



Center for Agribusiness and Rural Development MONTHLY NEWSLETTER

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BREAKING NEWS

ACDI/VOCA-USDA/CARD Cooperation

Dear Readers,

We would like to notify that in there was an incomplete information in the text on Noyemberyan Peach Marketing Project in the pervious /August / issue of CARD newsletter. It was not mentioned that the grading machine used for sorting the peaches by Noyemberyan peach farmers was provided by "Water To Market" Activity of ACDI/ VOCA project. And this was an indispensable part of the initiative.

ACDI/VOCA and USDA/CARD have been productively cooperating for many years already, and the agricultural sector of Armenia has benefited a lot from their collaborative work.

ACDI/VOCA implementing MCA's "Water to Market" Activity and USDA/CARD implementing "Technical Assistance Program to Support the Armenian Food Safety System" have found that the collaboration yields many opportunities to reach a greater number of food processing companies, to broaden the areas of available expertise and to enhance the food industry sector in Armenia. So, this year they have started joint implementation of "Food Industry Technical Training and Assistance" project. The project aimed at enhancing performance of agribusinesses for greater profitability, stability, and competitiveness of the food industry sector in Armenia.

Certified experts from the US (Agricultural Center of Southern University, Louisiana) and Ukraine (International Institute of Food Safety and Quality) were invited by WTM Activity and USDA/CARD to deliver trainings on *Introduction to HACCP System and Application of Codex Alimentarius Requirements; Internal Audit; and ServSafe*.

Each of the trainings had its target groups and sectors, and pursued its specific goals and addressed specific needs of the groups. In general, the trainings were to provide processing industries, such as fruit and vegetable processing plants, confectionary, wineries, dairies, meat processing plants, and foodservices with basic food safety and sanitation knowledge. The trainings were attended by governmental officials, university representatives, and private consultants as well.



The knowledge and skills provided by the trainings are necessary for further study of the HACCP system and for introduction of modern food safety management concepts that would assist in setting high food safety standards. Since implementation of HACCP becomes mandatory in 2010 in Armenia, provision of such trainings by WTM Activity and USDA/CARD is well-timed assistance for industry to introduce HACCP and regulatory agencies – to develop HACCP regulations and conduct audits.

Since retail and food service operations are the last components in the food chain that provide food to consumers, the trainings organized by WTM Activity and USDA/CARD had also public health importance and provided specific food safety controls at the institutional consumer level. All key stakeholders throughout the food chain is equally important. At the end of the trainings, all trainees received certificates of attendance. Overall, 56 food processors representing 39 companies were involved in the trainings.

Technical Training and Assistance Methodology (TTA)

TTA is another component of the project that sequentially builds on the existing technical capacity to enable the industry to become import/export ready, and apply the principles of proper food safety practices to positively impact business profit, expand markets, and establish a reputation for providing a safe product to the consumer. To implement the project, the local team together with the invited specialist from Ukraine worked with five selected processing plants. In the frames of the project consultancy and assistance in the development and implementation of HACCP program were provided. TTA focuses on improvement of food safety conditions at selected processing plants to promote profitability. Real-time solutions to current technological problems and food safety issues at the plant level are implemented to allow integration of food processing with food safety within the context of HACCP programs. Working in this project the partners addressed sanitation and food safety constraints and achieved significant progress, e.g. improvements in development and implementation of sanitation and food safety programs, as well as achievements in the areas of quality, safety and efficiency performance at the selected plants.



The implementation of the project is still in process but the feedback of the mutual work already shows significant impact on the development of the agriculture in Armenia.

“Black Ox” Dairy Farm

Since 2005, the “Black Ox” LLC Dairy Farm in village Bardzrashen, in the Ararat region of Armenia, has been cooperating with CARD’s Rural Development department, and particularly with the Dairy Herd Management project.



Productive milk production is dependent on three main elements:

- Dairy herd genetic improvement with the introduction of artificial insemination technology.
- Improvement of herd maintenance through the introduction of open air barn technology (three sided shed).
- Arrangement of herd feeding and forage production.

As a result of its cooperation with CARD, Norayr Ghazaryan – of the Black Ox Dairy Farm – has fully mastered the latest Artificial Insemination technology CARD has trained on, using “Holstein” breed semen imported from WWS. Within two and a half years, Norayr Ghazaryan’s herd, which was previously comprised of local crossbreeds, has been enriched by more than 35 heifers of F1 generation (first crossbreed generation) and on 21.07.2008 the first genetically improved heifer of F2 generation was born. By their body conformation and live weight these animals have rather high production indicators, which

promise a high milk yield from the animals. In intensive cattle breeding the insemination of 24-26 months old heifers is a common internationally-accepted practice; this practice is already being incorporated by the Black Ox Dairy Farm.

“Of course we have lots of things to do,” said Norayr Ghazaryan, “but the adopted strategy and cooperation with CARD and CARD AgroService facilitate our endeavor, as well as daily work related to the acquisition of cattle breeding materials, tools, etc.”

In general, a considerable improvement can be observed in Black Ox’s operations, as compared with other similar farms in Armenia. During the conversation with the Ghazaryans they mentioned the following future plans.

- Construction of a modern barn, taking into account existing resources
- Construction of a milking parlor for the use of milking machines
- Acquisition of appropriate equipment for feeding and organization of forage production.

If today the average milk yield at Black Ox is 3200-3400kg per cow, their expectations from the crossbreeds is 4500-5000kg milk on average. “Will you sell one of your crossbreeds at the price of 4000 USD,” Norayr was asked and he answered, “Of course no, but in 2-3 years this idea can become realistic, Black Ox will breed high valued heifers for the Armenian market.”



MARKETING

Araks 2 Dairy Production

Araks 2 Dairy Farm is a family business located in Akunk village in Gegharkunik Marz. The dairy farm started operating as a small business back in 2001. The owner, Artur Movisiyan, has a background in engineering, but began studying cheese making production techniques on his own, to explore its potential as an entrepreneurial enterprise. His major efforts began with a series of experiments utilizing 40 liters of milk purchased from 5 neighboring farmers.

CARD specialists visited the dairy farm for the first time in August 2005. At that time the dairy farm was already working with small groups of farmers from the village and was a reliable source of income for the community as a whole. Though the dairy farm was making impressive strides there was still a lack of resources and knowledge on modern techniques of cheese production that would provide for the further sustainable expansion of their operations, as well as improvements to the quality of their output.

And at this juncture, CARD's involvement became the crucial factor that has led to the current success of the Araks 2 Dairy Farm. The small dairy farm was reconstructed into a two-story building with a special space for regular meetings and trainings with local farmers. A new storage facility was constructed, which enabled the farm to improve the quality of their products, as well as the overall sanitation of the facility – all in the effort to meet the annual demand of the market with a high-quality, reliable product. Also, during the last two years, the dairy farm has been refurbished with a milk collection tank, a cheese vat, a pasteurizer, and a high quality lab with modern equipment to control the raw milk quality – all facilitated and enabled with CARD's assistance.



In 2007, through CARD's guidance, Araks 2 launched a sheep cheese production wing utilizing pasteurized milk. This development was made possible by research that CARD conducted, which revealed substantial demand, and a gap in the local market, for high quality sheep cheese.



CARD adhered to its principle of “from the farm's gate to the consumer's plate,” and thus the first step was ensuring the safety of the raw milk input, in the cheese production process. CARD began by educating the local sheep farmers in how to incorporate “best practices,” in the improvement of their milk quality. The community farmers were provided with a milking parlor and were trained in modern milking practices. Production has moved forward, and this year the first small batch of pasteurized cheese milk will be launched in the market.

As it stands currently, Araks 2 is a reliable source of income for more than **250** farmers, with huge potential for further growth. This success story also provides an excellent model for other family dairy businesses, which can be successfully replicated by other farmers in other communities around Armenia. This is an excellent example of the huge success and progressive outcomes that result when there is a positive, working partnership between a forward-looking client and CARD.



CARD

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