



Ministry of Agriculture of Armenia

AGRIFOOD

INVEST IN NATURAL COMPETITIVE ADVANTAGE OF ARMENIA

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WHY ARMENIA ?

SECTOR OVERVIEW

THE LARGEST SECTOR OF ECONOMY

+60%
2010-2015



+35%
2010-2015



17.3% Agriculture

6% Food processing

\$10.45 BLN

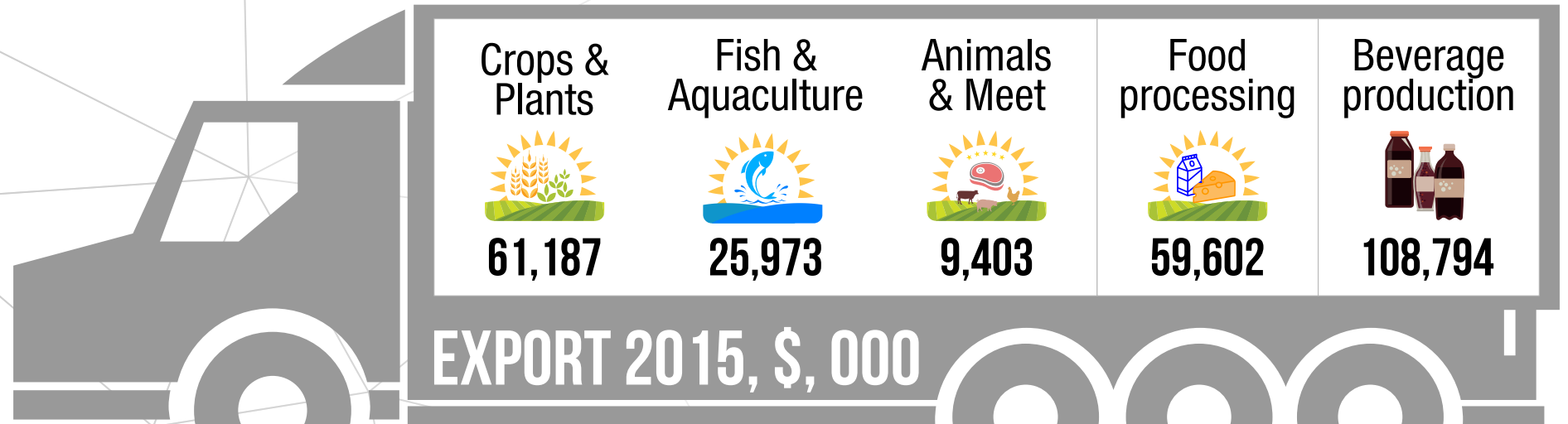
**GDP
2015**



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SECTOR OVERVIEW

A DIVERSIFIED EXPORT OF PRODUCTION



Export volume
x2.3 2010-2015



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SECTOR OVERVIEW

SECTOR SPECIFIC REGULATIONS

	AGRICULTURE	FOOD PROCESSING	PRODUCTION OF BEVERAGES
PROFIT TAX	n/a	20%	20%
IMPORTING DUTIES	0%	Depends on products /no duty for EEU/	Depends on products /no duty for EEU/
EXPORTING DUTIES	0%	0%	0%
VAT	n/a	20%	20%
EXCISE TAX	n/a	n/a	For the distribution of alcoholic beverages
LICENSING REQUIREMENTS	no	no	For the distribution of alcoholic beverages
REGULATIVE BODY	SSFS*	SSFS*	SSFS*

*The State Service for Food Safety



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To support and facilitate transition to **commercial, modern, export oriented** sustainable agricultural sector that has a premium **brand equity** in the main export markets

Commercialization of the agricultural sector

Modernization through introduction of new technologies

Upgrade of physical infrastructure

Institutional and legal **reforms**

Human capital **development**

Export market **diversification**



Unrestricted access to markets of Eurasian Economic Union with more than **180 mln consumers** and increasing list of countries with **free trade agreement**

Excellent reputation of Armenian products in CIS and Middle East

Free trade agreements with CIS countries, Georgia and Vietnam

Preferential trade regime with EU, US, Canada, Norway, Switzerland and Japan

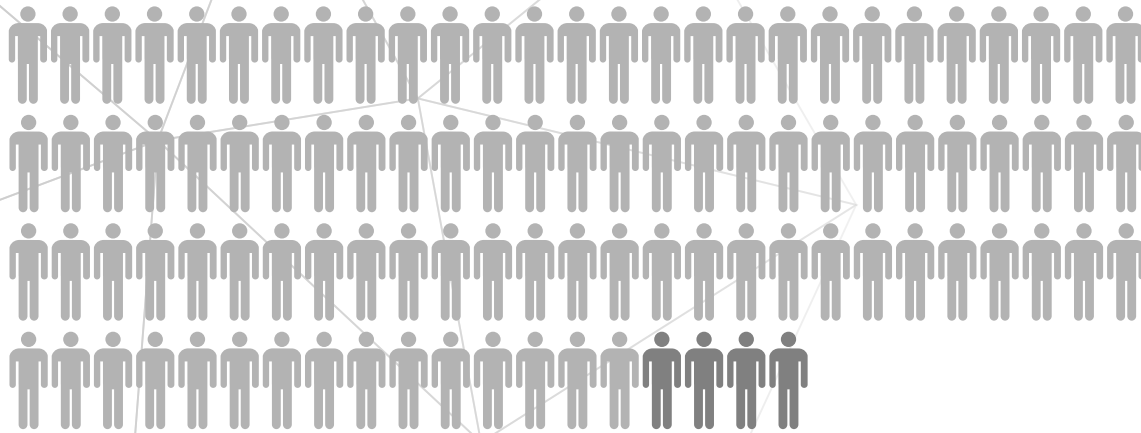
Expected free trade agreements with China, India, Iran and others



PUBLIC POLICY

AVAILABILITY OF SKILLED WORKFORCE

Relatively inexpensive labor force



Armenia is abundant with **skilled labor force***. In combination with **new technologies** they create right synergy for excellent results and **high productivity**



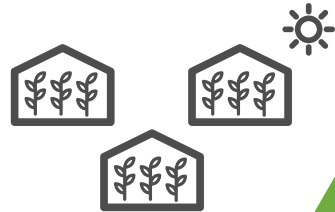
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* More than 450,000 people engaged in Agri-Food sector of which only 23,000 from industrial agriculture/processing

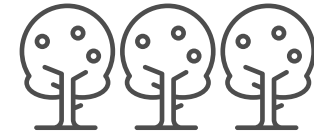
INVESTMENT OPPORTUNITIES

THE MOST PROMISING AREAS FOR INVESTMENTS

Modern greenhouses



Intensive orchards



Viticulture and wine production



Animal husbandry



Organic agriculture



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INVESTMENT OPPORTUNITIES

 Exceptional geography and climate

 **307** days  **2280** hours  **4800** MJ/m³

 Proximity to target markets

 No tariffs or quotas for export to EEU market

 No need for phytosanitary registration to export to EEU

 Low energy price due to unique energy mix

Modern
greenhouses

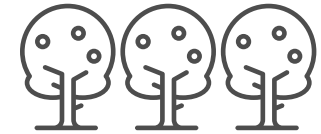


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INVESTMENT OPPORTUNITIES








- High margin and premium market access
- Skilled labor force and extension system
- Proximity to target markets
- Vast renewable & high quality water sources
- Applicability of modern technologies
- Access to EEU market with no tariff and non-tariff barriers
- Favorable climate in low risk zones

Intensive orchards



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INVESTMENT OPPORTUNITIES

-  Oldest known winemaking region
-  Indigenous viticulture practice
-  Excellent altitude and climate
-  Access to diverse markets
-  Availability of skilled labor force
-  Old brandy production traditions
-  Growing local consumption of wine

Viticulture and wine production



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INVESTMENT OPPORTUNITIES

SHEEP BREEDING

- Around 2 million sheep breeding capacity
- Possibility of intensifying sheep breeding
- Excellent climatic conditions
- Increase in sheep meat production volumes
- Sheep milk processing
- Export of live sheep and sheep meat
- Production of wool and sheep hides or leather.




Animal husbandry



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INVESTMENT OPPORTUNITIES

YEARLY DYNAMICS OF TOTAL NUMBER OF LIVESTOCK AND PRODUCTIVITY

CATEGORY	UNIT	YEAR					2016 / 2012 %
		2012	2013	2014	2015	2016	
LIVESTOCK OF SHEEP AND GOAT* 	THOUSAND HEADS	590.2	674.7	717.6	745.8	778.1	+131.8
SHEEP AND GOAT MEAT (SLAUGHTER WEIGHTS) 	THOUSAND TONS	8.5	9.0	9.1	9.8	10.7**	+125.9
AVERAGE WOOL PRODUCTIVITY OF ONE SHEEP 	KG	2.2	2.2	2.2	2.2	2.2	100

* Livestock of goats varies from 35 – 40 thousand

** Operative data

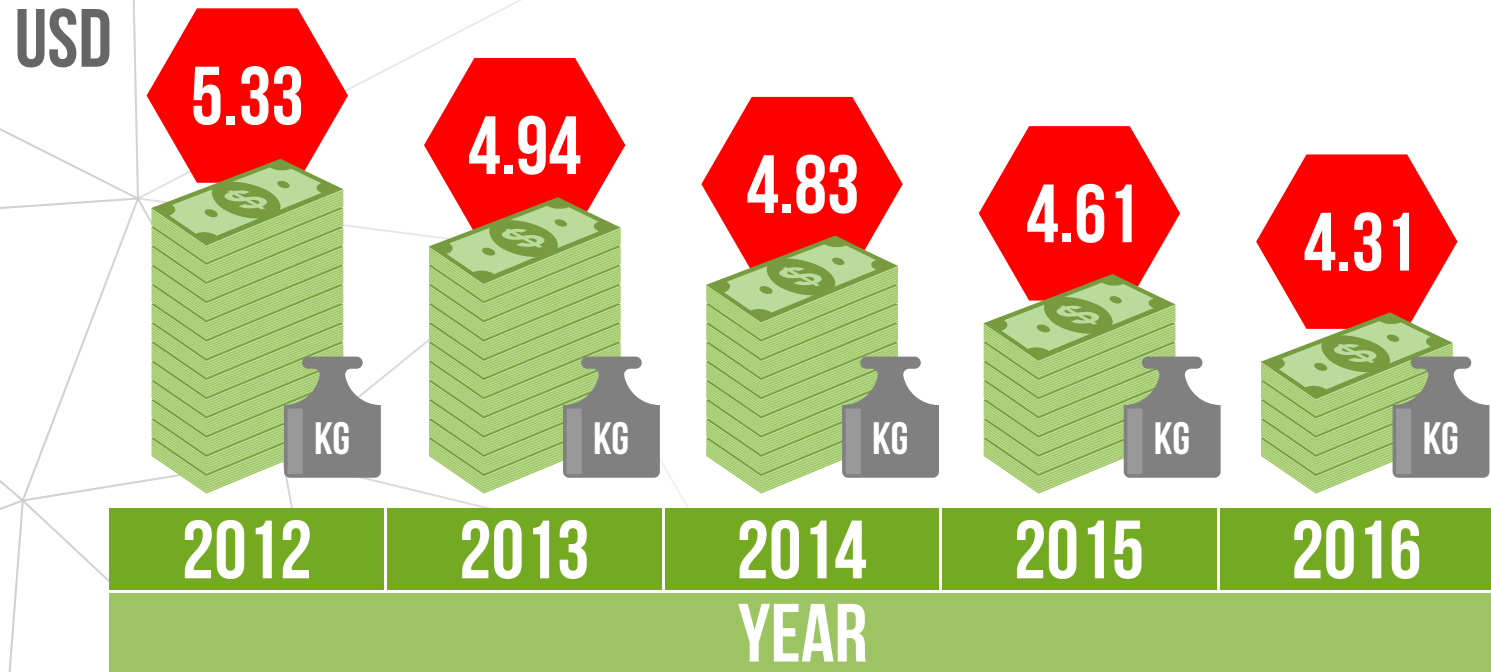
9300 heads of sheep and goat was exported from Armenia to Oman, Kuwait, Georgia, Lebanon as well as 2516 tons of sheep meat (fresh or frozen meat products, semi meat products and sub products) with an overall value of 9,704,145.60 USD in 2016.



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YEARLY PRICE DYNAMICS OF 1 KG SHEEP MEAT IN RA



The price of sheep meat has decreased during the past 5 years, e.g. 1kg of meat in 2016 was 4.31 USD, which is around 23.7% lower than in 2012.



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INVESTMENT OPPORTUNITIES

POULTRY INDUSTRY

- Availability of pedigree birds
- Substitute the imported poultry
- Chicken egg processing
- Export of poultry and chicken egg
- Room to increase the volume of poultry production
- Room to increase the volume of chicken egg production
- Production of organic fertilizer

Animal husbandry



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POULTRY LIVESTOCK AND PRODUCTIVITY DYNAMICS IN THE PAST 5 YEARS

INDEX	UNIT	YEAR					2016 / 2012 %
		2012	2013	2014	2015	2016	
POULTRY LIVESTOCK	THOUSAND BIRDS	4023.5	4050.0	4101.2	4145.5	3942.8	- 98
CHICKEN EGG PRODUCTION	MILLION EGGS	658.1	615.2	641.8	659.8	694.6	105.5
POULTRY (NET WEIGHT)	THOUSAND TONS	8.3	8.2	8.8	9.5	9.8*	118.1
AVERAGE EGG PRODUCTIVITY FOR ONE BIRD	EGG	181	226	257	241	254	140.3

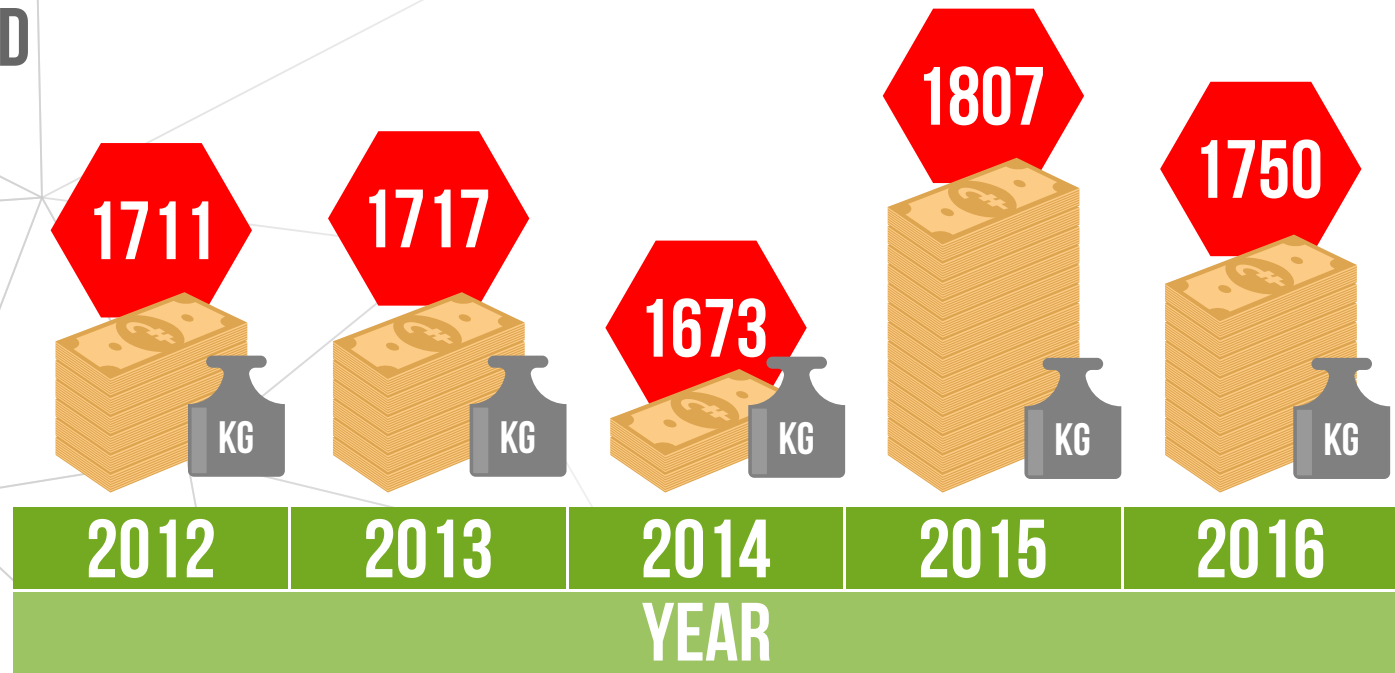
* Useful to know. Around 23.3 tons of poultry and 2.1 million chicken eggs have been imported to Armenia in 2016.



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AVERAGE POULTRY SALE PRICE BY AGRICULTURAL PRODUCERS IN THE REPUBLIC OF ARMENIA FOR 1 KILOGRAM

AMD

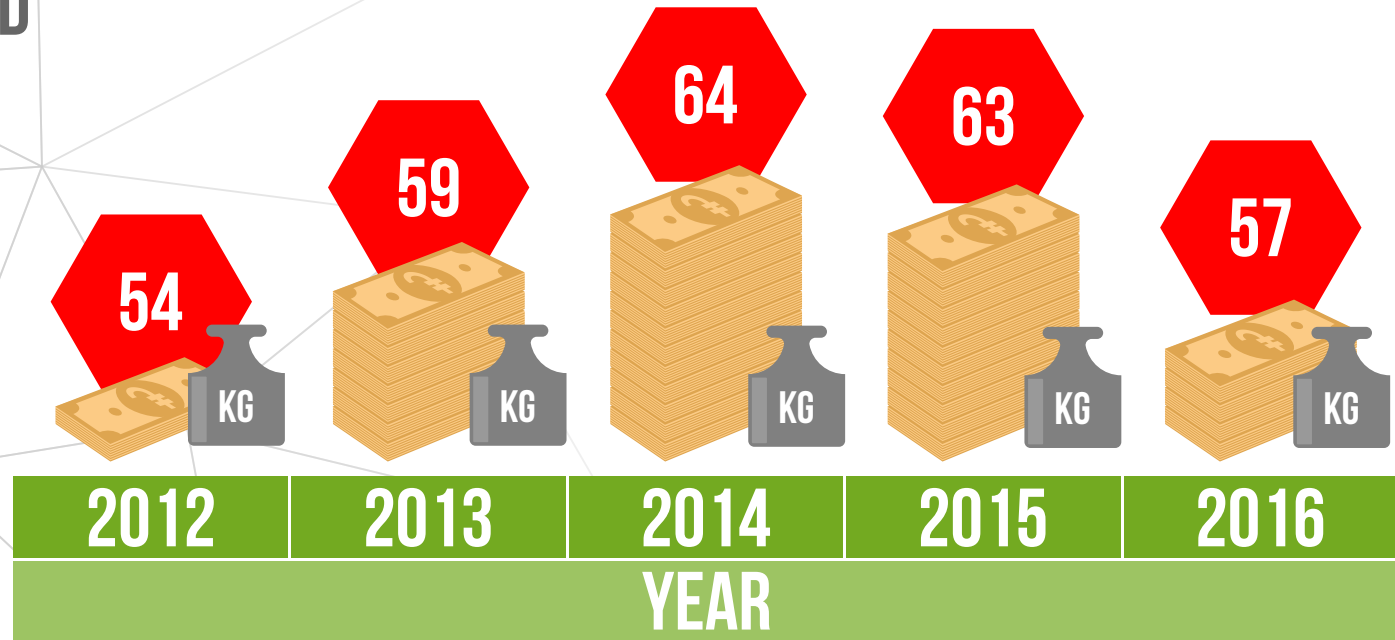


The poultry price has not fluctuated significantly in the past five years. The price for 1 kilogram has been 1750 AMD in 2016, which is a 2.3% increase compared to 2012.



AVERAGE CHICKEN EGG SALE PRICE BY AGRICULTURAL PRODUCERS IN THE REPUBLIC OF ARMENIA FOR 1 UNIT

AMD



The average chicken egg sale price by agricultural producers has been 57 AMD in 2016. The price for one unit has been at its highest in 2014 (64 AMD), which has decreased in the following 2 years by 1.6% and 12.3% respectively



WHY ARMENIA ?

AGRI-FOOD

Exceptional nature, care and commitment for quality

Labor abandoned sector

Rich traditions flavored with modern technology

Invest in natural competitive advantage of Armenia

Full access to the largest markets in the region

A priority sector for the Government

Proven perception of quality products in the region



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