Armenia

mVAM Bulletin #1: April, 2021

WFP VAM | Food security analysis

World Food Programme

Food Security and Market Monitoring

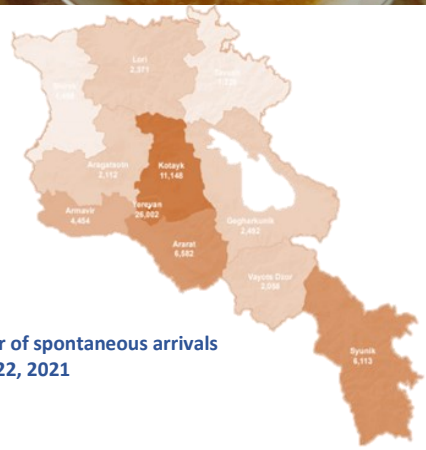
Key points

The remote food security monitoring system (mVAM) was launched in February 2021. The phone-based survey was conducted among 1,072 spontaneous arrivals and 273 hosting families of the spontaneous arrivals during February-March 2021 located across Armenia. The mVAM survey was launched to monitor the food security situation of spontaneous arrivals and their hosting families, and assess the impact of the COVID-19 pandemic and the influx from the Nagorno-Karabakh conflict.

In February-March 2021, **22** percent of hosting families and **15** percent of spontaneous arrivals were **moderately and severely food insecure**.

Two-thirds of both households of spontaneous arrivals and hosting families applied **crisis and emergency coping strategies** (68 and 65 percent respectively). This finding was alarming as the application of negative coping strategies could bring severe consequences in terms of future social-economic conditions of spontaneous arrivals and hosting families.

The cost of the standard food basket has increased since February 2020 in Armenia. Price increases in Armenian markets reflect regional or global price hikes. Armenia is highly dependent on food imports, so global price changes on basic goods, fuel and transport, resonate on market prices in Armenia



Number of spontaneous arrivals
March 22, 2021

Source: RA Migration Service

Situation Update

COVID-19 had significant implications on the food and nutrition security situation and poverty in Armenia. This was further exacerbated, when the conflict in the Nagorno-Karabakh (NK) region broke out in September and October of 2020, leading to mass casualties (including civilian), damage and destruction of both public and private property, as well as mass movement of people on both sides. The overall situation resulted in market price hikes for several food commodities. Price hikes were also caused by significant fluctuations in the of the exchange rate of Armenian dram. The ongoing crisis has affected local and regional food systems with a declined access to food. The shocks have triggered a necessity of periodically measuring the Food Security situation in Armenia, particularly among spontaneous arrivals and hosting families.

Comprehensive Food Security

A Comprehensive food security indicator (rCARI) is an aggregated food security index to report on the population's comprehensive food security status. The indicators used to calculate this indicator are : the (i) food consumption scores, (ii) livelihood coping strategies, (iii) income sources, and (iv) income changes due to the shocks.

The household comprehensive food security analysis showed that **77** percent of hosting families and **86** percent of spontaneous arrivals were food secure in February-March 2021.

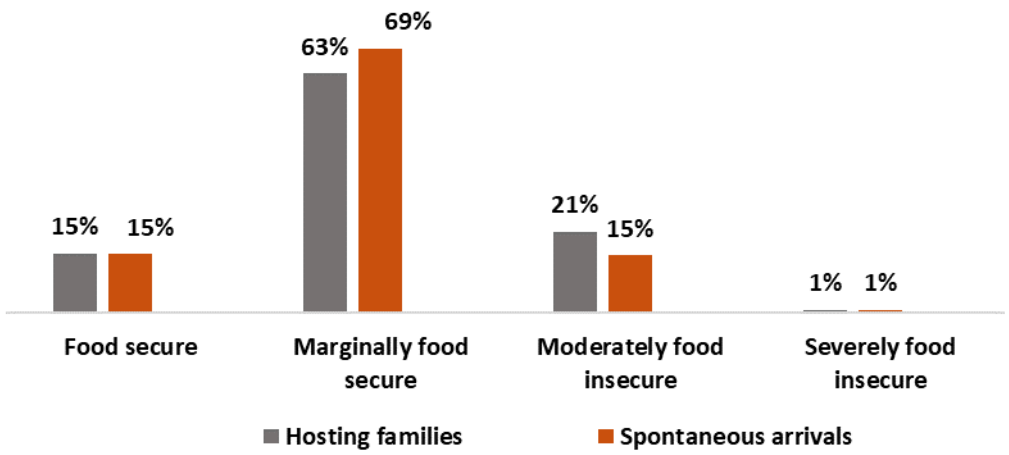
The data reveals a difference in the food security levels among spontaneous arrivals and hosting families in urban and rural locations, showing a higher level of food security in rural locations for both groups.

In March 2021, **85** percent of spontaneous arrivals residing in urban areas were food secure compared to **87** percent in rural areas. Interestingly, the proportion of food secure hosting families was relatively low in urban areas constituting **68** percent, and significantly higher in rural areas **85** percent.

This finding can be explained by the majority of rural population being engaged in farming activities, and thereby being more resistant during various shocks in terms of keeping their source of income (farming). Hence, they might have applied fewer coping strategies and had food from their own farms.

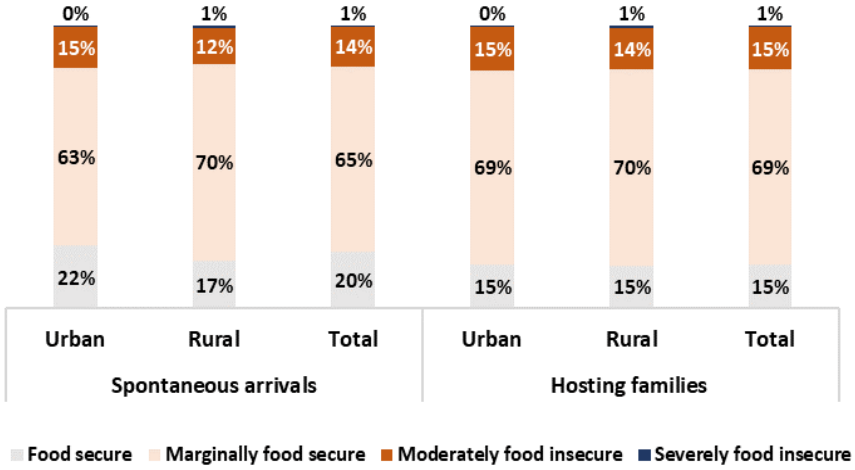
For both population groups, households headed by women had a lower level of food security.

Fig. 1: Comprehensive food security per target groups, %



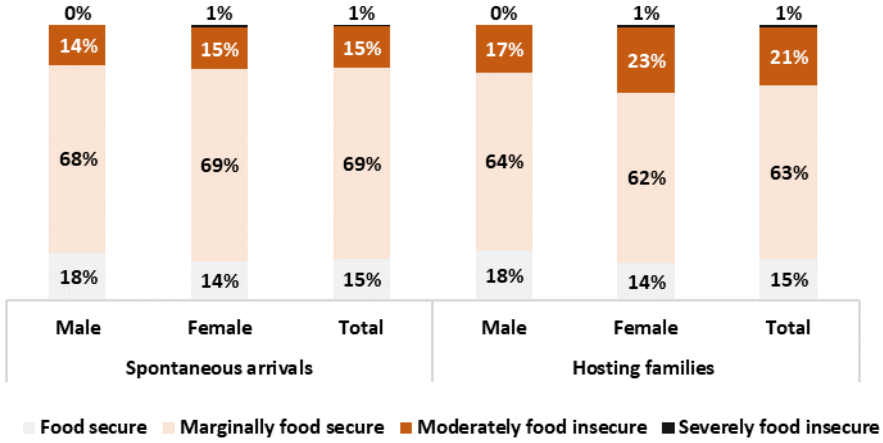
Source: WFP Armenia mVAM March 2021

Fig. 2: Comprehensive food security per urban and rural locations among spontaneous arrivals (SAs) and hosting families (HFs)



Source: WFP Armenia mVAM March 2021

Fig. 3: Comprehensive food security per household head gender among SAs and HFs

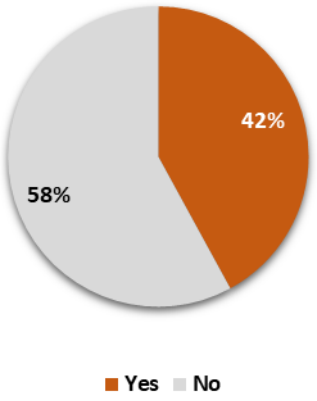


Source: WFP Armenia mVAM March 2021

Income Reduction

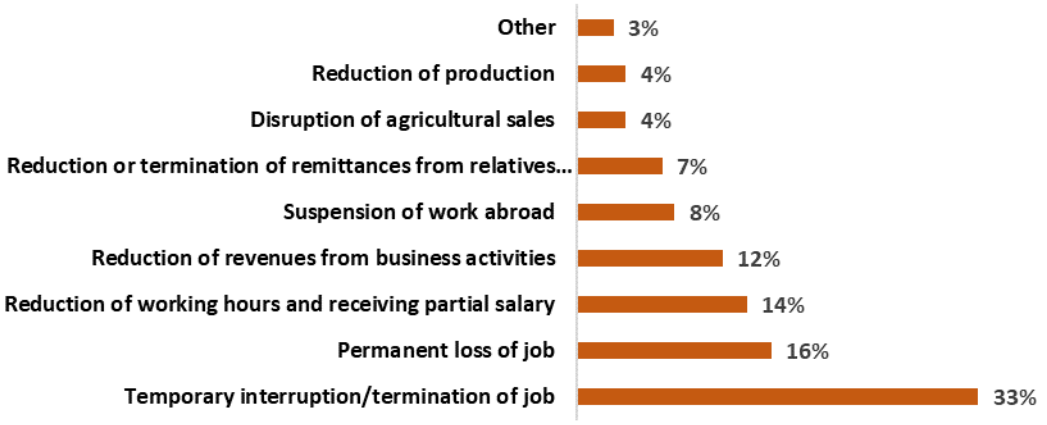
Almost half of hosting families (**42** percent) mentioned that their household income was disrupted due to the COVID-19 pandemic. Out of those whose household income was disrupted, **33** percent had lost their jobs temporarily, **16** percent permanently lost their jobs, **14** percent faced reduction of working hours and receiving a partial salary, and **12** percent had reduced revenues from business activities.

Fig 8: Income disruption among hosting families due to COVID-19



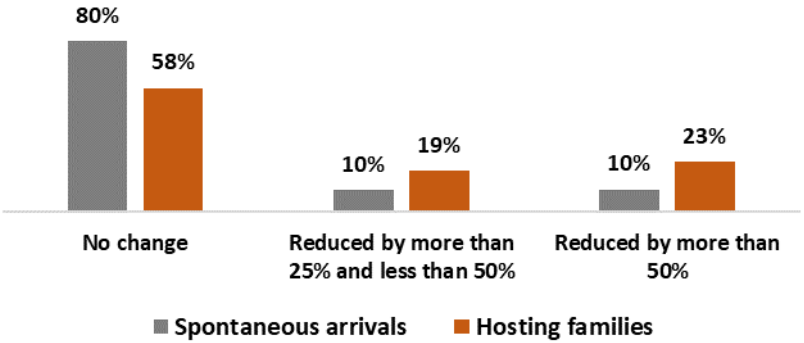
Source: WFP Armenia mVAM March 2021

Fig 9: In which way it was disrupted



Source: WFP Armenia mVAM March 2021

Fig 10: Income of spontaneous arrivals and hosting families



Source: WFP Armenia mVAM March 2021

80 percent of spontaneous arrivals reported no change in their household income due to the COVID-19 pandemic and its associated socio-economic measures, **10** percent of experienced a reduction between **25– 50** percent, while another **10** percent reported income reduction by more than **50** percent.

Among hosting families, **58** percent mentioned no change, **19** percent reported reduction by more than **25** percent and less than 50 percent and **23** percent had reduced household income by more than **50** percent .

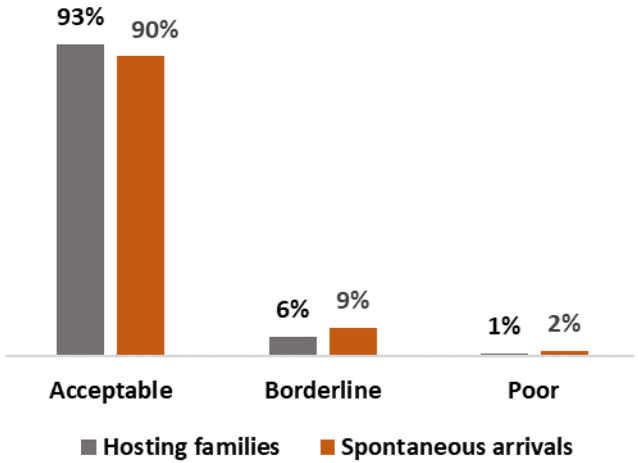
Food Consumption Score (FCS)

The households of spontaneous arrivals reported **90** percent of an acceptable level of the food consumption score. **2** percent had a poor level of food consumption. There was not much difference in the food consumption levels for urban and rural areas.

Among hosting families, food consumption was higher, constituting **93** percent. Interestingly in the rural areas hosting families reported a significantly higher level of FCS (**97** percent) compared to urban areas (**90** percent).

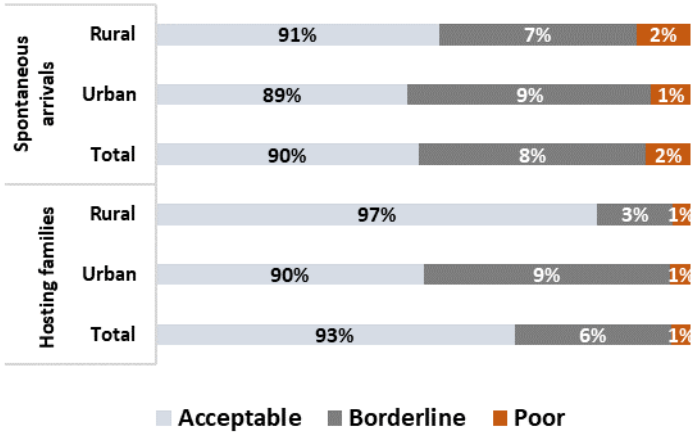
Borderline and poor food consumption means that in the preceding days, surveyed households were not able to have a sufficient diverse dietary intake. The diverse dietary intake is comprised of most of the recommended food groups: cereal, legumes, fat/oil, milk or other dairy products, animal protein (e.g. meat, fish or eggs), vegetables, fruits and sugar.

Fig 4: Food consumption score among SAs and HFs



Source: WFP Armenia mVAM March 2021

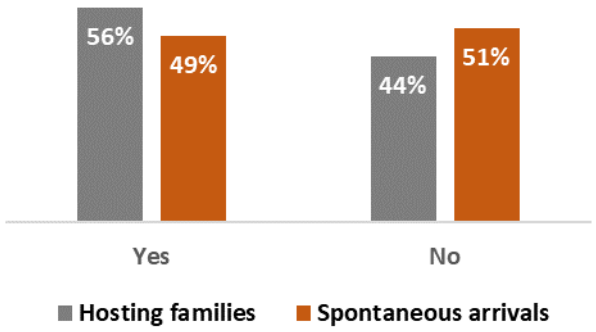
Fig 5: Food consumption score per household head gender among SAs and HFs



Source: WFP Armenia mVAM March 2021

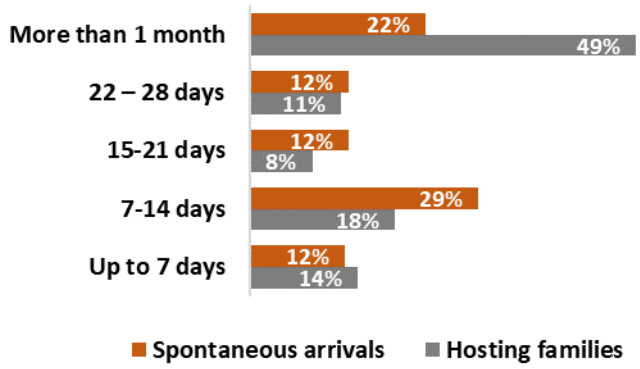
Availability of Staple Food Stock

Fig 6: Availability of staple food stocks per population groups



Source: WFP Armenia mVAM March 2021

Fig 7: How long it will last



Source: WFP Armenia mVAM March 2021

About a half of spontaneous arrival households (**49** percent) reported having available staple food stocks. **41** percent of them reported that the staple food stocks would last up to 14 days.

Among hosting families, **56** percent reported having food stocks. 49 percent mentioned that the food stocks would last for more than one month.

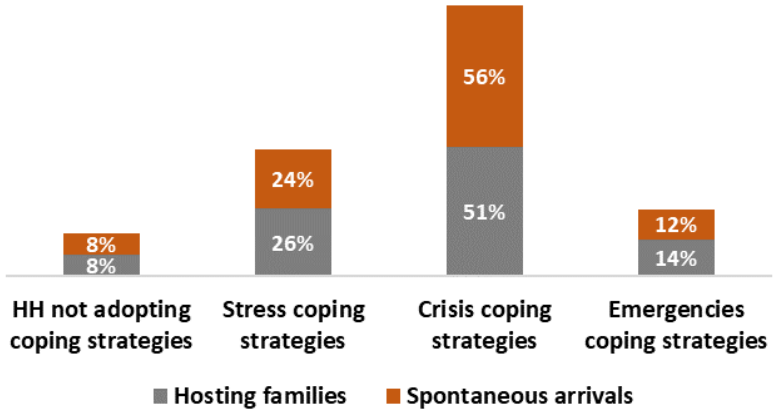
Livelihood Coping Strategy

Households applied different coping mechanisms to overcome the challenges resulting from COVID-19 pandemic and the Nagorno-Karabakh conflict. The livelihoods-based coping strategy index was used to better understand households' longer-term coping capacity in response to shocks. Each strategy is associated with a level of severity. Each level of severity is described by three different strategies, namely stress, crisis and emergency.

As seen in Fig.11 **65** percent of hosting families applied crisis and emergency coping strategies. In urban areas, households were more likely to apply crisis coping strategies compared to rural areas (**63** and **40** percent respectively). Whereas in rural areas, households applied more emergency coping strategies (**22** percent) compared to urban locations (**6** percent) (Fig 12). Stress coping strategies were applied by **30** percent in rural and **22** percent in urban areas. In both types of settings only **8** percent of households did not apply coping strategies.

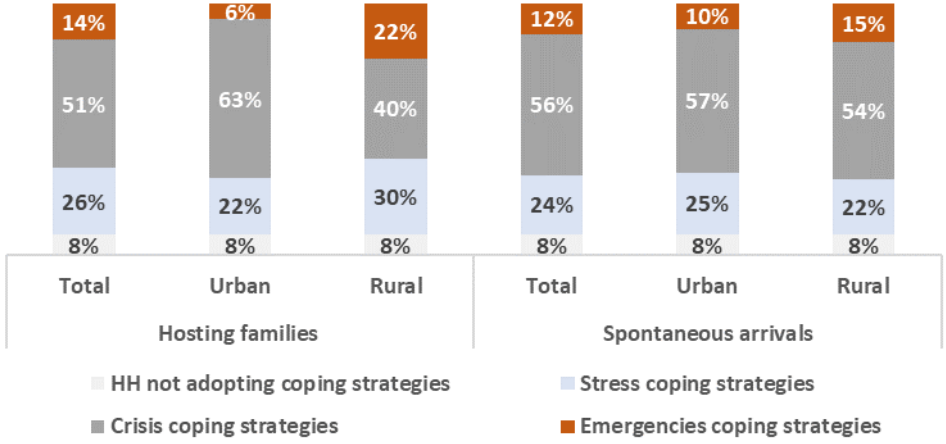
68 percent of the spontaneous arrivals households of spontaneous arrivals applied crisis and emergency coping mechanisms. As per location type, in Fig. 12 we can see that both in urban and rural areas crisis coping mechanisms were applied by more than a half of respondents (**57** and **54** percent respectively). This means that about a half of them had to reduce their non-food expenses on health and education, sell their productive assets or means of transport and become dependent on food assistance or support from their neighbours/relatives. These findings are alarming, as it might bring further negative consequences. Emergency coping strategies were applied by 10 percent of spontaneous arrivals in urban areas and **15** percent in rural areas. Stress coping strategies were applied by **25** percent in urban areas and **22** percent in rural areas by spontaneous arrivals.

Fig. 11: *Livelihood coping strategies per target groups*



Source: WFP Armenia mVAM March 2021

Fig. 12: *Livelihood coping strategies among SAs and HFs*

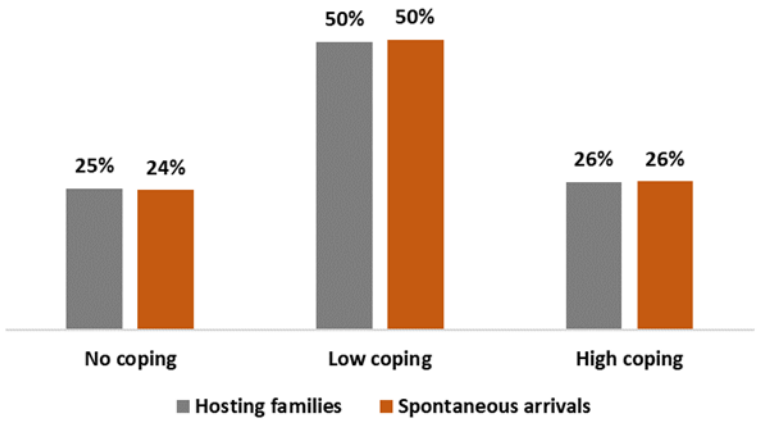


Source: WFP Armenia mVAM March 2021

The Livelihood Coping Strategy Index is calculated based on WFP methodology and is a result of a higher weighting given to some coping strategies compared to others. Coping strategies are ranked in the following order (descending in severity): emergency, crisis, stress coping strategies.

Food-based Coping Strategy

Fig 13: *rCSI among spontaneous arrivals and hosting families*



Source: WFP Armenia mVAM March 2021

The analysis revealed that **26** percent of both spontaneous arrivals and hosting families had applied high food-based coping strategies to cope with a lack of food or money to buy food. High coping means that that people are highly stressed and are critically lacking food access . Low food-based coping strategies were applied by **50** percent of both population groups while a quarter of respondents didn't apply any food- based coping strategies.

The most used food-based coping strategy was "relying on less preferred and less expensive food" in both groups: **23** percent of spontaneous arrivals and **21** percent of hosting families applied this strategy during the 7 days prior to the survey.

Food-based coping strategy means re-adjusting to poor diets, for example, reducing the number of meals or eating cheaper, less preferred meals, reducing meal portions or restricting consumption of certain persons in the last 7 days prior to the interview due to inadequate food availability at the Household Level.

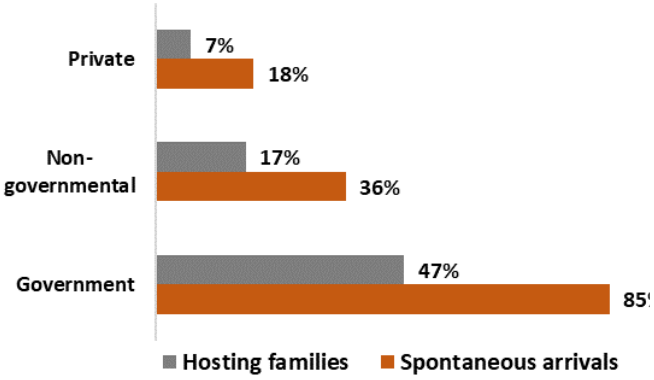
Assistance (in-kind or cash) provided by different stakeholders

The vast majority of spontaneous arrivals reported having received state assistance (**85** percent), **36** percent received assistance from non-governmental organizations (NGOs) and **18** percent from private companies.

Almost a half of hosting families mentioned that they received state assistance, **17** percent mentioned NGOs and 7 percent from private sources.

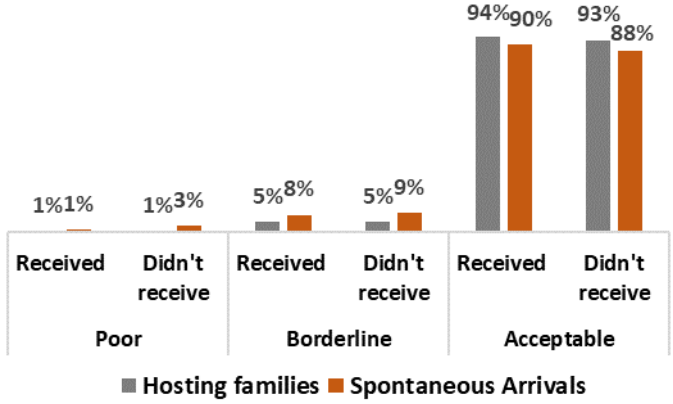
As per the analysis of both population groups, households had higher food consumption level in case they received assistance from any of the three mentioned sources.

Fig 14: *Assistance received from different stakeholders*



Source: WFP Armenia mVAM March 2021

Fig 15: *Food consumption among spontaneous arrivals and hosting families per received assistance*



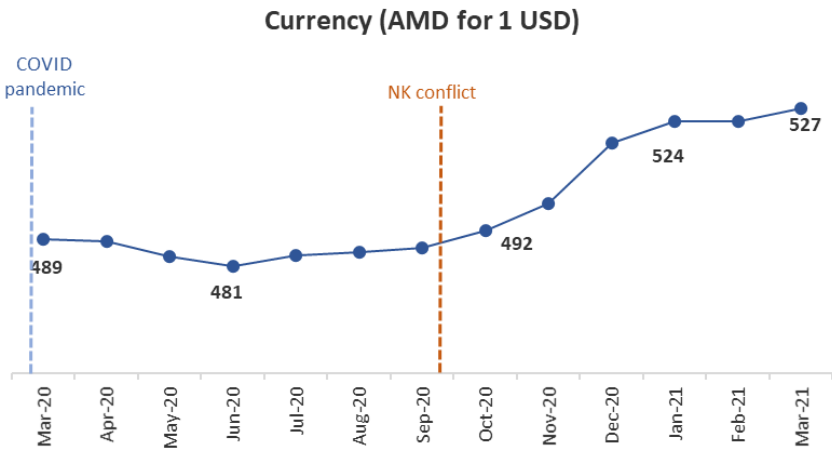
Source: WFP Armenia mVAM March 2021

Food Basket and Market Analysis

Highlights

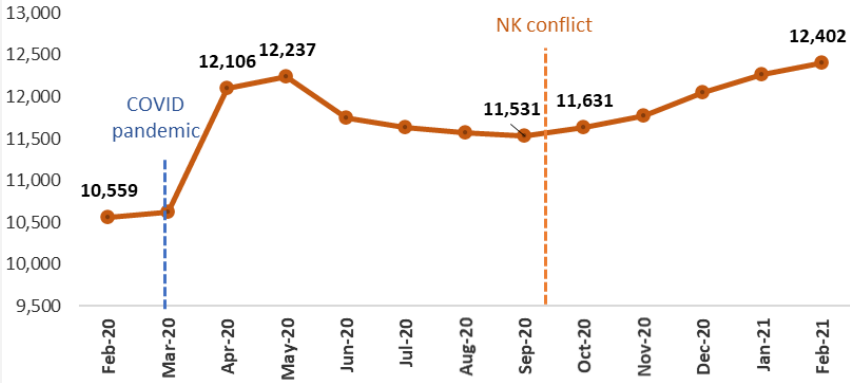
- **A Market analysis** was conducted to understand the market situation through observing trends of retail market prices, food basket commodities prices and the exchange rate fluctuations.
- **The increase of the exchange rate of foreign currencies, in particular USD and Euro, is a sign of the severe devaluation of the value of the Armenian Dram (AMD).** The annual fluctuation of exchange rate between February 2020 and March 2021 was 8 percent. However, the exchange rate started to increase after the escalation of the conflict in Nagorno-Karabakh in late September 2020. This indicates that the socio-economic situation in Armenia has worsened in the last 6 months. The comparison of the rate with the previous month showed a fluctuation of above 3.5 percentage point.
- **The basic food basket in Armenia contains pasta (5.7 kg), buckwheat (3.6 kg), lentils (2.7 kg), vegetable oil (1 litre), milk (3 litre) and salt (0.15 kg).** Their quantities are adjusted against the monthly minimum caloric intake needs for an adult. The information on price changes of the cost of the basic food basket is to monitor the cost and affordability of healthy eating.
- **An increase of the cost of the food basket was observed over the last year in Armenia.** Since February 2020 the average price of food basket increased by 1,843 AMD (4 USD). Some of the commodities included in the basket are both locally produced and imported. As seen in Fig 15 the prices started to increase after March 2020 when the COVID-19 pandemic started to spread throughout Armenia. It started to decrease in June when the social-economic situation in the country was gradually adapting to restrictions and lifting of some restrictions. The food basket price started to increase again after September 2020 similarly with the increase of exchange rate coinciding with the period of the conflict.
- **Price increase in Armenian market reflects regional or global price hikes.** Armenia's supply routes often originate outside Armenia, so the global price changes will impact market prices in Armenia as well.

Fig 16: *Exchange rate, March 2020 – March 2021*



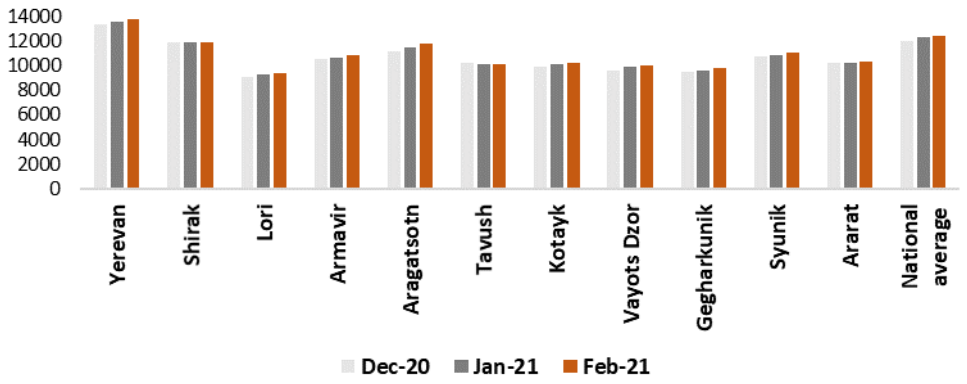
Source: Central Bank of Armenia, https://rate.am/en/armenian-dram-exchange-rates/

Fig 17: *Food basket cost (in AMD)*



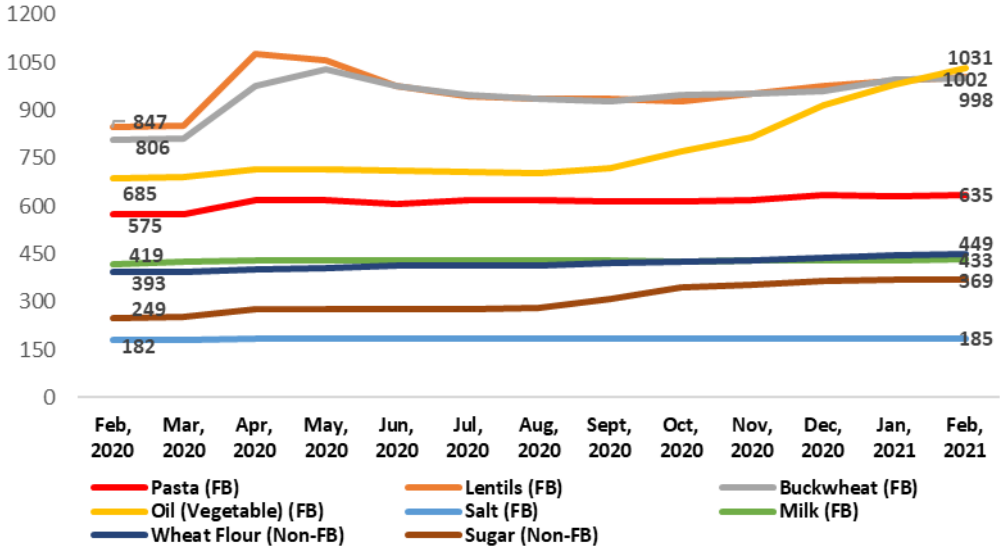
Source: National Statistical Committee

Fig 18: *Food Basket cost in December 2020, January and February 2021 per regions (in AMD)*



Source: National Statistical Committee

Fig 19: *Food Basket commodities' national average cost during the last year (in AMD)*



Source: National Statistical Committee

The food basket cost fluctuated differently in regions. The analysis of food basket commodities in the last three months (December 2020, January and February 2021) per region showed that Yerevan had the highest food basket cost in the country. The highest increase of the food basket cost was also observed in Yerevan since December 2020. The prices in Yerevan are higher than the national average food basket cost.

The highest cost of food basket were in Shirak and Aragatsotn regions and lowest in Lori and Gegharkunik.

The prices hiked in Aragatsotn and Syunik, particularly in February 2021. In Shirak, Tavush and Ararat regions, the cost of the food basket remained almost unchanged.

In Fig. 19 the price changes of commodities included in the food basket (FB) and additional key food commodities (non-FB) are presented. The price of vegetable oil has increased significantly since February 2020 from 685 to 1031 AMD (34 percent). It is important to note that this commodity is mostly imported to Armenia. Similarly, the prices for imported sugar and wheat flour, showed an increase since February 2020. According to the Statistical committee, the price increase of wheat flour was 13.3 percent in February 2021 compared to February 2020. The price for sugar increased by more than 40 percent for the same period.

The prices of lentils and buckwheat increased in April 2020 at the onset of the COVID-19 pandemic. These commodities are both produced by local companies and imported. Interestingly, pasta is among the commodities widely imported from different countries, however its price stayed comparatively stable.

The prices of salt and milk were mostly stable only slightly increased since February 2020. These commodities are mostly produced by local producers.

Thus, several factors could influence the increase in prices of several commodities, such as the devaluation of Armenian dram and regional price hikes for certain products.

For further information

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