



ORGANIC AGRICULTURE AS A GREENING ECONOMY TOOL IN THE REPUBLIC OF ARMENIA

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ARMENIA



HISTORY

- ▶ Country located in South Caucasus
- ▶ Territory 29 500 sq km
- ▶ Organic agriculture movement since 2003
- ▶ International technical and financial support
- ▶ Switzerland, The Netherlands, USA,
- ▶ Germany (bilateral)
- ▶ FAO, UNDP, UNEP, USAID, other
- ▶ National and Regional Level
- ▶ International integration



HISTORY

- ▶ Government as a stakeholder
- ▶ Armenian Organic Agriculture Foundation
- ▶ First organic soils converted to organic in 2002 (fruit orchards)
- ▶ Law on Organic Agriculture, 2008
- ▶ By laws developed and adopted



ORGANIC BEEKEEPING FARM IN ARMENIA



2500 m above Sea level
Village Geghashen, Kotayk region, Armenia

INTEGRATION WITH GLOBAL TRENDS AND TRADE

- ▶ Export as economic growth (organic export is opportunity)
- ▶ International law is a basis for trade
- ▶ Green Economy Concept: organic agriculture (UNEP, EU)
- ▶ Membership in WTO (2003)
- ▶ EU ENPARD process supports agriculture in general, opportunities for organic agriculture
- ▶ other

ORGANIC JUICE IN SUPERMARKET



POLICIES AND SURVEYS

- ▶ **OA is part of Armenian agricultural strategy (2012-2015)**
- Commission on Sustainable Development established by the Government and the committee leading by MoA on organic agriculture exist since 2014.
- ▶ The first international recommendation on OA provided by UNECE Environmental Performance Review of Armenia in 2000.
- ▶ Consumer survey (2005) detected interest of local consumers
- ▶ **UNEP ‘Green Economy’ initiative towards RIO +20 Global summit**

Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication

<http://www.unep.org/greeneconomy/GreenEconomyReport/tabid/29846/language/en-US/Default.aspx>

- ▶ Armenia as model/pilot country for OA in light of Green Economy
- ▶ other



INSTITUTIONAL SETUP AND STAKEHOLDERS IN ARMENIA

- ▶ Ministry of Agriculture in charge for policy, legislation and enforcement, including state support
- ▶ Ministry of Economy in charge for trade and market policies and quality infrastructure (legislation)
- ▶ Organic certification: private, independent (third party) company ECOGLOBE LLC exist

TRAININGS and EXTENSION

- ▶ **Several NGOs provide extension: Green Lane, Shen**
- ▶ AOAF serves as umbrella organization
- ▶ ECOGLOBE has regular annual training programs in Armenia and abroad



WILD RESOURCES ORGANIC HERBAL TEAS AND ESSENTIAL OILS FROM WILD HERBS

- ▶ Natural protected areas
- ▶ Reserves and National Parks
- ▶ Biodiversity 3500 species of plants
- ▶ 900 species are known for their medicinal value

100 species are collected traditionally

Diverse landscapes and climatic conditions

Ancient traditions of farming and food



ORGANIC CERTIFICATION



ECOGLOBE LLC (AM-BIO-112)

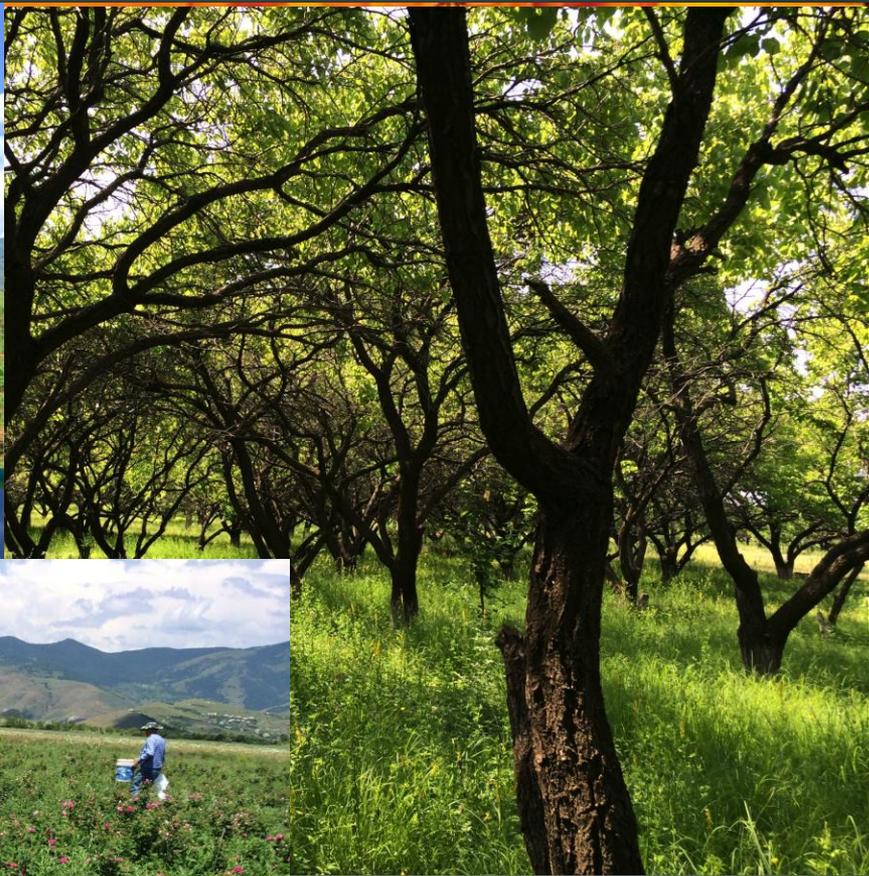
- ▶ “Green Caucasus” organic standard is EU and Swiss equivalent
- ▶ ECOGLOBE is listed in EU equivalent certifier list
ECOGLOBE is accredited for USDA and Canada.
- ▶ Organic certification authorized in and outside Armenia
- ▶ Countries AM, RU, UA, BY, KZ, Kyrgyzstan, UZ, Turkmenistan, Tajikistan, Iran, Afghanistan, Pakistan



ORGANIC PRODUCTION AND FOOD

- ▶ Crops: fruits mainly, wheat (ancient), feeding crops, oil crops
- ▶ Wild fruits and berries, herbs
- ▶ Beekeeping: honey and other
- ▶ Juices, nectars, jams, semi finished products: purees, concentrates
- ▶ Bread





Government policies supporting OA development in combination with focused international donor support in Armenia are crucial for improvement and development of regions, rural areas, people's livelihood and formation of conscious consumers.

ORGANIC GROWTH PERSPECTIVES IN ARMENIA GREEN AND SUSTAINABLE

- ▶ Early stage: conversion period, low awareness level of farmers
- ▶ No support mechanisms yet developed to promote conversion
- ▶ Processing industry is driving force
- ▶ Access to certification facilitates process!
- ▶ Several studies have identified organic as potential
- ▶ Unused soils can be turned into organic!
- ▶ State strategy in agriculture involves further development of OA
- ▶ MoA supposed to develop (attractive) support policy for farmers to convert
- ▶ Access to finance (more favorable conditions) expected for OA farmers



MARKETING

Since 2002

- ▶ BIOFACH, Nuremberg, DE
- ▶ “Armenian Organic” booth at Biofach
- ▶ Organic store Green Day
- ▶ Supermarkets training
- ▶ Other tradeshow, ANUGA, etc.



ORGANIC EXPORTS

Processing companies export organic to markets:

- ▶ Armenia
- ▶ EU
- ▶ Russia
- ▶ USA
- ▶ Kazakhstan
- ▶ Canada
- ▶ New markets



GREENING TOOL

“?”

THE POTENTIAL BENEFIT OF ORGANIC FARMING

- ▶ Particular interest of European and USA buyers (low chances for conventional products).
- ▶ Improved farmers' income and export (Organic exports could reach a value of US\$ 3-8 billion in 2020)
- ▶ Improved soils and pastures: increase value with at least 50 %. (if 50, 000 ha lower price soils will convert to organic this will mean an increased value of total 0.75 billion US\$.)



THE POTENTIAL BENEFIT OF ORGANIC FARMING

- ▶ Lowering pressure on and depletion of biodiversity and agro-biodiversity.
- ▶ Sustainable practices in nature protected areas.
- ▶ Involvement of abandoned and unused lands into agricultural practice.
- ▶ Land consolidation and uniting efforts of the farmers.

THE POTENTIAL BENEFIT OF ORGANIC FARMING

- ▶ Mitigation of Green House Gases (GHG) emissions: opportunity for farmers and investors as well as for the country at large.
- ▶ In case this rate is 400 kg per year in Armenia, 50,000 hectares of organic farm land could sequester carbon for around US\$ 1-2 million per year.
- ▶ organic agriculture uses less energy, up to seventy percent in some cases. an assumed saving of energy with organic of 20 percent energy, some 27 tons of CO₂ equivalent could be saved, representing a saving of US\$500 per hectare a year.

THE POTENTIAL BENEFIT OF ORGANIC FARMING

- ▶ increase of labor demand in organic farming, it can still contribute to increased employment through many mechanisms.
- ▶ New attractive jobs: such as organic extension, organic management, inspector. New businesses : agro- and eco-tourism, supply to the hotel and tourism sectors and others, primary processing and trade.

CHALLENGES

- ▶ Low consumer demand as a result of low awareness;
- ▶ Absence of state support and promotion of organic agriculture and as a result lower growth at farming level, lower supply or raw material compared to demand;
- ▶ Underdeveloped links in organic value chains;
- ▶ Limited access to market information and services.
- ▶ Market not sufficiently aware of the Armenia as a origin country for organic

PROSPECTS OF OA IN ARMENIA IN 10 YEARS

- ▶ If the policy promotes 2.5 % (50 000 ha) of the agricultural land in Armenia to convert to OA
- ▶ In addition 6,000 to 10,000 hectare of pasture could be brought into organic management.
- ▶ 10 to 20 % of total organic product consumed locally, 80-90 % exported
- ▶ Exports: Animal origin products, including honey and other beekeeping products, will be permitted for export to EU.
- ▶ It is expected that organic processing will supply market with both bulk and packaged products with preference given to final products produced in Armenia.
- ▶ The product variety will include concentrates, juices, purees, dried fruits and vegetables, IQF, preserves, jams, bread, cheese and other dairy products, egg, meat, herbal teas, essential oils, other.
- ▶ The total market value of the production could reach US\$ 100 million.

INVESTMENT NEEDS

- ▶ both state and private (local and foreign) investments
- ▶ Direct private investments **in the agriculture and value chain**
- ▶ Processing companies investing in agriculture
- ▶ Annual investment of US\$ 48 million is estimated to be needed to reach the target of 50, 000 hectares of organic farmland.
- ▶ This investment is realistic with combination of private, government, financial institution and donor investments.
- ▶ Extra in education, PR, other
- ▶ Bilateral agreements between Government of Armenia and donor agencies should include sustainable agriculture and organic farming as priority sector for assistance.

THANK YOU FOR ATTENTION

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