



Improved Marketing Chain of Dried Fruits

Arcolad CJSC started its operation on October 10, 2004 as a small-scale chocolate producer. By 2005 the company had already started the production of a small assortment of chocolate candies. In 2006 it began supplying products to supermarkets and expanded its product range with chocolate covered dried fruits.



One noteworthy fact is that the management of the company has good marketing and sales skills, which helped them to establish good relations with big supermarket chains such as Star, SAS, Yeritsyan and Sons, Marriott Armenia Hotel, Duty Free, etc. However, the company is facing a problem connected to the storage of its products on the shelves of supermarkets, keeping the chocolate in unfavorable conditions and affecting the quality and appearance of candies.

Since 2006 Arcolad CJSC has been producing chocolate with dried fruits, which became the major product and bestseller of the company. Currently the production of the company covers such varieties as dried apricot with walnut in chocolate, dried apricot with marzipan in chocolate, dried peach with walnut in chocolate, dried peach with marzipan in chocolate, dried melon roll with smashed walnut in chocolate, and others. The product is differentiated from

STAGE II Project Activities

Poverty Reduction and Confidence-building in Border Areas of Georgia and Armenia by Strengthening Civil Societies in Sustainable Rural Development (STAGE II) launched in May 2009. The goal of the project is to support sustainable rural development in border areas of Georgia and Armenia through the strengthening of civil society and enhancing the partnership between civil institutions and local government, as well as offering platforms for confidence building between ethnic Armenians and Georgians and increased cross-border cooperation.

The project is carried out in border areas of Georgia in Samtskhe-Javakheti and Kvemo Kartli and in Armenia in the regions of Lori, Tavush and Shirak. The direct target groups of the project are Civil Society Organizations (CSOs) and Local Governments (LGs) of the

other products produced in Armenia due to usage of high quality Belgian chocolate and local dried fruits. Emil Harutyunyan, the director of the company puts high emphasis on quality and innovation combined with a serious approach towards sanitary conditions in the factory and selection of personnel. Nevertheless, Arcolad brand is not very well known in Yerevan and it needs promotion to communicate its product availability and unique characteristics to the market. Moreover, this product is very sensitive to temperature fluctuations and needs special conditions, such as particular temperature and humidity range to preserve its qualities.

In most stores the issue of product storing/presentation in proper conditions is not yet solved. A considerable portion of the product is sold through direct delivery to consumers and at the Duty Free shop in Zvartnots airport in order to reduce the losses in quality.

The lack of special shelves with thermoregulation necessary for keeping the chocolate in favorable condition and the financial crisis have negative effects on growth of sales.

To solve this problem CARD foundation helped Arcolad CJSC through USDA financial assistance to find specialized Tecfrigo shelves with thermo regulation designed specifically to preserve and present chocolate.

Currently, the equipment is installed in a specialized store in the central part of the city. Sales at the specialized comprise about 5% of the total in-town turnover of the company, which is about 500,000 AMD of additional income, growing at about 5-10% rate a month. With provided assistance chocolate sales will be more stable and the hot summer will not be a big problem for the company like it was before.

This is not the only benefit from the project. The company organized a permanent tasting of their products in the shop, where everybody is welcomed to taste and buy any of the products of the company. This project substantially contributed to the image of the company and increased the sales in other shops, becoming a successful marketing tool.

target regions. The final beneficiaries of the project are rural population of the target regions.

In order to achieve its aim the project partners – CARE International in the Caucasus, CARD Foundation in Armenia and CiDA in Georgia – work closely in implementing diverse activities. In November 2009 a Cross-border Agricultural/ Cultural festival was organized in Rustavi, Georgia with participation of Georgian and Armenian target CSOs. A similar event will be organized in Armenia, in Gyumri in October 2010, where producers of northern Armenia and other regions as well will have an opportunity to present their products. Within the project, CARD has conducted needs assessment of both CSOs and regional governments for identifying their technical needs and providing necessary support.

Based on this assessment, training on “Community mobilization” was organized and technical equipment, such as computers, printers and digital cameras, provided to the target CSOs. Some other training on institutional strengthening will be organized both for the governmental representatives and CSOs.

Among the joint activities, a study tour was organized in Armenia, where Georgian partner organizations and target groups were invited to visit the projects implemented by the Armenian target CSOs and to share their experiences. The delegation of about 40 people visited agricultural and housing projects in Gyumri and agricultural (bio-humus production, greenhouses, buffalo breeding, goat breeding), handicraft (needlework, clay-work, and sewing) and a disaster management projects in Spitak province. As a result of this joint activity, the target CSOs of both countries started already building ideas on cooperation for the near future.

In order to foster the notion of cooperation a workshop was organized in Tbilisi, Georgia bringing again the target groups and also representatives of international and local organization to discuss the “Improved responses to economic development and rural livelihood problems in bordering regions of Georgia and Armenia”. This workshop was especially important because two experts hired, one from Armenia and one from Georgia, presented the finding of their research on “Cross-border Cooperation between Georgia and the Republic of Armenia (Existing Problems and

Challenges)”. Discussions were quite fruitful for all participants as they could identify the weaknesses that have to be improved in the cross-border relationship and strengths and potentials that need further development.

A joint training on advocacy, coalition building and networking is also planned within the project to build up cross-border cooperation on the established fundament.

Another important component of this project is the small grants that will be provided to all target CSOs for implementing a small project in one of the bordering rural communities in their constituencies addressing social/economic problems of the local people, thus contributing directly to poverty reduction. Within this component, strengthening the cooperation between the CSOs and regional/local government is encouraged and hopefully will be maintained via their more frequent communication and dialogue leading to joint actions towards developing their local communities and regions.

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Conference on Phylloxera in Armenia

On June 2-3, 2010 CARD foundation in cooperation with “Mer Aygin” NGO, Tierras de Armenia, Converse Bank, Armenia Wine, Semina Consulting, Yerevan Brandy Company organized a conference on viticulture in Armenia. The conference brought together representatives of the academia, grape producers, wine producers and other practitioners of the food industry to discuss threats and opportunities for Future Progress mainly devoted to the problems of grape phylloxera, development of vine production and wine making in Armenia.



The two-day conference had four main subsections: (a) Wine-making in Armenia and in the world; Phylloxera – the situation in the world; (b) Ways to fight phylloxera, how to detect, analyze, and deal with it; (c) What are the solutions of phylloxera-infested vineyards, grafting, replanting, quarantine, and other options; (d) New vineyards – the prospects and expected trends in Armenia. Mr. Gagik Sardaryan, the director of CARD Foundation had the opening speech with emphasis on the grape phylloxera that has received the central attention due to its devastating impact on the grape yield and quality.

Cases of phylloxera have been reported in the north-eastern region of Armenia in 1926. Currently cases of phylloxera have been registered in Ararat Valley. Given the speed and ease of phylloxera spread (through juice, soil, material, leaves, humans, and so on), one can expect that the other large grape-growing regions in Armenia might also be infested. Supposedly, 10,000-15,000 ha vineyards are under the potential threat and the main source of income for more than 10,000 farmers are in question. However, there is lack of solid, scientifically proven study, which could either reject or accept this hypothesis.

The need for evidence-based research is critical. Hence, the conference was intended to unite the scientific community in the sphere of viticulture with the emphasis on phylloxera. The knowledge sharing, open field workshop, educational speeches were therefore organized during the conference to provide the maximum available and up-to date information on phylloxera.

The world-known academics, local researchers, and industry practitioners were present at the conference and presented their views on viticulture development in Armenia.

Among several relevant topics, the participants discussed also the financial schemes available in Armenia for wine production. Mr. Sevak Manukyan, CARD deputy director introduced experience of CARD AgroCredit in financing vineyard farming and wine processing and also general issues restricting financial institutions in being more active in the field. Particularly, risks associated with proper application of necessary preventive procedures in vineyard management, including disease control procedures was presented as one of the main restricting factors for extending credits for farmers. Also, participants were informed about various financing schemes that CARD AgroCredit applies in financing vine production and processing.

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