



Հայաստանի համահայկական հիմնադրամ
The Armenia Fund



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Rural Development Program

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FROM: RURAL DEVELOPMENT PROGRAM IMPLEMENTATION OFFICE
SUBJECT: WEEKLY UPDATE OF THE ARMENIA FUND RURAL DEVELOPMENT PROGRAM

After last week's small lyrical detour we're back with good news on the progress of the milk collection center initiative. We also signal the launch of the automated milking units' small projects that will help improve the quality of the milk produced in the border villages.

MILK COLLECTION CENTER PROJECT LAUNCHED



The establishment of a milk collection center was one of the earliest economic facilitation initiatives singled out for the Khashtarak cluster communities. The idea seemed simple enough – provide the border communities of the region with a source of constant and dependable income. Boosting the milk collection was one of the obvious choices for a sustainable solution as all the ingredients were in place for a successful project.

In Armenia, the milk has a ready market, an established price and above all – people of the region are truly keen to develop this sphere. Tavush region in general and the Khashtarak cluster communities in particular have a long and respected tradition of animal husbandry and the majority of the population there see themselves as cattle breeders. The sphere was hit badly by the economic calamities of the past twenty years (according to our data the average farmer currently has only one-two cows) but the desire is still there and so is the capacity. All that people need is a viable mechanism that would acquire their milk at a reasonable price and give them the sense of stability that would allow them to develop without the fear of losing everything tomorrow.



Developing that mechanism was quite a tricky process and it took several months to transfer the concept to paper, taking into account and trying to avoid the possible pitfalls. We based our research on the existing experience of establishing similar structures in Armenia. Majority of these projects used the cooperative model in organizing the enterprise. This concept looks wonderful on paper but the harsh reality shows that these models generally do not transcend well into reality and the enterprises simply fall apart. Thus, when dealing with this project, we adopted the milk collection center as a business approach to the problem.



Next step of the process was finding the people who would believe in this project and help us to bring it to life. Economic facilitation initiatives are the cornerstones of the Rural Development Program and are just as, if not more important than the infrastructure improvement projects. It is the economic facilitation initiatives that must carry out the practical task of creating jobs, providing income possibilities and creating the

capacity to maintain whatever infrastructure is put in place. The one problem today is that the impact of infrastructure improvement projects is severely decreased because of the lack of adequate maintenance.

The Armenian community of San Francisco was quick to embrace this idea and offer their full support to the enterprise. Most of the details of the project were finalized during the Armenia Fund Executive Director Vahe Aghabegians' visit to the United States last week. With the signing of a memorandum of understanding, the project was officially green lit and will be up and running by the end of this year.

The designated location for the milk collection center is the community of Azatamut. The capacity of the unit will be sufficient not only to cover the six villages of the Khashtarak cluster but also serve the needs and provide income for a number of neighboring villages. We see the implementation of this project as something that will pull together and give shape to the Program activities in Tavush region and also define our general vision of developing border villages. We believe that only by ensuring parallel economic and infrastructure development can we achieve real results and a sustainable change in people's lives.



AUTOMATED MILKING UNIT SMALL PROJECT



The small projects initiative was launched by the Armenia Fund late last year. It has since been marked by a very positive feedback from people who cared and wanted to help but did not necessarily have the financial capacity to undertake a major infrastructure amendment or economic facilitation project. The key idea here is that narrowing the scale of the project does not lessen its significance. People who live in the border villages truly need that stimulus, no matter how small, that life is actually improving and there is a point in not leaving home.

The small projects tackle issues that are essentially parts of the same big puzzle we set out to solve together. Most of the existing small projects are aimed at breaching the information/know-how gap between the border villages and the rest of the world, whether it is the provision of computers, newspaper subscriptions or the TV and DVDs.

Now, with the launch of the automated milking unit small project we want to address the issue of improving the quality of the milk produced in the border communities. This project is an integral part of the economic facilitation strategy which also includes the establishment of milk collection centers, improvement of the overall veterinary service and conducting specialized vocational trainings with the farmers.

The provision of the automated milking units should have a positive impact on several levels: first of all, it will allow the farmer to milk the cattle without hiring outside help. This is a real issue in the communities where many people of working age have left their homes in search of jobs depriving the communities of the vital human resources.

Thus, when a farming household finally gets an opportunity to break the circle of sustenance farming and expand their production, it faces a very real problem of not being able to find working hands that could sustain the increased capacity. The use of the milking units requires little manual labor, partially solving the issue.

Another benefit of the properly used milking unit is the absence of any odor and taste which can be absorbed from the environment, thus improving the overall quality and increasing the market value of the product. Higher market value equals higher income for the farmer and an increased impact of the milk collection centers on the economy of the border villages.