georgia suffered from the economic crisis and civil unrest during the 1990s.

Georgia is a representative democracy, organized as a secular, unitary semi-presidential republic; however the idea to restore the constitutional monarchy is popular in certain circles, most notably in the Georgian Orthodox Church. It is currently a member of the United Nations, the Council of Europe, the World Trade



Organization, the Organization of the Black Sea Economic Cooperation, and GUAM Organization for Democracy and Economic Development. The country seeks to join NATO and, in the longer term, accession to the European Union.

Agriculture of Georgia

Georgia's climate and soil have made agriculture one of its most productive economic sectors; the 18 percent of Georgian land that is arable provided 32 percent of the republic's NMP in 1990. In the Soviet period, swampy areas in the west were drained and arid regions in the east were salvaged by a complex irrigation system, allowing Georgian agriculture to expand production tenfold between 1918 and 1980. Production was hindered in the Soviet period, however, by the misallocation of agricultural land such as the assignment of prime grain fields to tea cultivation and excessive specialization. Georgia's emphasis on labor-intensive crops such as tea and grapes kept the rural work force at an unsatisfactory level of productivity.

Crops

In 1993 about 85 percent of cultivated land, excluding orchards, vineyards, and tea plantations, was dedicated to grains. Within that category, corn grew on 40 percent of the land, and winter wheat on 37 percent. The second most important agricultural product is wine. Georgia has one of the world's oldest and finest winemaking traditions; archeological findings indicate that wine was being made in Georgia as early as 300 B.C. Some forty major wineries were operating in 1990, and about 500 types of local wines

are made. The center of the wine industry is Kakhetia in eastern Georgia. Georgia is also known for the high quality of its mineral waters.

Hazelnuts

Hazelnuts industry has long history in Georgia and provides high quality products. Actually you can find sorted and also unsorted kernels of hazelnuts in the market. Prices are changing during the year and also according the additional work such as sorting. Sorted hazelnuts are two times more expensive than unsorted hazelnuts.

There are offered four main categories of hazelnuts, as you can see below.

Table of hazelnut categories and its percentage

Description	Percentage
Unsorted hazelnuts	62 %
Sorted hazelnuts	38 %
Includes: 9 – 11 mm size	5 %
11 – 13 mm size	40 %
13 – 15 mm size	40 %
15 + mm size	15 %

As we mentioned, price of hazelnuts is changing each month in the wide range. Please go thru chart below, where you can find prices of Georgian hazelnut in recent years.

Table of Georgian hazelnuts prices (sorted) – prices in USD/kg

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	-	-	-	-	-	-	-	0.50	1.20	1.25	1.50	1.70
1998	-	-	2.00	2.00	2.00	2.00	2.00	0.60	1.30	1.45	1.70	2.00
1999	-	-	2.00	2.00	2.00	2.00	2.00	0.60	1.35	1.50	1.70	2.00
2000	-	-	2.00	2.20	2.20	2.20	2.20	-	-	-	-	-
2004	-	-	-	-	-	-	-	2.20	2.50	2.80	3.30	3.70
2005	-	5.00	5.00	6.00	6.00	6.00	6.00	2.20	3.00	3.00	4.00	5.00
2006	5.00	6.00	5.00	3.00	3.00	3.00	3.00	2.20	2.30	2.30	2.30	2.40
2007	2.70	2.70	2.80	3.00	4.00							

Hazelnuts Business Description

Our company EM Consulting Ltd. represents the interests of our partner company engaged in the hazelnuts growing and processing. The hazelnut, harvested in the Western Georgia, is processed into top quality products confirming to international standards.

Our partner has long history in hazelnut business. They take part in the business with Ferrero ten years ago. Yearly they produced 50 000 tons of sorted hazelnuts, nowadays their yearly production is 100 000 tons of sorted hazelnuts.

Capacity

We are able to offer at least 1000 tons of sorted and sized hazelnuts per year with out any problems, this amount of hazelnuts is a regular operating capacity of our contractor. If necessary, we can also provide delivery of our products to any destination point.

Price

Hazelnut trade is very specific and prices are changing very often, contract price will be equated to the average world market price or even lower.

We are able to provide you actual price on your request.

We are able to provide samples via express mail for your quality check. After your quality check we are able to set up business conditions between you and our partner in Georgia.

Transportation

If you ask, we are able to provide transport of negotiated hazelnuts according to business conditions to your destination. After your secondary check from the delivered products in your destination you will be asked for payment.

20 tons trucks provide transportation from Georgia to Europe. Price of transportation differs from point of destination. Average price to Europe is 5000 USD.

Time to delivery of your request differs from point of destination, in Europe it is from 15 to 20 days. Average time of transportation is 10 days and subcontractor needs seven days for preparation of your request.

This system of check and payment guarantee unique way, how to obtain production according to your needs. This system is possible only thanks our unique contacts in the Georgian Hazelnuts Market.

Hazelnuts Product Description

Product:	Natural Hazelnut Kernels
Size:	9-11 mm, 11-13 mm, 13-15 mm, 15+ mm
Price per kg:	Negotiable
Terms of Delivery:	CIF
Country of Origin:	Georgia
Packing:	40 kg jute sacks; 1000kg big bags
Minimal quantity:	20 tons
Characteristics:	quantity 20 tons equivalent

Hazelnuts characteristics

Moisture:	max 6.0 %
Size tolerance:	max 6.0 %
Mechanically damaged:	max 6.0 %
Mechanically damaged broken kernels:	max 1.0 %
Shriveled/Dried/Underdeveloped kernels:	max 4.0 %
Bitter/rotten/mould/rancid kernels:	max 2.5 %
In shell/shell pieces/dust/other:	max 0.3 %

Our partner (hazelnut producer) already produced hazelnuts for countries from European Union. We would like to refer you part of laboratory test which was released in 2006 for partner from Slovak Republic. In the table below you can go through the results of testing

Table of Characteristics

Description	Acc. to norms	Real
External view	Kernel, whole, of normal development, lights brown	Conforms to ND
Taste and odor	Without foreign odor and taste	Conforms to ND
Density	Solid	Solid
Average mass of kernel, gr. min	0.8	1.2
Kernel humidity, %, min	4.0	5.2
Foreign matters, %, max	0.01	0.004
Fragment of shells, pieces of seeds and powder, %, max	0.02	< 0.01
Proteins, %, max	14+-2	13.9
Content of kernel, %, max		
- bitter, moldy, with yellowish kernel	1.0	0.1
- rotten hidden	2.0	0.2
- rotten visibly	1.0	0.1
- presence of live pests	Not admitted	Not admitted
Stability at 120°C, h	7.75	7.45

F. F. acidity on Oleic acid, %, max	1.0	< 0.1
Peroxides, %	< 1.0	< 0.1
Fat, %	60 - 65	63.0

Table of Toxic elements, mg/kg, max

Description	Acc. to norms	Real
Lead	0.5	0.03
Arsenic	0.3	< 0.1
Cadmium	0.1	< 0.04
Mercury	0.05	< 0.001
Copper	15.0	2.1
Zinc	100	18.3
Ferum	100	38.4

Table of Pesticides, mg/kg, max

Description	Acc. to norms	Real
Hexachlorcyclohexane	0.5	Not observed
Aflatoxin G2	0.20	Not observed
Aflatoxin G1	0.15	Not observed
Aflatoxin B2	0.15	Not observed
Aflatoxin B1	0.15	Not observed

Additional Information

Dear partner,

If you have any questions, please, do not hesitate and contact us for further information. Please note, that we can send you samples via express mail for quality check prior to bulk shipment.

We are looking forward for your feedback to provide you more information about this unique cooperation.

Contact information

Project manager:	Josef Zadnik, Ing.
Sector specialist:	Akaki Sharashenidze, Ing.
Telephone:	+420 737 279 973
Web:	www.iemc.eu
E-mail:	Josef.zadnik@people4u.eu

EM Consulting Ltd., International Trade Department