



**Implications of the 2020
Global Food Policy Report
for Eurasia Region
The Case of Armenia**

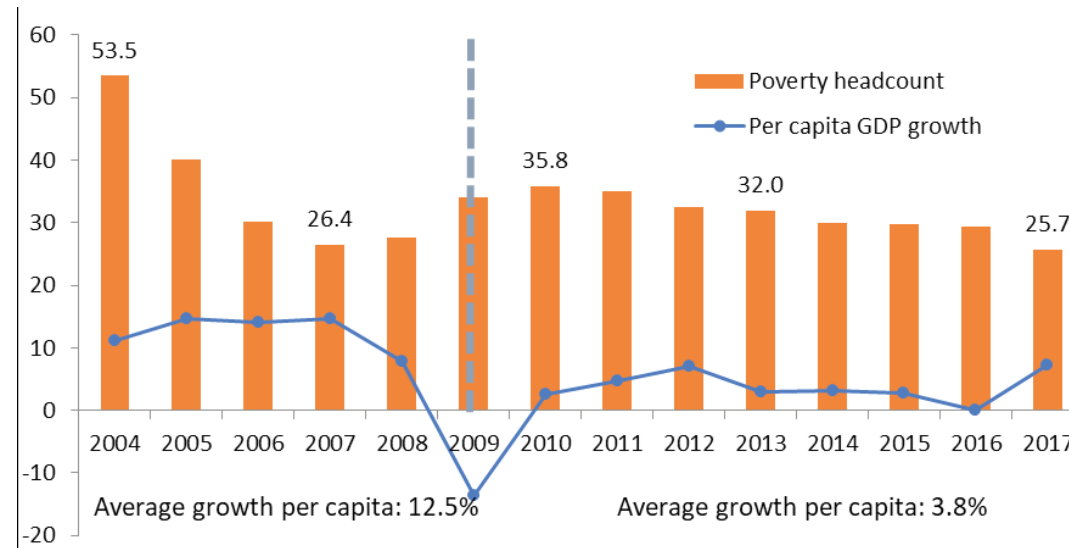
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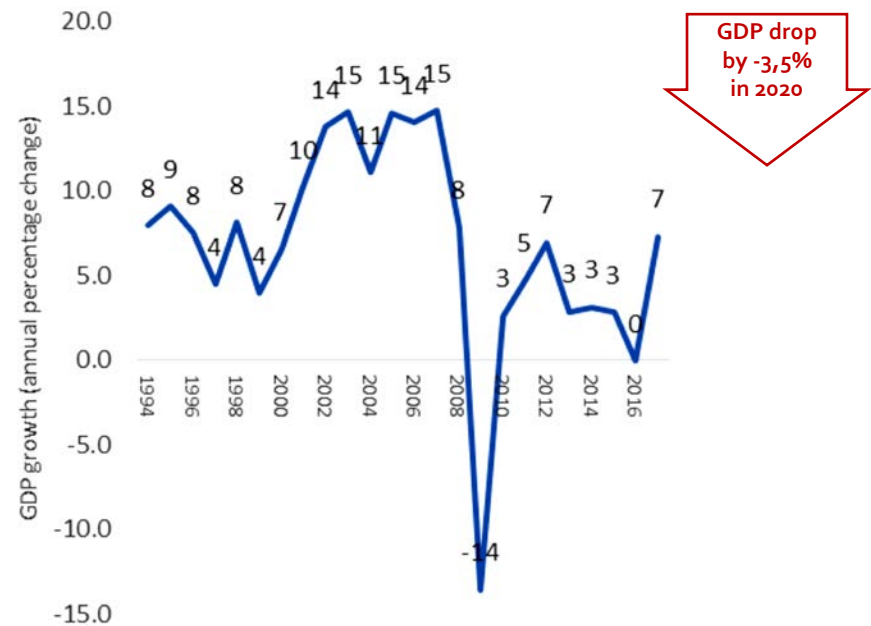
The Current Macroeconomic Context of Armenia

- An average of **15%** of households in Armenia have remained food insecure since 2010 (WFP, 2020)
- Unemployment rate **17%** in 2019 (WB, 2020)
- Global shocks - **COVID-19** - food system inefficiencies - food losses and food waste across the entire food system!
- Based on the WB and IMF economic prognosis the Armenian GDP will drop by **-3,5%** in 2020.

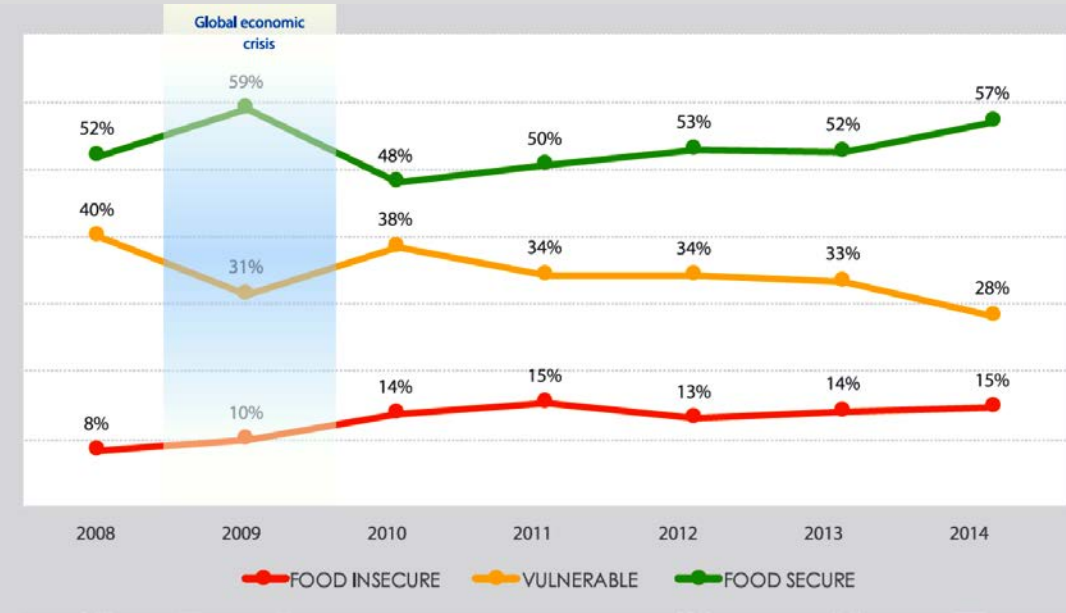
Graph 2. Poverty and growth in Armenia, 2004–17 (WB, 2019)



Graph 1. Armenian GDP growth by 1994-2016 (WB, 2019)



Graph 3. Rate of food secure, insecure and vulnerable (WFP/UNICEF, 2016)



Agricultural value chains – Integration of smallholder farmers

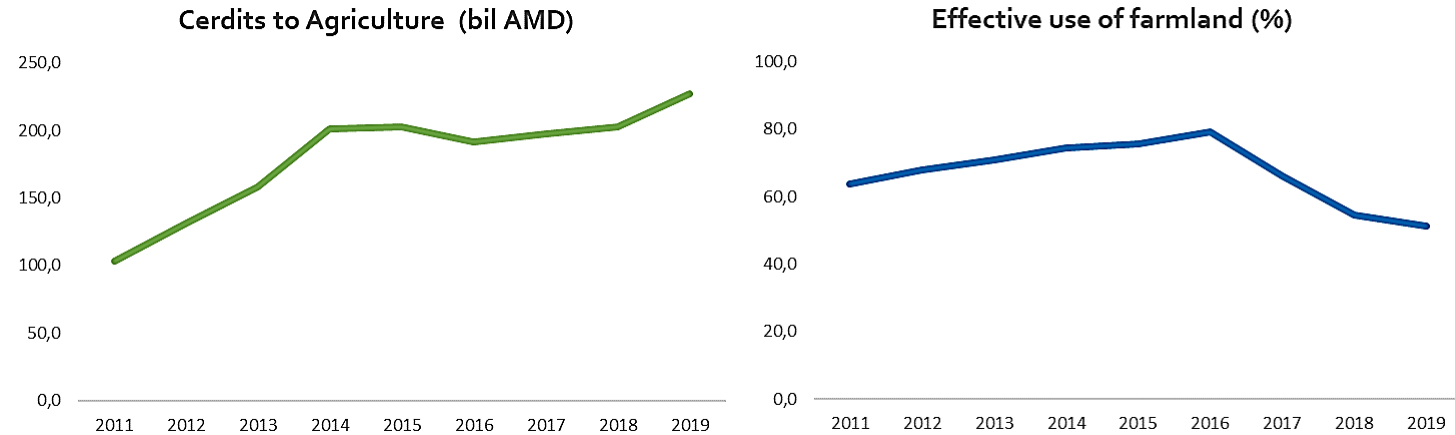
- About **80%** smallholders have less than **2 ha** farmland on average
- App. **95%** of agricultural output is produced by smallholders

Challenges: fragmented land, missing farming and entrepreneurial skills, access to information and markets, over-indebtedness, little willingness to cooperate, etc.

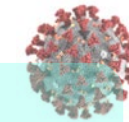
Agriculture is a priority area for the Armenian Government, but:

- State subsidies are not effective for smallholders
- Agricultural credits used as consumer loans
- No targeted strategy to support rural poor and vulnerable population
- Missing data and analysis for policymaking – lack of relevant data to understand the food system
- Poor social protection and inclusion mechanisms.

Graph 4. Increase of credits to agriculture vs declining use of farmland



Implications of COVID-19 on different value chains



Cereal production

Negative impact on tourism and service sector causes price fluctuations and consequently production is expected to fall.

Greenhouse sector: Floriculture

Loss of buyers and absence of export market – disruptions and failure along the supply chain.

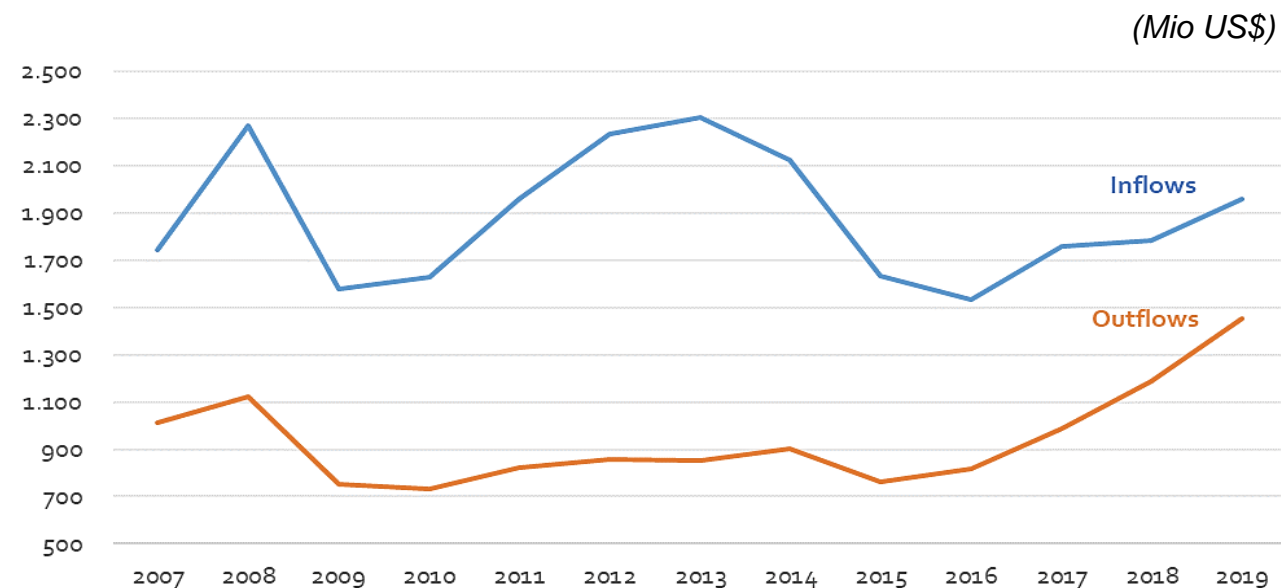
Armenian Brandy and Wine production

Consumption stagnated: 30-50% expected decline in new grape procurement.

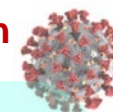
Agricultural value chains - Integration of Women and Youth

- Women earn **34 %** less than men and own just **11 %** of micro, small and medium enterprises
- The gap in earnings between men and women is higher at the top, particularly in modern, private, market based services
- About **20 %** of youth between the age of 25–34 and **37.2 %** of youth between the age of 15–24 year unemployed
- **Given the limited economic opportunities for women, they are more vulnerable to poverty and food and nutrition insecurity** (WB, 2019).

Graph 5. Total Remittance Inflows and Outflows 2007 – 2019



Implications of COVID-19 on Economic Migrants and Youth

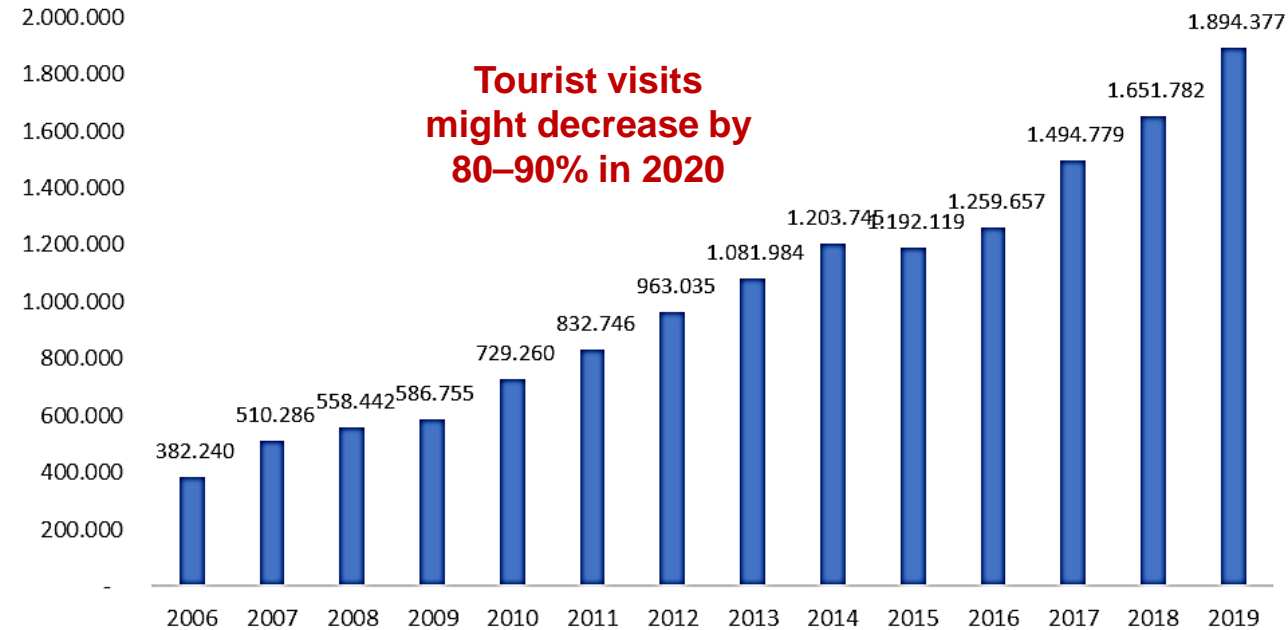


- High levels of economic migration, mostly to Russia. The economic impact of migrants and seasonal workers is significant. Remittances comprise **\$1.96 billion** in 2019, or **15%** of Armenia's GDP.
- It is estimated that remittances will sharply decrease and over-indebtedness of migrants will increase.
- Lacking mechanisms for the reintegration of migrant workers.

Integration of Displaced Syrian-Armenian Refugees

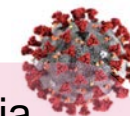
- In 2011-2016, about **22,000** Syrian refugees arrived in Armenia
- 4,000-5,000 of these went back or travelled back and forth, while an estimated 16,000 settled in Armenia
- Relatively good employment rate - more than 50% were employed
 - but, mismatch between the skills and the job market.

Graph 6. The visitors that are tourists (2006-2019)



Implications of COVID-19

- The largest proportion of people displaced from Syria are employed in tourism and food service industry (over 50%).
- The COVID-19 pandemic have a significant impact on both sectors and consequently, on the integration of displaced Syrian refugees.



Takeaways for policymakers

- Take cooperative action to build inclusive food systems, support transformation already taking place in different segments of the food value chains. Design robust social protection mechanisms, e.g. targeted assistance and direct payments.
- Create enabling environment, strengthen cooperation and connect smallholders to the markets, promote producer organizations and agricultural cooperatives.
- Create employment possibilities for rural population through development of “hidden middle” of agri-food supply chains.
- Close the gap between policymaking and research/ data collection and analysis across the entire food system; strengthen the capacity for collecting and analyzing data. Enhance the knowledge of digital technologies, processing techniques and food safety.
- **Education is critical for building inclusive food systems!** Invest in quality education and research, develop professional extension services for creating equal employment opportunities for women and youth.