

# INVESTOR'S BRIEF

# AGRICULTURE - ARMENIA

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26



# AGENDA

**“MANY INVESTMENT OPPORTUNITIES ARE LESS DEPENDENT ON EXPANDING RAW PRODUCTION VOLUMES AND MORE LINKED TO IMPROVING OPERATIONAL SYSTEMS...”**

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# A MARKET IN TRANSITION



PICTURE IN DILU.

While agricultural activity is already well established, many segments remain under-optimized in terms of processing capacity, logistics infrastructure, export positioning, and technology integration.

## KEY HIGHLIGHTS

Armenia's agricultural landscape combines freshwater availability, diverse altitude zones, traditional agricultural know-how, and proximity to multiple regional export markets within a compact geography.

The agricultural sector continues to evolve through gradual modernization, improving production standards, infrastructure development, and increasing integration into regional processing and export networks, progressively reshaping the sector's long-term structure.

**>USD 2BN**

IN ADDED-VALUE



**8%**

GDP CONTRIBUTION



**>50%**

RURAL LAND UTILIZATION



# MAIN FEATURES

Armenia's agricultural sector benefits from existing production traditions, freshwater access, favorable sunlight conditions, and growing regional demand for diversified food supply chains.



The development of Free Economic Zones and emerging customs-logistics hubs such as Proshyan highlights the country's increasing focus on cross-border commercial connectivity.



The sector's evolution is increasingly driven by infrastructure development, operational integration, and Armenia's growing role within regional supply networks.



As a result, many investment opportunities are less dependent on expanding raw production volumes and more linked to improving operational systems, value retention, and supply-chain reliability.



# 4 COMPLEMENTARY INVESTEMENT LOGICS

## 1/ FOOD SECURITY & STRATEGIC SUPPLY

Armenia offers potential as a complementary agricultural sourcing platform within broader regional food security strategies.

The country benefits from vast freshwater resources, diversified climate zones, and geographic positioning connecting Eurasian and Middle Eastern markets, supporting the production and export of fresh produce, greenhouse crops, processed foods, and specialty agricultural products.

Agriculture in Armenia is less about growing food, and more about securing access to finished or semi-processed products that can be **integrated into existing distribution or retail platforms**.

### FOCUS:

- 1-SUPPLY RESILIENCE
- 2-STRATEGIC PRODUCTION
- 3-LONG-TERM FOOD SECURITY

## 2/ CONTROLLED ENVIRONMENT AGRICULTURE

Greenhouse and controlled-environment agriculture are increasingly emerging in Armenia as **scalable formats** capable of improving yield consistency, water efficiency, and production predictability.

Advanced agricultural production models are increasingly driven by the need for stable year-round production, improved supply reliability, and scalable agricultural operations, supported by evolving modernization **policies and public investment incentives**.

### FOCUS:

- 1-YIELD STABILITY
- 2-WATER EFFICIENCY
- 3-TECHNOLOGY INTEGRATION

VOGHJABERD



### 3/ VALUE-ADDED PROCESSING OPPORTUNITIES

Armenia combines a base of agricultural production with a still-developing processing ecosystem. However, **this gap is highly segment-specific.**

In several categories, the country already produces raw inputs, yet lacks the industrial capacity to fully capture downstream value. This is particularly visible in fruits, vegetables, and certain specialty products where processing, packaging, or branding remain underdeveloped.

The opportunity is therefore not broad-based. It consists in identifying specific segments where Armenian products can be upgraded, standardized, and positioned for export or premium markets. This creates a more targeted opportunity set.

Value can be captured by identifying viable products, as well as value chains where processing capacity is structurally missing.

#### FOCUS:

- 1-PROCESSING CAPACITY
- 2-EXPORT POSITIONING
- 3-MARGIN EXPANSION

### 4/ EXPORT & INFRASTRUCTURE STRUCTURING

Agricultural value chains remain fragmented across producers' coordination, logistics, storage infrastructure, packaging, certification, and distribution coordination.

**Increasing value can be unlocked through more integrated systems** that improve operational efficiency, strengthens export reliability, and provide product consistency across regional markets.

Several developments are supporting this evolution:

- **Emerging logistics and customs hubs**, including Proshyan, or southern trade corridors through Meghri.
- Expanding Free Economic Zones supporting export-oriented processing, packaging, and distribution activities.
- Growing demand for production aggregation across fragmented agricultural categories.
- Stronger alignment between agricultural production, industrial infrastructure, and regional trade facilitation.

As commercial activity progressively concentrates around these infrastructure and logistics corridors, conditions for long-term supply-chain and infrastructure investments continue to strengthen.

#### FOCUS:

- 1-OPERATIONAL STRUCTURING
- 2-EXPORT READINESS
- 3-INFRASTRUCTURE UPGRADING

PLAINS IN LORI REGION



# INVESTOR'S INSIGHTS



## MARKET HIGHLIGHTS

The agriculture sector in Armenia is progressively shifting toward more structured, traceable, export-oriented, and technology-integrated sector.

Key levers:

- Local market of 3Mn consumers
- Member of the EAEU (184Mn consumers)
- FTAs covering CIS countries, Georgia, Serbia, Singapore, Vietnam
- GSP regime with Canada, Japan, Norway, Switzerland, USA
- Government-backed support for export-oriented processing capacity



## BEYOND INVESTMENT: TOURISM INNOVATION & KNOW-HOW

Beyond agricultural production, Armenia also offers relevant capabilities in engineering, software development, automation systems, and technical education that can support broader agri-tech development initiatives.

The country combines agricultural traditions with high technological capabilities, creating opportunities for collaboration across:

- Precision agriculture
- Smart irrigation systems
- Greenhouse automation
- Agricultural analytics
- AI-enabled monitoring systems
- Resource optimization technologies

# FOCUS ON: GREENHOUSE AGRICULTURE

Despite favorable growing conditions, Armenia’s agricultural sector continues to face structural productivity constraints driven by decentralized production models and limited industrial infrastructure. As a result, the greenhouse sector remains underdeveloped, creating significant potential for yield optimization, and export-oriented production.

Modern greenhouse infrastructure also supports more integrated and industrialized value chains through processing, packaging, storage, and distribution capabilities, while aligning with Armenia’s broader export development strategy through connection with Free Economic Zones (FEZs) and regional trade corridors.

**HIGHER YIELD  
CONSISTENCY**

**IMPROVED WATER  
EFFICIENCY**

**EXPORT-ORIENTED  
POTENTIAL**

## GOVERNMENT-BACKED FINANCING AND SECTOR INCENTIVES

The Armenian greenhouse sector benefits from a **supportive policy framework** aimed at accelerating agricultural modernization, strengthening food security, and expanding export capacity. Government initiatives continue to support greenhouse construction and irrigation systems, while recent measures have also reduced import-related costs for key agricultural equipment.

Armenia’s greenhouse development program provides subsidized **financing of up to AMD 15 billion** (c. USD40Mn), with interest-rate subsidies ranging from 6% to 8%, repayment periods of up to eight years, and grace periods of up to twelve months. Additional incentives for smaller operators, including construction compensation schemes and preferential financing programs, further contribute to lowering capital costs and facilitating sector expansion.

‘ARMENIA ROSE’ FLOWER GREENHOUSE, KOTAYK REGION



# CONCLUSION



Greenhouse opportunities in Armenia are inherently selective. Their viability depends on identifying the right segments, capable operators, and commercially sound structures.

The Chamber supports investors by helping assess concrete market opportunities, facilitating strategic local connections, and providing on-the-ground insight into a sector undergoing gradual operational transformation.

