



PROJECT FACTSHEET

Armenia November 2012

MAKING MARKETS WORK FOR SYUNIK'S FARMERS



The Syunik region of Armenia produces things Armenian consumers have a big appetite for: high quality beef and dairy products. Many families in Syunik have cattle, but are unable to make the most of their livestock: poor animal fodder, and limited access to veterinarians and to markets for their produce mean most farmers in the region live at subsistence level. This project funded by the Swiss Agency for Development and Cooperation (SDC) is supporting 7,000 families (30,000 people) in 40 communities across Syunik to increase their milk and meat production, and thus increase their incomes. This will be achieved by improving animal health through supporting local veterinarian services, supporting better access to milk and meat markets, and promoting expertise learning and sharing among farmers.

COUNTRY CONTEXT

Armenia, once part of the Soviet Union, became an independent state in 1991. During Soviet times Armenia was highly industrialised, but following independence and the breakdown of economic ties with Moscow, industry declined. In addition, the country's large collective farms were broken up and the land was privatised. Other factors such as the 1988 earthquake in the North of Armenia and the war with Azerbaijan over the disputed region of Nagorno Karabakh in the early 1990s contributed to the economic downturn. Economic growth between 2000 and 2008 improved the situation; people began to earn more, there were more jobs, and there was more investment in public services. But the global financial crisis of 2009 hit Armenia hard, unemployment rose, the number of people living in poverty increased to 36 % in 2010, and the agricultural sector, already in difficulties, was especially badly affected.

REMOTE REGIONS FACE SPECIAL CHALLENGES

The Syunik region, in southern Armenia, is a remote and mountainous area which has borders with Iran and Azerbaijan. Industry here includes mining and electricity generation as well as agriculture, but Syunik's difficult climate and terrain, its sensitive geopolitical position, and low population density have contributed to a very fragile economy. Unemployment is one and a half times higher than the Armenian average, as a consequence many of Syunik's youngest and strongest are leaving the region to find work elsewhere.

Farming is important here, over half of those working in the region are working in agriculture, primarily in dairy and meat production. Farming could be a significant income generator in Syunik, but the farmers face enormous challenges.

Because of bad roads farmers in remote Syunik have difficulty reaching markets to sell their produce. Also, milk collections are irregular and unreliable, and veterinary services are often not available.

Many of Syunik's farmers can be classed as vulnerable; they have one or two cattle, and manage to sell a small amount of produce, but these activities are scarcely enough to feed their own families, let alone to generate extra income or to invest in new animals or equipment. A typical Syunik farmer will often be letting his fields lie fallow, or renting them out for other purposes, simply because he/she has no way of getting money to invest in planting crops, and even if he/she did, there is no access to a market where the produce could be sold.

Other farmers are slightly better off, with perhaps half a dozen cattle, but still only manage to live at subsistence level. A key reason for this is the low yield (both milk and meat) which the cattle provide. Years of cross breeding and lack of availability of artificial insemination mean the quality of the livestock has decreased dramatically over the years, and average milk yields per animal have fallen around 35 percent compared to Soviet times. Lack of varied fodder and animal nutrients have also negatively affected the health of the livestock, and lowered the milk yield.



PROJECT OBJECTIVES & ACTIVITIES

The aim of this SDC project in Armenia is to support farmers to increase their productivity, to sell their extra produce for good prices, and thus to raise their standard of living. Previous interventions funded by SDC in the Syunik region proved that even modest interventions in the areas of improved milk collection and increased access to veterinary services would bring results: a higher milk yield, and a higher average annual income for the farmers. By autumn 2014 the project intends to reach 40 rural communities across Syunik with a combined population of 30,000 people or 7,000 households.

More milk, more meat, more money

The project focuses on several core activities, first and foremost ensuring the farmers have access to the milk market. There is a high demand for good quality raw milk and cheese in Armenia, and by facilitating contacts with dairy producers Syunik's farmers are able to sell their products on that market. A key is the availability and regularity of milk collection, here the project works with different market actors (milk collection points, entrepreneurial farmers, cooperatives) to provide the daily operations, such as milk collection, which farmers need.

The market for good quality fresh meat is high in Armenia, and there is a growing export market in neighbouring Iran. The farmers of Syunik are therefore supported to produce better quality meat, and more of it. They are advised on improved animal husbandry and breeding practices, which improve the quality of their produce. Selling their meat involves establishing a regular meat market in Syunik and encouraging more meat buyers to come to it.

Increased milk and meat production means, of course, higher yields from the livestock, and this naturally requires healthier animals. The project focuses on ensuring farmers' access to veterinary services, and on promoting the use of varied and more nutritional fodder.

In addition, farmers are supported to increase their own farm management skills. This is achieved by encouraging both veterinarians and meat and milk buyers to provide on the spot training and advice on issues such as breeding and milk production.

Finally the project cooperates with the local authorities in Syunik to raise awareness of the need to support the rural community, and of its economic importance to the region. A key issue for farmers is the lack of access to suitable credit when they want to invest in their farms. Local authorities are therefore encouraged to provide clear information to farmers about what financing is available to them, and under what terms.

ACHIEVEMENTS SO FAR

Up until 2011, with the help of the project, 1,850 targeted small holder farmers (or 2/3 of the total population) from 16 distant rural communities in Goris (district of Syunik region) managed to increase their incomes from dairy and meat production by 54% and 8%, respectively, which resulted in a total increase of annual incomes of CHF 1.5 million in 2011 compared to 2008. This has become possible thanks to improved access to milk and meat markets (by strengthening links between supplying farmers and buying processing companies/traders) and better livestock breeding/farming practices (by providing extensive training and consulting to farmers). Furthermore, with support of the project affordable and accessible farm support services (such as veterinary and artificial insemination, agricultural input suppliers, etc.) were developed and communal pasture management plans established, enabling farmers to utilize quality fodder for their animals.

EXPECTED RESULTS

Overall the project aims at helping the mainly subsistence farmers of Syunik to transform their work into a thriving economic activity, which benefits them, the Syunik region, and the Armenian consumers.

Key objectives to be attained during the last project phase (2011–2014) include:

- 1) By supporting local veterinarian services and promoting access to specialised services such as artificial insemination, animal health is improved.
- 2) Access to milk and meat markets is further enhanced through facilitating contacts between farmers and dairy and meat producers.
- 3) Through study visits to farms applying new breeding practices, and to dairy and meat producers, mutual learning and sharing of experiences is promoted among farmers.
- 4) At least 50 percent of households are expected to sustainably increase their income by 25 percent until the end of the phase.

BENEFICIARY PORTRAIT:

Farming Keeps a Family Together

Artak Manucharyan is 27 years old and was born in Qarahunj community. After finishing secondary school he completed his military service, and then, unlike many of his friends who were also in the army, he returned to his village.

“After the army many of my friends left for Russia to take seasonal jobs,” says Artak. “Many people I know say they want to stay away from farming because it is hard physical work, and not very profitable.” But, Artak continues, he decided to return to his village and his family, and to try to make a success of farming.

Artak first learnt about the livestock development project from his neighbours. He was especially interested in the animal replacement scheme. In early 2009, after consultations with project specialists, Artak bought a cow and two heifers. “I bought the cattle on my own, and paid off the debt by selling milk – I’ve had no delays in repayments,” he says proudly. With project support Artak has also gone on study tours to other farms, where he learnt about new methods of cattle breeding, and the positive effects of artificial insemination. Now Artak is implementing these practices on his farm. “I already have 2 heifers born as the result of artificial insemination. The difference between traditional and artificial insemination is obvious: with the latter both the milk and meat yields are higher.”

Part of the milk Artak produces is for his family’s consumption; but the rest is being sold at a profit to the local dairy company Elola. He is also planning to expand meat production. “I’m going to breed the bulls and sell the meat by the New Year, and then I will buy a cow again” he says.

Artak recently got married, he and his wife are now expecting their first child. He believes support from the project has helped him keep his family together. “Of course it’s not easy,” he admits, “but I like farming. If you do it seriously and plan carefully, livestock can provide you with quite a high income. For me, I’m sure it’s better than living far from my family and with only a temporary job.”

