

Price Monitoring and Analysis Country Brief

Armenia

June-August 2010

Key Messages

- ⌚ Wheat price was highly volatile in recent months. It increased in August by 20% but remained much below pre-harvest level (June 2010).
- ⌚ Wheat production in 2010 is estimated at 215,000 tonnes, a level similar to the last 5 years average.
- ⌚ Twenty-two percent of the population was estimated to be undernourished in 2005-07, according to the latest FAO figures which were released in September.
- ⌚ The Government is implementing a series of measures to support agriculture.

Background

The total population of Armenia was 3.1 million in 2008. The contribution of agriculture to GDP was below 20% in 2008 although 44% of the labour force is employed in agriculture.

Economic Indicators		View Data
Total Population (millions) - 2008 (WB)	3.077	
Population growth rate - 2008 (WB)	0%	
GNI per capita, \$ PPP - 2008 (WB)	6310	
Population below 1\$ PPP per day - 2007 (MDG)	3%	
Rural population - 2008 (WB)	36%	
Agriculture, value added (% of GDP) - 2008 (WB)	17%	

Food Consumption	
Undernourished Population - 2005/2007 (FAO)	22%
Cereal share in total dietary energy consumption - 2007 (FAO)	44%
Meat share in total dietary energy consumption - 2007 (FAO)	8%
Health Indicators	
Pop. with sustainable access to improved sanitation - 2008 (WHO)	90%
Life expectancy at birth (years) both sexes - 2008 (WHO)	70
Pop. with access to improved drinking water sources - 2008 (WHO)	96%
Prevalence of HIV among adults aged >= 15 years - 2007 (WHO)	0%

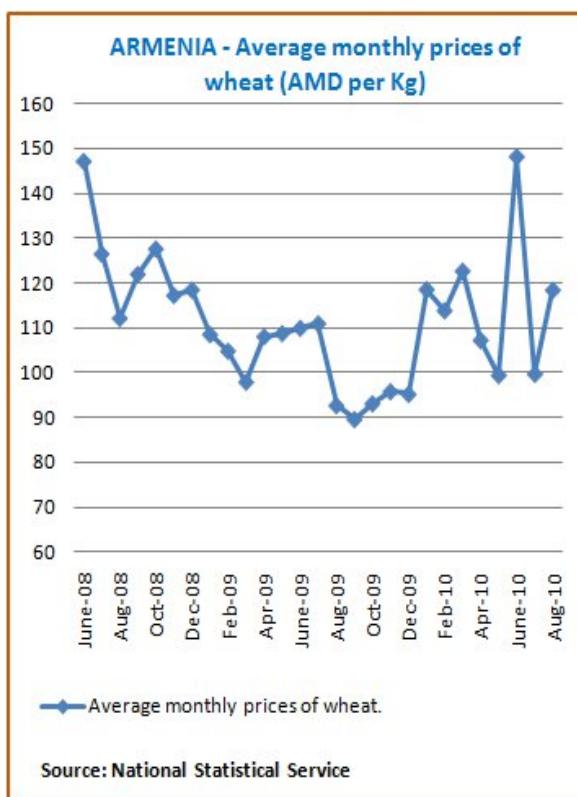
⌚ Prices

Cereals: Wheat price has shown a highly volatile trend in recent months. Wheat price decreased from 122.7 AMD/Kg in March to 99.5 AMD/Kg in May. It then dramatically increased in June, reaching a peak of 148.1 AMD/Kg, dropped again in July (99.1 AMD/Kg), and then went up by 20% in August (118.46 AMD/Kg).

Livestock: An increase in the prices of meat and meat products has been registered in the last three months.

⌚ Natural Disasters, Drought and Conflicts

According to the Head of state Committee on Migration the number of refugees in 1988-1992 amounted to 420,000 people, including 360,000 from Azerbaijan, as a result of the Nagornij Karabakh conflict. According to the Department of Refugees of the Ministry of Social Welfare, 311,000 refugees are still living in Armenia.

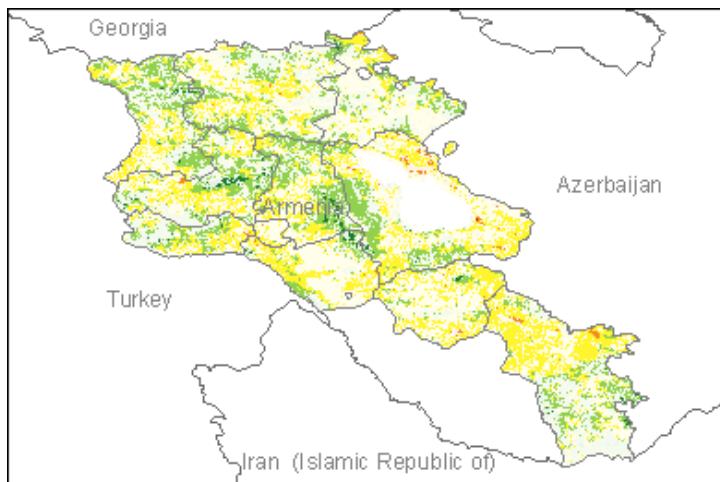
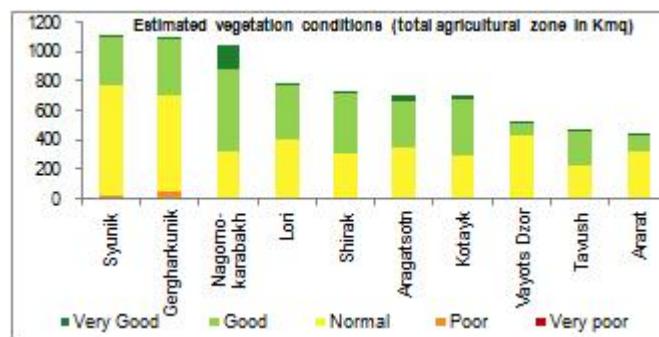


Refugees and IDPs	2007	2008	2009
Total in the country	4664	4125	85877
Total outside the country	19419	20105	104312

Source: [UNHCR](#) Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/09/2010.

Vegetation Condition

At this end of the crop season, normal to good conditions are observed in the majority of the country. The general indicator of vegetation condition provided below is the relative difference between the NDVI for August 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the GLOBCOVER database (2005).



Source: JRC MARS – FoodSec

Food Security Situation Assessment

According to the latest FAO estimates available, 22% of the population was undernourished in 2005-2007. The WFP hunger map, which is based on FAO data, classifies Armenia as a country with moderately high prevalence of hunger, ranging from 20% to 34%. According to the IFPRI Global Hunger Index, the prevalence of hunger is moderate.

CURRENT EMERGENCY ASSESSMENT

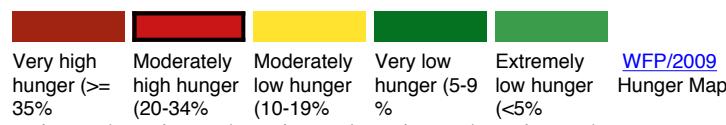
Armenia is not part of the countries in crisis requiring external assistance

[FAO/GIEWS CPFS 2010](#)

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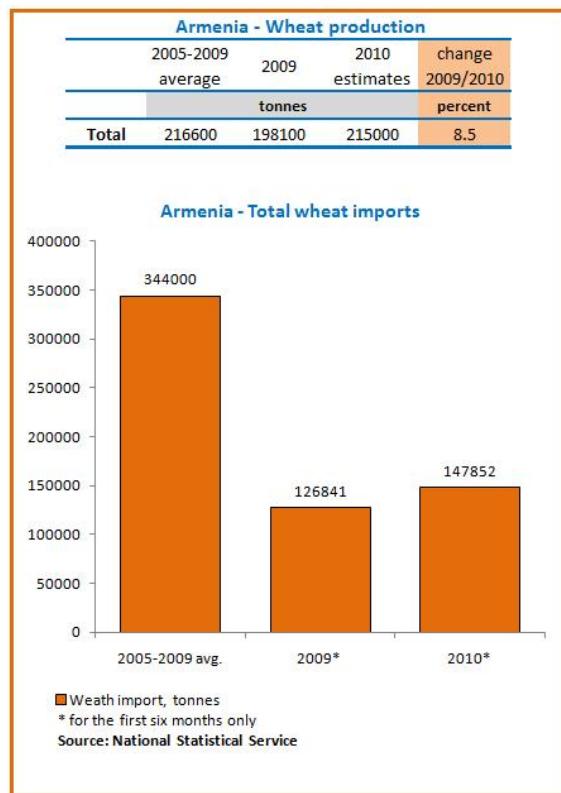
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SCALE OF HUNGER



Food Balance Sheet

Wheat production in 2010 was estimated at 215,000 tonnes, a level similar to the last five years average (216,600 tonnes) and an increase of 9% compared to 2009 (198,000 tonnes). Unfavorable climatic conditions, mainly frosts in early spring and heavy rains, had a negative impact on production. Wheat imports for the first six months of 2010 were estimated at 147,852 tonnes, 17% more than for the first six months of 2009 (126,841 tonnes).



Government Policies

In 2009, the Government allocated 1.6 billion AMD for subsidies to farmers. It also subsidized the interest rate of bank loans to farmers living in highlands, Gegharkounik and Shirak Marzes.

Consumer and market oriented measures	n.a.
Producer oriented measures	Support to inputs for crop production.
Trade policy measures	Duty customs on food products.
Safety net (increased or introduced)	n.a.

Different sources

Current events to watch (Click to see the full report)

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