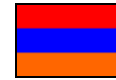


Food Security and Agriculture Highlights



Armenia
April–June 2012

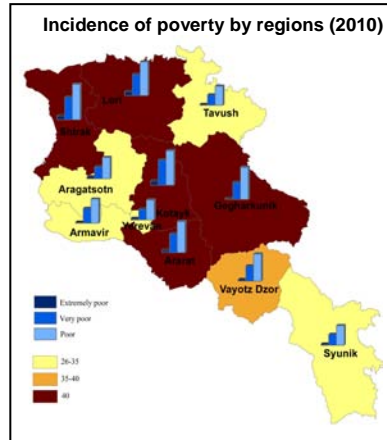
Key Messages

- ➊ Agricultural production is expected to be higher in 2012 than last year, although 2011 was an excellent year for agriculture in Armenia.
- ➋ Regions most affected by poverty in 2010 were Lori, Shirak, Ararat, Kotayk and Gegharkunik.
- ➌ Cereal imports in January–June 2012 were 11% above the quantities registered in the first half of 2011.

Food security and poverty situation

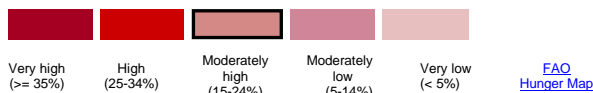
Poverty is the main cause of food insecurity in Armenia. Poverty incidence increased from 27.6% in 2008 to 35.8% in 2010 due to severe recession in 2009. Not all regions were equally affected.

The map (www.foodsec/a) shows the percentage of extremely poor, very poor and poor in each region and the incidence of poverty (more info available at www.armstat.am; source: National Statistical Service (NSS)).



Based on the most recent data available on the prevalence of undernourishment (2006–08), Armenia is classified by FAO among the countries with a moderately high level of hunger with 21% of undernourished population (FAO).

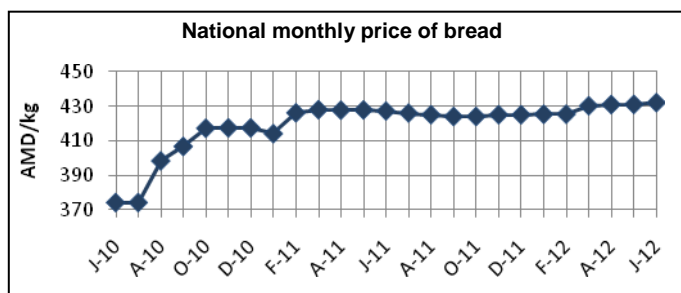
FAO SCALE OF HUNGER (% of undernourishment)



Food prices

Food price indices increased by 1.5% in the first half of 2012 compared to the same period of 2011. However they decreased by 3% on average during the reporting period but remained at high record levels. In April 2012 the food indices comprised 98.6% compared to March, in May 97.4% compared to April and in June 97.2% compared to May.

Bread: The price of social bread remained almost stable at record level between March (430 AMD) and June 2012 (432 AMD). Average price in April–June 2012 was at a level similar to that of one year earlier. Wheat prices however decreased by 17% in April–June 2012 compared to the same period of 2011. Wheat prices in the second quarter of 2012 comprised 177 AMD per kilo, which is by 2.3% less than in the first quarter of 2012 (181 AMD).



Source: National Statistical Service (NSS)

Potato: The price of potato, an important staple in Armenia, decreased by 21% between March and June 2012, with harvest time. Prices were much below last year's level. Average price in April–June 2012 was 34% lower than in the same period of 2011.

Food security indicators*

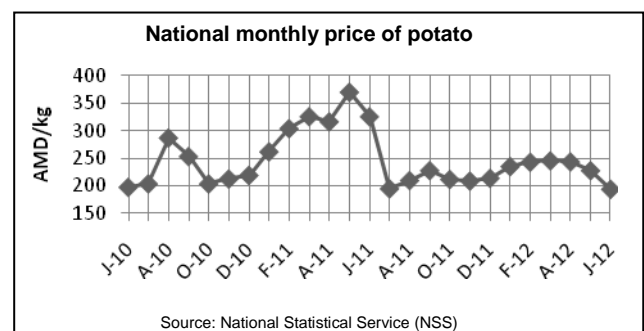
(Time series available at: www.foodsec.org/ar)

Economic indicators		
GDP growth (%)	4.7	2011
Total population (millions)	3.3	2011
Population growth (%)	0.3	2011
Share of rural population (%)	36	2011
Life expectancy (years) women/men	77/71	2010
Unemployment (%) Total	19	2010
Rural	6	
Social protection expenditures as % of government budget	28	2011
Consumer Price Index (2010=100)	108	2011
Food Price Index (2010=100)	112	2011
Remittances as % of GDP (WB)	9	2010
Cereal imports as % of total exports (in value)	8	2011

Agricultural indicators		
Contribution of agriculture to GDP (without agro-processing) (%)	20	2011
Share of plant production/livestock in agricultural GDP (%)	Plant 55 Livestock 45	2011
Share of labour force in agriculture (%)	Total 45 Women 56 Men 44	2010
Average land ownership per farm (ha)	1.4	2006
Farm gate price index (2010=100)	117	2011
Average monthly salary in agriculture by gender (AMD)	Women 61 369 Men 73 270	2010
Women's access to land ownership (UNDP)	Full access	2009

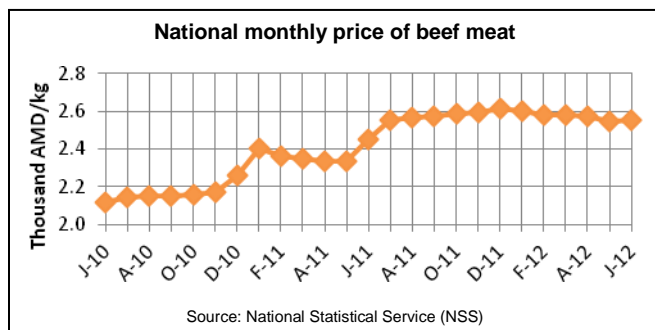
Other indicators including nutrition		
Prevalence of poverty (%)	Total 36 Rural 36	2010
Share of food expenditures in total expenditures (%)	Total: 53 1st quintile: 56	2009
Share of staple (cereals and potatoes) in total calorie consumption (FAO) (%)	47	2007
Share of protein of animal origin in total calorie consumption (FAO) (%)	10	2007
Undernourished population 2006–2008 (FAO) (%)	22	
Prevalence of iron deficiency among women (anemia, age 15–49) (%)	25	2005
Prevalence of stunting among under 5 children (%)	19	2010
Income share held by lowest 20% (WB) (%)	6.6	2009

* Source: National Statistical Service (NSS) unless otherwise indicated



Source: National Statistical Service (NSS)

Beef: Beef meat price slightly decreased between March and June 2012. Beef price had remained about stable since mid-2011 after a continuous increase between end-2009 and mid-2011.



Agricultural production

According to forecasts from the Ministry of Agriculture, agricultural production in 2012 is expected to be higher than in 2011, although 2011 was an excellent year for agriculture in Armenia. Good results are expected in both plant and livestock sectors. The production of all main agricultural products is expected to be above the levels of 2011 and the average for 2007–2011.

Good results are attributed to good weather, adequate methods of production (including use of adequate phytosanitary products) and the positive impact of government policies on the sector.

The weather conditions were in general favourable for fruits and vegetables but not all for the wheat. The predictions on wheat yield forecast are not positive. Besides, the farmers mainly delayed the sowing of wheat and also based on lack of financial resources the agrarian rules were not fully applied (e.g. irrigation).

Gross production of main agricultural products

Crop	2007–2011 AVG	2011	2012 forecast	2012 forecast /2011	2012 f/ AVG (2007–2011)
					Thousand tonnes
Cereals and legumes	402	441	462	5%	15%
Vegetables	797	787	845	7%	6%
Melons	184	181	195	8%	6%
Potatoes	573	557	615	10%	7%
Fruits and berries	256	239	295	23%	15%
Grapes	213	230	240	5%	13%

Source: National Statistical Service (NSS)

The Ministry of Agriculture has prepared draft action plans by sub-sectors in response to the Prime Minister's instructions to prepare plans to boost GDP. The focus was on the development of the seed-breeding sector, import of high breed heifers, artificial insemination, subsidized interest rate of agricultural credits, export support and establishment of free agricultural markets in Yerevan.

Government support measures implemented in 2011 and 2012 will be pursued in 2013. They include:

- Subsidies to the credit rates offered to farmers by credit banks (to cover procurement of seeds, fertilizers, fuel, etc.), from 20% to 14% (lower rates for poor farmers);

Objective of the Food Security and Agriculture Highlights

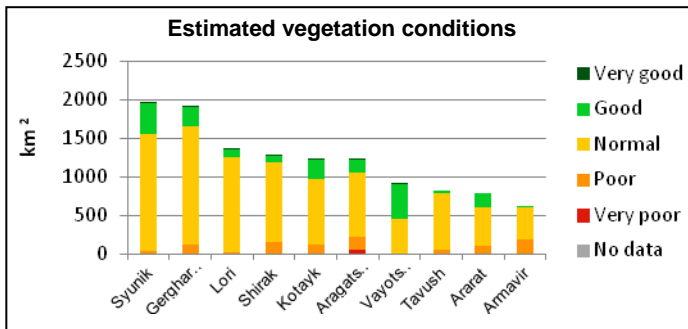
The objective of the Highlights is to provide an overview of the situation of food security in the country, with a focus on agriculture which is a key sector for developing the country and improving food security of rural and urban populations.

The Highlights are produced with support from the EC/FAO Programme on information systems to improve food security decision-making in the European Neighbourhood Policy East Area (2010–2012), funded by the European Union and implemented by the Food and Agriculture Organization of the United Nations.

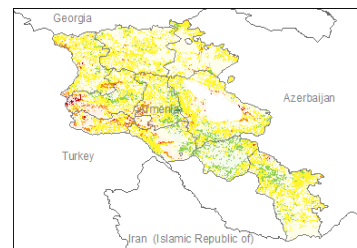
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- Availability of good quality seeds (winter wheat, spring barley, maize);
- Application of adequate plant protection measures (treatment against rodents);
- Organization of contracting between farmers and of agro-processors to support the processing of local agricultural production (versus imports);
- A concept on “sheep production” has been approved by the Government. Main directions for sheep-breeding are presented in the document for 2012–2020. According to the concept note it is envisaged to increase sheep number, promote sheep-breeding activities.



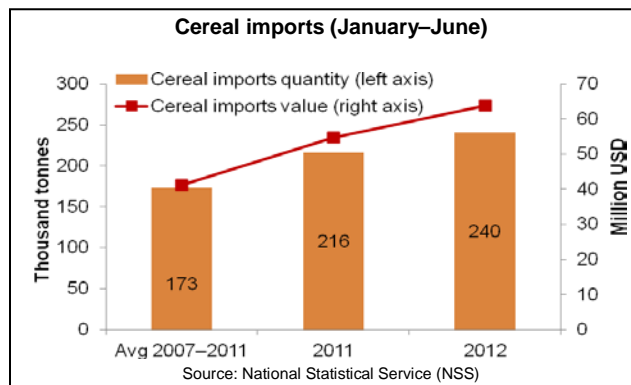
In June 2012, normal to good vegetations conditions were observed throughout the country. Very poor conditions were detected in Western (Armavir, Ararat, Aragatsotn and Kotayk) and Eastern Armenia (Lake Sevan region).



Food trade

Cereal imports during the first six months of the year amounted to 240.3 thousand tonnes, i.e. respectively 11% and 39% more than the quantities registered in 2011 and on average in 2007–2011 during the same period.

The cereal import bill in January–June 2012 was 63.8 million USD, i.e 17% more than in the first six months of 2011 and 55% above the average in 2007–2011 for the first half of the year.



More readings:

[FAO - Policy Briefs](#)
[FAO - Global food price monitor](#)
[FAO - Crop Prospects and Food Situation](#)
[FAO - Media Center](#)
[Agricultural production in Armenia \(2006–2010\)](#)

Website: www.foodsec.org