

PROJECT FACTSHEET

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MAKING MARKETS WORK FOR THE FARMERS OF SYUNIK AND VAYOTS DZOR



The Syunik and Vayots Dzor provinces in southern Armenia produce things Armenian consumers have a big appetite for: high quality beef and dairy products. Many families 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. The Swiss Agency for Development and Cooperation (SDC) project is helping farmers from 100 rural communities across Syunik and Vayots Dzor to increase their milk and meat production, thereby increasing their incomes. Around 14,000 families (almost 60,000 people) benefit directly and indirectly from the project. This will be achieved by improving animal health through supporting local veterinarian services, supporting better access to milk and meat markets, and promoting the learning and sharing of know-how 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. This created around 340,000 farming families who currently account for almost 97% of the country's agricultural production. The 1988 earthquake in northern Armenia and the war with Azerbaijan over the disputed region of Nagorno Karabakh in the early 1990s exacerbated 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 and Vayots Dzor provinces in southern Armenia are a remote and mountainous area sharing borders with Iran and Azerbaijan. The main areas of economic activity are mining, electricity production and agriculture, but the region's difficult climate and terrain, geopolitical tensions, and low population density have contributed to a very fragile economy. Unemployment is one-and-a-half times higher than the Armenian average, causing many of the region's productive forces to leave in search of work. Agriculture is the region's main economic sector employing almost 75% of the working population, primarily in dairy and meat production. As many of the farmers in Syunik and Vayots Dzor can be classed as vulnerable, however, it is still primarily subsistence farming – farmers have one or two cattle and manage to sell a small amount of produce, but these activities are scarcely enough to feed their own fami-

lies let alone to generate extra income or to invest in new animals or equipment. Farmers typically let their fields lie fallow or rent them out for other purposes simply because they have no way of getting money to invest in planting crops – and even if they did, there is no access to a market where the produce could be sold. In fact, lack of market access is one of the main problems facing Armenia’s agricultural sector. In the Syunik and Vayots Dzor provinces for example, farmers often contend with poor road conditions, irregular milk collections and limited veterinary services.

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 by around 35% compared with Soviet times. Lack of varied fodder and animal feed with a low nutrient quality have also negatively affected the health of the livestock and lowered the milk yield. In spite of the challenges, however, it is important to point out that farming in Armenia has strong potential for growth.

PROJECT OBJECTIVES AND ACTIVITIES

The aim of this SDC project is to help Armenian farmers increase their productivity, sell their extra produce for good prices and thereby raise their standard of living. Previous SDC-funded activities in the region have proved that even modest measures to improve milk collection and increase access to veterinary services create results: a higher milk yield and a higher than average annual income for the farmers. By 2020, the project is expected to directly and indirectly benefit 100 rural communities across Syunik and Vayots Dzor – a total of 14,000 households (some 60,000 people).



More efficient markets

The project focuses on several core activities, first and foremost ensuring better access for farmers to milk and meat markets. This has potential because there is a high demand for good quality raw milk and cheese in Armenia. The market for good quality fresh meat is high in Armenia and there is a growing export market in neighbouring Iran. What is needed is for the different links in the production chain, from farmers to consumers, to be connected. The project aims in particular to connect farmers with the intermediary chains – the meat and milk processing companies – by creating contacts for example between the dairy industry and the farmers to set up regular milk collection, which is essential for the milk to be sold.

More productive cattle

The project’s second priority is to increase the yield of livestock, which cannot be achieved without improving the animals’ health. It therefore also aims to promote farmers’ access not only to veterinary services such as artificial insemination but also to more varied and nutritional fodder.

In addition, farmers can make use of a framework that helps them develop their skills in agricultural management, thereby increasing the quantity and quality of their meat and milk products. Veterinarians and meat and milk buyers are encouraged to provide on the spot training and advice on issues such as breeding and milk production.

Local authorities more responsive

Lastly, the project works together with the local authorities in Syunik and Vayots Dzor to raise awareness of the economic importance of the rural community to the region, and the need to support it – not only at the local level but to equally defend its interests regionally and country-wide. It is therefore essential for farmers to be able to access 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

By 2014, the project had helped 4,500 farmers raise their income. Between 2010 and 2012, their earnings increased by 22% each year. This was made possible thanks to improved access to milk and meat markets (by strengthening links between farmers and the processing companies and traders) and better livestock breeding and farming practices (by providing extensive training and consulting services to farmers). Furthermore, the project has helped develop affordable and accessible services for farmers (veterinary services, artificial insemination, farm input sup-

pliers, etc.) and helped establish communal pasture management plans, enabling farmers to obtain better quality fodder for their animals.

EXPECTED RESULTS

Overall, the project aims to help the farmers of Syunik and Vayots Dzor to transform their work, which is mainly subsistence farming, into a thriving economic activity by promoting the strengthening of the whole production chain. This will not only benefit the whole region but Armenian consumers as well.

Key objectives to be achieved during the last project phase (2014-2020) include:

1. By improving milk collections and boosting the meat market, trade in milk and meat increase by 30%.
2. Farmers are granted easier access to veterinary services, artificial insemination, good quality fodder and to credits.
3. Through study visits to farms applying new breeding practices and to dairy and meat producers, mutual learning and the sharing of experiences is promoted among farmers.
4. Local authorities' capacities to support the development of the farming sector are strengthened, for example by better managing public grazing lands or by promoting local farmers' interests at the national level.

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. «Two heifers have already been 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.»

DID YOU KNOW THAT...

... Armenia lies in the highlands surrounding the biblical mountains of Ararat, upon which Noah’s Ark is said to have come to rest after the flood?

... one of the main sources of foreign direct investments in the country is the Armenian diaspora, which finances a major part of the reconstruction of infrastructure and other public projects?

... apricots originated from Armenia. In fact, their Latin name is “prunus Armeniaca”. It was Alexander the Great who brought cultivated apricots from Armenia to Europe.

PROJECT AT A GLANCE

Title
Livestock Development in the South of Armenia

Duration
2006-2020 (four phases)

Total budget
18,2 million CHF

Implementing organisation
Strategic Development Agency (SDA), Armenia

Partners
Dairy and meat processing companies, livestock traders, input suppliers, village authorities, Ministry of Territorial Administration of Armenia, regional authorities

FACTS AND FIGURES (Source: World Bank)

Population (2014)

Armenia: 2,9 million
Switzerland : 8,1 million

Life expectancy at birth (2013)

Armenia: women 78 years, men 71 years
Switzerland: women 85 years, men 81 years

Gross domestic product (GDP) per capita (2013)

Armenia: 3 504 USD
Switzerland: 84 733 USD

IMPRINT

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