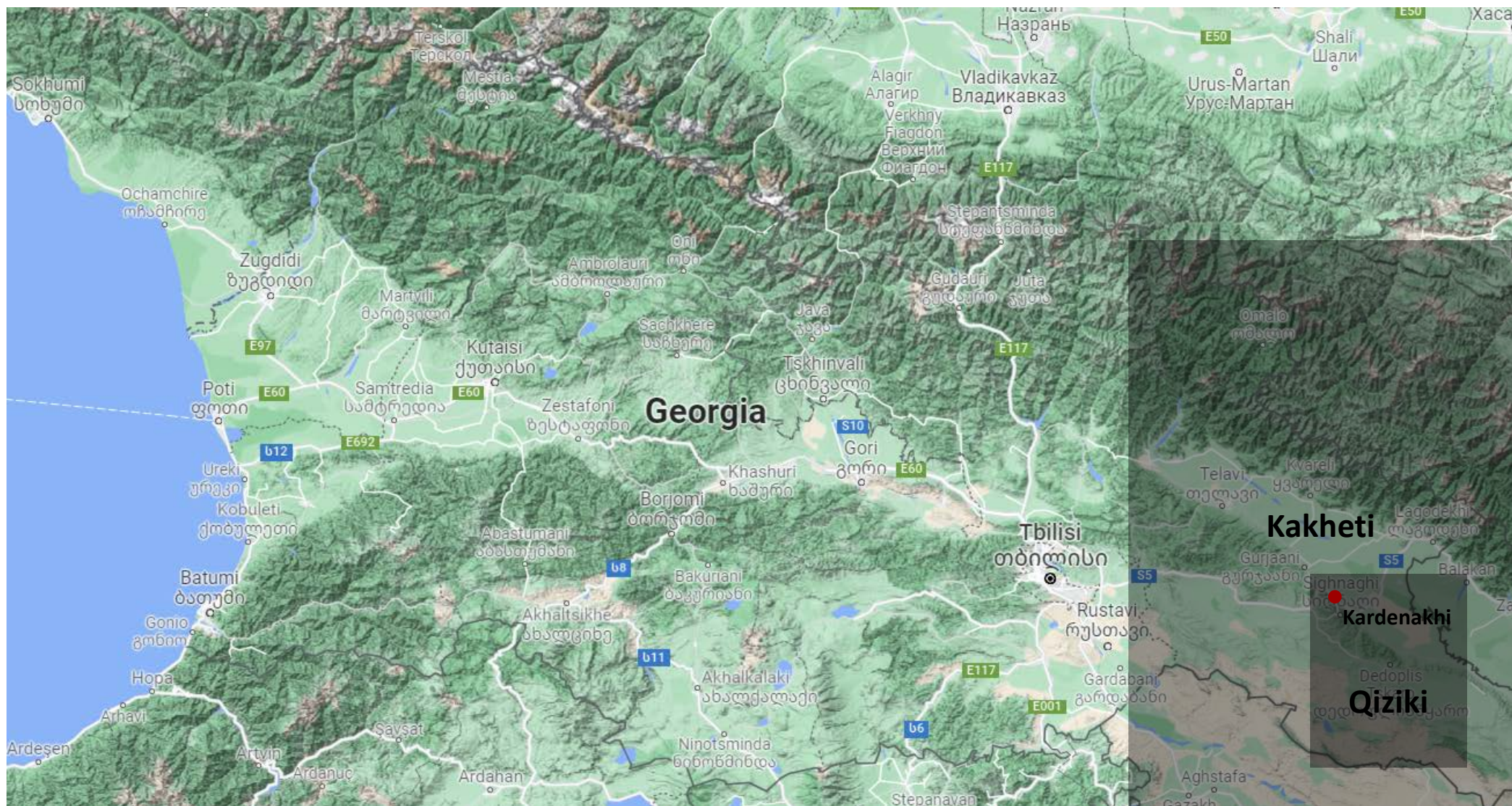


By Kaha Baindurashvili
October 7, 2021



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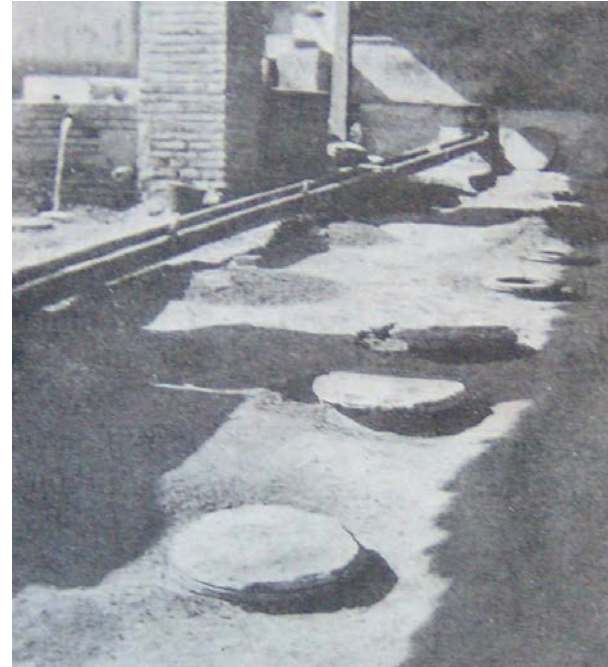
Location: Kardenakhi – Kakheti - Georgia



Kardenakhi

- Kardenakhi is the only place (at a village level) in Georgia and Europe where two place-unique grape micro zones are located together: Tsarapi and Akhoebi Saperavi together with three additional Protected Designation of Origins of wines: Kardenakhi (unique only to Kardenakhi) and Kakheti and Gurjaani.
- Kardenakhi is a birth place of Georgian wine-making at industrial level. It was here in Kardenakhi when the first industry-level wine production was installed and technology standardized in 19th c.
- Kardenakhi is known due to other historical facts as well, unique in Georgian history, among:
 - First industrial-level female winemaker Duchess Vachnadze was from Kardenakhi;
 - The Emperor of Russia Alexander III bought vineyards in Kardenakhi around 1870 and built a wine cellar, thus it is among limited number of places those attracted the attention from such dignitaries;
 - Kardenakhi is a homeland of Mrs Sabedo Gulkhadarashvili who became a head of 1878 Qiziki revolt against Russian Empire, only Georgian female that lead such movement.
- Unlike other Georgian villages there are numerous photos of Kardenakhi taken in 19c, e.g. Baron de Baye
- Due to its role on Georgian wine-making it was already well known in Europe and elsewhere already in 19th c

19th c. Kardenakhi



Le Genie civil, 1887

C'est dans les environs que s'étalent les remarquables vignobles du prince Bagration Moukhransky. Le mode de traitement des vins y est français. On y récolte des vins blancs et rouges qui se distinguent par quelques qualités supérieures. A l'exposition de Moscou en 1882, ils ont reçu la première médaille. Aux alentours de Tiflis, la culture de la vigne est peu développée, mais, en revanche, un peu plus loin, s'étend le rayon de vinification le plus fameux : la Rakhéthie, qui embrasse les districts de Thélaff, de Signak et une partie du district de Tioneth. Cette région, depuis des siècles, produit des vins blancs et rouges de qualités et de sortes très différentes. Les quartiers les plus renommés sont ceux de Kraréli, Kardanak, Tsinandal, etc. Le vigneron et producteur le plus connu de Rakhéthie est le prince Djordjadze. Il a créé un grand entrepôt qui alimente Tiflis et beaucoup de villes de la Russie ; il commence à exporter à l'étranger. Il y a peu de temps,

Figaro, 1897

— De retour d'une mission archéologique et ethnographique en Sibérie, spécialement sur les bords de l'Iénisséi, le baron de Baye a passé plusieurs jours à Moscou. De là, il est parti pour le Caucase avec le comte Serge Chéréméteff, président de la Société des amis des anciens textes russes, afin de passer un mois dans la propriété que son ami possède à Kardanakh, dans le gouvernement de Tiflis.

19th c. Kardanakhi labels

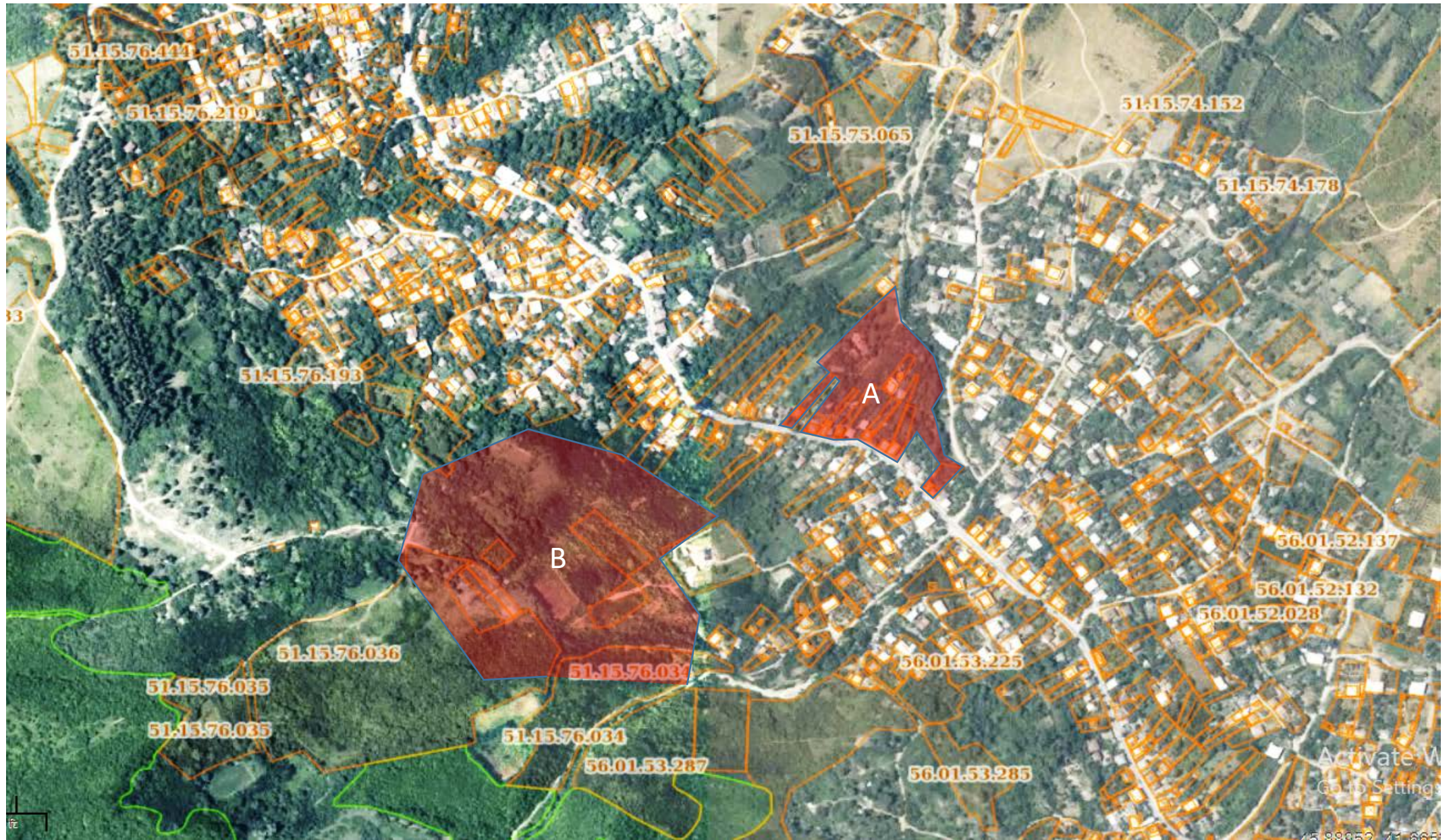


First fortified wine of Georgia, beginning of export

Kardanakhi made wine was a pioneer among exported Georgian wines, it was only wine that won gold medals 4 times in a row in Europe, only place that was producing fortified wines (port wine and vermouth) and it was among 3 wines consumed at the court of Russian Empire (2 more were Ukrainian Massandra and Romanian). Wine Kardanakhi was exported in all parts of Russian Empire, Europe and even in the United States of America in the 19th c.

Kardanakhi Estate Concept

- Kardenakhi Estate considers creation of wine (produced based on the traditional Georgian Qvevri technology) and spirits production together with the accommodation. Also, it envisages other related activities such are the production of cheese, dried fruits, natural juices, and wine production cluster-included manufacturing (wooden, iron cast and clay equipment).
- **Unlike other similar projects Kardenakhi Estate is not a single-standing business, rather it is an umbrella concept for several inter-related businesses to be implemented through the cooperation.**
- 1st phase of project (A) is under implementation and will be over in 2022. Under it, three 19th century old wine cellars will be restored with a capacity of 80 tone, and 2 more wine cellars will be added with additional 80 tone capacity, overall 160 t fermentation volume. 8 different wines will be produced and dining and accommodation space will be created for circa 40 visitors.
- 2nd phase of project (A) will be implemented in 2022-2023 that aims the restoration of small part of Kardenakhi village, a few old houses together with the vineyards, wine-cellars and other facilities. Each house will be converted for specific activities under joint umbrella project e.g. ethno-museum, distillery, freelancers space, etc.
- 3rd phase of project (B) will be launched in 2022, within 2 years, old vineyards will be restored as bio, around 5ha.





July, 2020



July, 2021



July, 2020



July, 2021



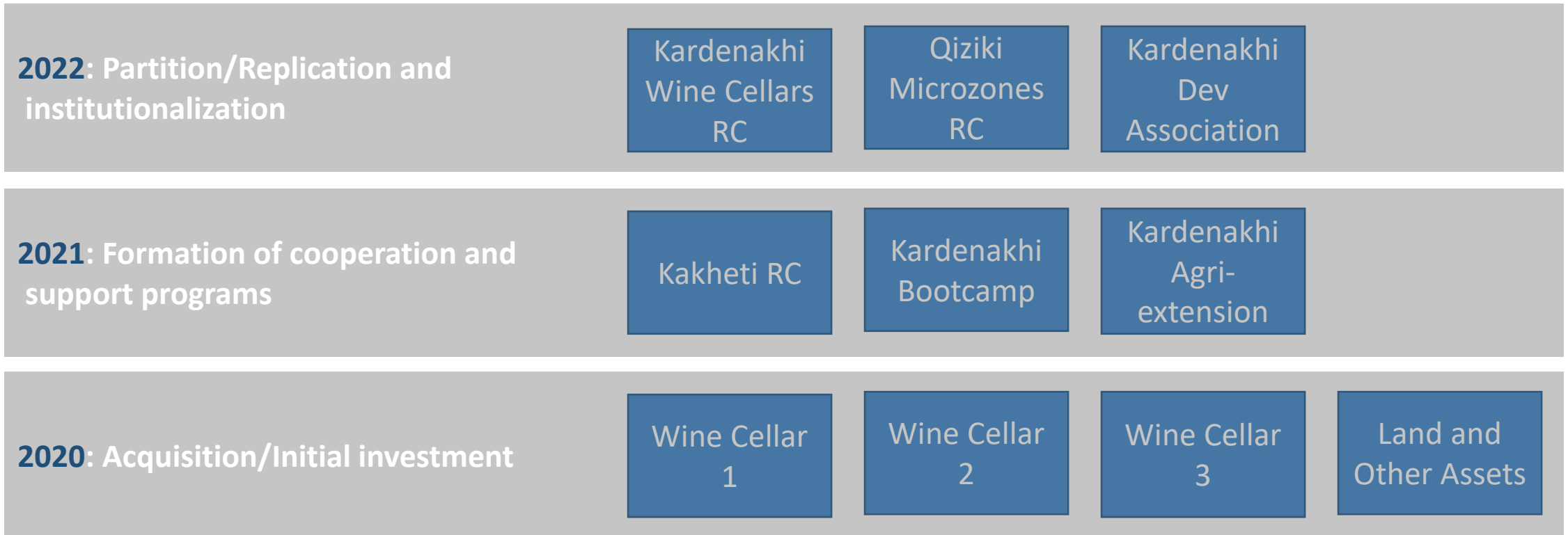
Unique set-up

- Kardenakhi Estate project is a rare example of cooperation in Georgia and it has been implemented by Cooperative Kakheti. Actual timeline is following:
 - 2020 first investments were done by Kardenakhi Estate LLC and concept was prepared
 - 2020 two restored wine cellars run first harvest to produce 3 wine varieties, 25 t fermentation capacity
 - 2021 Kakheti cooperative was established
 - 2021 three coop member wine cellars run second harvest under the concept to produce 7 wine varieties, and increased fermentation capacity to 80 t
 - 2021 construction is ongoing by other members to increase the wine fermentation capacity to 160 t for 2022 harvest.
- Already by 2022 it is planned to separate and form 3 cooperatives/associations:
 - 'Kardenakhi Wine Cellars' Coop for cellars only
 - 'Qiziki Microzones Vineyards' Coop for vineyards' owners
 - Kardenakhi Development Programs: 'Kakheti Artisans' for carpenters, blacksmiths and potters and 'Kardenakhi Bootcamp' (to be replicated for Kakheti) for education boost and 'Agri-Extension' will be transformed into self-sustainable initiatives.
- It is planned that all will inter-cooperate within the cooperative "Kakheti" and under the Kardenakhi Estate umbrella project.
- **Moreover Kardenakhi Estate is not only a profit-maker business, its essence is the revitalization of Georgian rural area and creation of show-case project as a socially responsible business, inclusive benefits, cooperation, and sustainability.**

Cooperation Development

No of Kardenakhi Wine Cellars members by 2023: 18

No of Qiziki Microzones Vineyards members by 2023: 35



Kakheti RC development process – 5 MONTHS of 2021

- until June 2021 - Preparation conceptual and legal docs
- June 2021 - Registration
 - 12 full and associated members locals and localized, mix of cellars and vineyards (associated members)
- June-August, 2021 - Agreements on grapes supply, etc
- June, 2021 - First meeting on 'fair and equal rules of members participation'
- August, 2021 - Second meeting on short-term plans 2021-2022
- September, 2021 - Third meeting on all activities
- October, 2021 - Finalizing of business plan with 10 years financial plan (to be passed to cellars coop)

Wine is not simple transformation of grape; it involves all local characteristics

Access to Skills, Access to Skilled Workforce, Education

Education – current Presentation

Economic Challenges Presentation

Access to Skilled Workforce (Bootcamp Project)

Access to Entrepreneurial Skills (Agri-extension Project)

Kardenakhi HoReCa Related Conditions Timeline		19c - before Soviet occupation	Soviet	1990-2004	2004-Current
Water		Adequate	Limited	Not available	Limited
Electricity		Partially installed	All installed	Blackouts	Rebuilt
Gas		N/A	Installed	Not available	Connected
Roads		Adequate	Inadequate	Destroyed	Improving
Railway		Installed	Improved	Stopped	No improvements
Public Attractions & Socializing Places	Museums & Theaters	N/A	Opened	Closed	Partially opened but worsening
	Parks	Several	Enlarged	Abandoned	Under destruction
	Sightseeing, e.g. Castel	Existing from 16th c	Partly destroyed	Un-protected	Under destruction
	Forest	Full cover	Full cover	Under destruction	Under destruction
Architecture		Splendid	Destroyed	Neglected	Neglected
Big Factories		Built	Enlarged	Destroyed	Minor parts revitalized
SMEs		Thriving	Banned	Chaos	Slow growth. No systemic changes
Wine quality		Excellent	Medium	Low	Medium and increasing
Population		1500	5000	3000	3000
Demography		Improving	Healthy	Catastrophe	Stabilizing
Skills		Adequate	Upskilled	Skills run	De-education
Social Conditions		Extreme division	Equalized	Misery	Improving
High value jobs		Available	Lower	Annihilated	Increasing

Public-Private

- Restoration of Kardenakhi Castle
- Restoration of Kardenakhi Park together with the amphitheater
- Restoration of folk festivals: Berikaoba/Keenoba
- Restoration of Museums/Activities: Ioseb Noneshvili (public poetry), Sandro Akhmeteli (free culture in dictatorship), Hamlet Gonashvili (polyphonic songs) – Anaga and Kardenakhi
- Restoration and preservation of Mukhrani forests (Oak tress) through creation of value for the local population and substitution of income from illegal cutting
- Preventing further destruction of old and authentic architecture through creation of Qiziki Development Plan (similar to Tuscany) thus underlying the role of preservation among locals together with other regulations, e.g. some state-funded restorations once the authenticity is preserved, restricting ugly architectural plans and intrusion, buying out old houses for eventual selling, etc.

Thank You!

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