

Technology and Poverty Reduction: Text Messages Boost Competitiveness for Armenian Farmers

Before the development of the Armenian Agricultural Market Information System (ARMIS), launched in December 2008, farmers like Rafik Smbatyan from Armenia's Gegharkunik region were unaware of daily market prices for fruits and vegetables. They often sold their produce at reduced prices through intermediaries, losing profits due to a lack of up-to-date information. Thanks to the launch of ARMIS funded by the United States Government's Millennium Challenge Corporation (MCC), this information gap is closing, benefiting Rafik and his fellow farmers.

Since the collapse of the Soviet Union, only farmers with friends and relatives living near major wholesale markets were able to access reliable information about current market prices. Farmers who already faced difficulties producing a decent crop due to poor irrigation infrastructure also had to worry about receiving a fair price for their produce at local markets.

Millennium Challenge Account-Armenia, the entity that implements the MCC grant to Armenia, in collaboration with ACDI/VOCA, VISTAA and the Federation of Agricultural Associations found an innovative way to address this problem by taking advantage of widespread cell phone use in Armenia. The innovation is ARMIS, which sends out daily fruit and vegetable prices from large markets in the Yerevan, Armavir, Lori, and Shirak regions upon text message request. Farmers pay a small fee per text message, ensuring that there is demand for this service and long-term sustainability of its operations. Farmers like Rafik send text messages with a 4-digit crop- and market-specific number, which triggers an automated response via text message from the ARMIS system. With this information in hand, Rafik is able to bargain and negotiate with potential produce buyers from a stronger competitive position. Since the launch of the system, Rafik has sent over 500



Rafik Smbatyan is now able to receive daily market prices for fruits and vegetables throughout Armenia thanks to text messages he receives as part of the MCC-sponsored Armenian Agricultural Market Information System (ARMIS).



text messages requesting cucumber prices. “Thanks to this system, I was able to sell my cucumbers at a much higher price. Before this [system], I wasn’t aware of prices and was constantly losing.

To date, hundreds of farmers have sent text messages requesting wholesale and retail crop prices. “The list of crops has been enlarged, and plans are underway to include markets of other regions as well,” says information specialist Nora Alanakyan. In addition to market price information, ARMIS also circulates data about food quality standards, agricultural sector developments, and new technology on a web site (www.armis.am). This data is useful to farmers as well as other members of the market chain, including food processors, restaurant owners, wholesalers, and retailers.

The Millennium Challenge Account-Armenia uses ARMIS, to send out daily fruit and vegetable prices from large markets in the Yerevan, Armavir, Lori, and Shirak regions.

technical assistance and credit support. Over 25,000 farmers have been trained in on-farm water management and higher-value agriculture, with \$1.8 million in credit distributed to enterprising farmers to date.

For more information on how the MCC Compact with Armenia is helping improve the lives of Armenia’s rural population visit www.mca.am

Funded by MCC’s poverty reduction compact with Armenia, ARMIS is one element of the Water-to-Market Activity, which has already begun to improve the efficiency of water delivery to farmers, strengthen the entities managing the irrigation system, and boost farm productivity and profitability through



The ARMIS web site (www.armis.am) posts food quality standards, agricultural sector developments, and updates on new technology.