

## Organic Agriculture in Armenia

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### Recent important developments

Organic agriculture is part of Armenia's sustainable development concept and is a priority area in the government's agro-food policy. Organic farming is considered an excellent business opportunity for farmers and investors involved in agriculture and food production.

### History

The discussion on organic agriculture among stakeholders started in 2002, coordinated at the time by the United States Department of Agriculture (USDA). These activities have continued under an FAO<sup>2</sup> and USAID<sup>3</sup>/DAI ASME<sup>4</sup> project. As a result, the Armenian Organic Agriculture Foundation was established as a platform. Several farmer associations included organic agriculture on their agendas and some of their members started to produce organically. Donors supported organic agriculture via projects and now the sector continues to develop largely independent of foreign funds.

### Production data and operators

In Armenia the demand from processing companies for organic raw materials is the main factor for the development on a farm level, since there are no subsidies for organic farming by the state. In 2009, there were 1'100 hectares of certified areas, 600 hectares were agricultural land. The remaining areas are for wild collection and areas under conversion. There are about 1'000 beehives.

The production of fruits, berries, alfalfa, some grains, vegetables, and collection of wild species as well as beekeeping are the main organic agricultural activities. Further processing is based on the above mentioned raw materials. The main final products are juices, nectars, concentrates, purees, quick frozen products, and bread. Organic animal husbandry is seen as having high potential and is therefore high on the list of priorities for Armenian agriculture in state policies.

There were eight certified organic farms and six certified organic processing and import enterprises in Armenia in 2009. Many more farms are under conversion. The size of organic farms vary, typically from 5 to 120 hectares. Organic farms are either privately owned by farmers or individual farmers are part of an agricultural association. Farmers also have the possibility to work in community orchards as part of community development projects.

### Key institutions

The main public agencies involved in organic agriculture are the Ministry of Agriculture, the Forest Agency, the Ministry of Nature Protection, the Agency for the Management of Natural Resource as well as the Ministry of Economy. The Ministry of Agriculture is in charge of developing policy and legislation on organic agriculture as well as for its enforcement.

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<sup>2</sup> Food and Agriculture Organisation of the United Nations (FAO), [www.fao.org](http://www.fao.org)

<sup>3</sup> United States Agency for International Development (USAID), [www.usaid.com](http://www.usaid.com)

<sup>4</sup> Armenia Small and Medium-Sized Enterprises Market Development, [www.dai.com](http://www.dai.com)

ECOGLOBE is a local organic certification body in Armenia. It implements organic certification under trade mark “Green Caucasus” for national, EU, and other export markets. ECOGLOBE has an alliance with its Georgian partner Caucascert via harmonized regional standards. Services of ECOGLOBE and the “Green Caucasus” system are accredited by DAkKS<sup>1</sup> according to EN45011 and EU regulations 834/2007 and 889/2008. ECOGLOBE is also an Accredited Certifying Agent of the U.S. National Organic Program.

In addition, there are several NGOs in Armenia that promote and support organic agriculture.

### **Legislation**

An organic law has been in force since 2009. The basis for the law is the Codex Alimentarius organic guidelines and the EU organic regulation. The scope of the law is broad and therefore requires further by-laws. However, stakeholders agreed that national legislation should be revised according to international developments and have requested that a National Organic Agriculture Plan be prepared.

### **Domestic market**

A first organic consumer survey was conducted by the Armenian Organic Agriculture Foundation in 2005. In the same year, the first International Conference on Organic Agriculture was organized in Armenia by Fruitful Armenia, an NGO that promotes agribusiness and economic development in Armenia.

The state does not provide direct payments for organic farming, which may be the cause of the sector developing slower at farm level than is desired by stakeholders such as processors. This is seen as a problem since organic products are growing and demand may be difficult to meet if faster development does not occur.

The domestic market is still in the early stages of development, although in supermarkets locally produced organic bread, honey, herbal teas, and juices can be found.

### **Export market**

The first exports of Armenian organic products started in 2008. The main exported organic products are fruit and berry products from production and wild collection, such as quick frozen juices, beverages, fruits in syrup (compotes). The main export markets are Russia and the European Union.

It is expected that from 2010 to 2012 new areas will complete their conversion and become certified organic, which will increase export volumes. It is expected that the markets will expand also to the USA, Canada, and Asia.

The processors are usually engaged in export/import, and the following processors are also the main traders: Tamara Fruit, Beer of Yerevan, SIS Natural, HAM, Biouniversal and some others.

Every year Armenian organic producers visit the organic fair BioFach in Germany and have an Armenian organic stand. In addition, trade shows such as Anuga, Green Week in Germany, Organic Marketing Forum in Poland, and All Things Organic in the USA are also attended.

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<sup>1</sup> Deutsche Akkreditierungsstelle GmbH / German accreditation agency (DAkKS), [www.dakks.de](http://www.dakks.de)

## Imports

The import of organic ingredients, such as sugar is crucial as it is a key ingredient in many processed organic foods. There is a problem with unregulated organic imports in Armenia. This fact damages the reputation of organic food and farming locally. Some imports of teas, coffee, and body care products are carried out by the Center of Agricultural and Rural Development .

## Education, extension, and training

Extension capacities are developing, and the State Agrarian University of Armenia ([www.armagrar-uni.am](http://www.armagrar-uni.am)) continues to collaborate with Kassel University to establish educational opportunities for teachers and researchers in Armenia and Germany. Currently, the university's dairy is being converted to organic.

The state extension employees and agricultural associations are involved in trainings provided by ECOGLOBE and others.

In addition, NGOs such as Shen and Green Lane give advice to communities and farmers.

## Investment in the organic sector

The investment into agriculture is growing in many regions and includes both local and foreign private investments. Foreign investment is mainly sourced from the Armenian diaspora in Russia, USA, and Europe.

In 2009, the Government of Armenia provided a grant of 1 million US dollars to plant organic berry plantations in various Armenian regions. The grant was given to a processor to further invest in organic farming.

NGOs, in particular Shen together with Swiss donor support, implements community projects that have for example planted 160 hectares of organic orchards.

## Donor support

Two prominent projects have recently been completed:

The project "Development of Biological Agriculture and Bio Certification in South Caucasus" was supported by SDC<sup>1</sup> and HEKS<sup>2</sup> (2002-2010) with technical assistance provided by GTZ<sup>3</sup>. The project "Organic Chain Development in Caucasus and Moldova" was supported by the Dutch Ministry of Foreign Affairs and Avalon, Netherlands (2005-2009).

The Food and Agriculture Organisation of the United Nations (FAO) has assisted the Armenian government with the elaboration of their organic law.

The United States Department of Agriculture (USDA), USAID,<sup>4</sup> FAO, and the United Nations Development Programme (UNDP)<sup>5</sup> have also supported several organic initiatives in Armenia.

In the framework of ongoing GTZ projects a focus is on public private partnership aimed at organic agriculture.

<sup>1</sup> Swiss Agency for Development and Cooperation, [www.sdc.admin.ch](http://www.sdc.admin.ch)

<sup>2</sup> HEKS is the aid organisation of the Protestant Churches of Switzerland, [www.heks.ch](http://www.heks.ch)

<sup>3</sup> German Technical Co-operation GTZ, [www.gtz.de](http://www.gtz.de)

<sup>4</sup> United States Agency for International Development (USAID), [www.usaid.gov](http://www.usaid.gov)

<sup>5</sup> United Nations Development Programme (UNDP), [www.undp.org](http://www.undp.org)

Armenia is currently involved in a pilot project under the Green Economy Initiative<sup>1</sup> of the United Nations Environment Programme (UNEP) to re-orient the agricultural sector towards green jobs creation and a greener environment. IFOAM, Grolink<sup>2</sup>, and ECOGLOBE have been delegated this project and will conduct a survey and prepare a national report with findings and recommendations for the sector's development.

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<sup>1</sup> Green Economy Initiative, [www.unep.org/greeneconomy](http://www.unep.org/greeneconomy)

<sup>2</sup> Grolink, [www.grolink.se](http://www.grolink.se)