



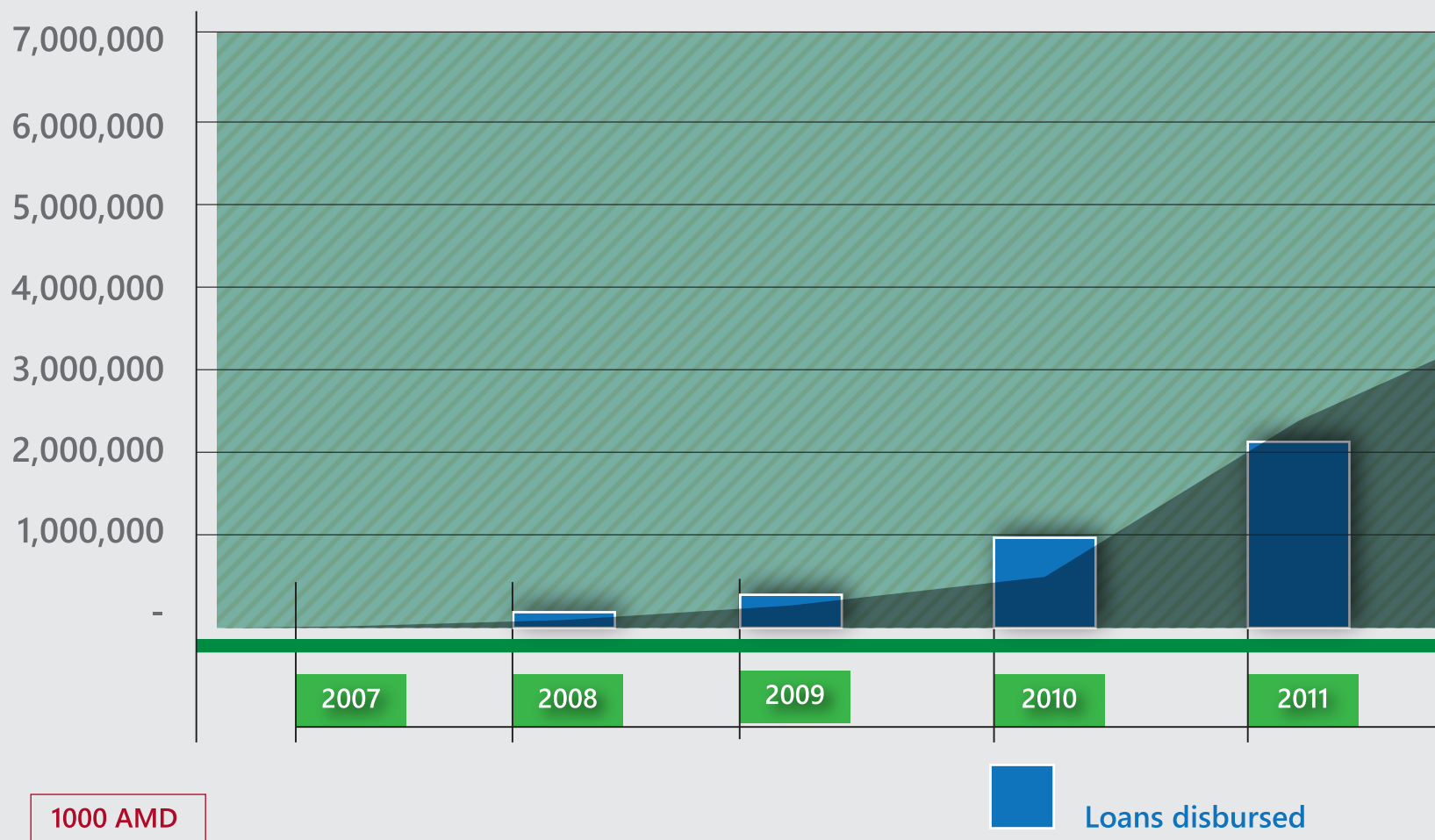
FARM CREDIT ARMENIA

10 YEARS FOR THE BENEFIT OF ALL

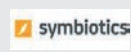


Key Indicators

As of July 31, 2017	Total
Assets	AMD 10 713 mln/USD 22.4 mln
Loan portfolio (including leasing)	AMD 9 304 mln/ USD 19.5 mln
Total equity	AMD 1 397 mln/USD 2.9 mln
Volume of loans disbursed during 10 years	AMD 30 000 mln/USD 62.8 mln
Number of members of the cooperative	6 400
Average loan amount	AMD 2.1 mln/ USD 4 400
Lending term	1-7 years
Average effective interest rate	13.7 %
Overdue loans (> 0 day)	0.9 %
ROE	4.4 %
ROA	0.6 %
Share of agricultural loans	71.5 %
Staff	78
Number of offices	10
Share of customers living in rural areas	99 %

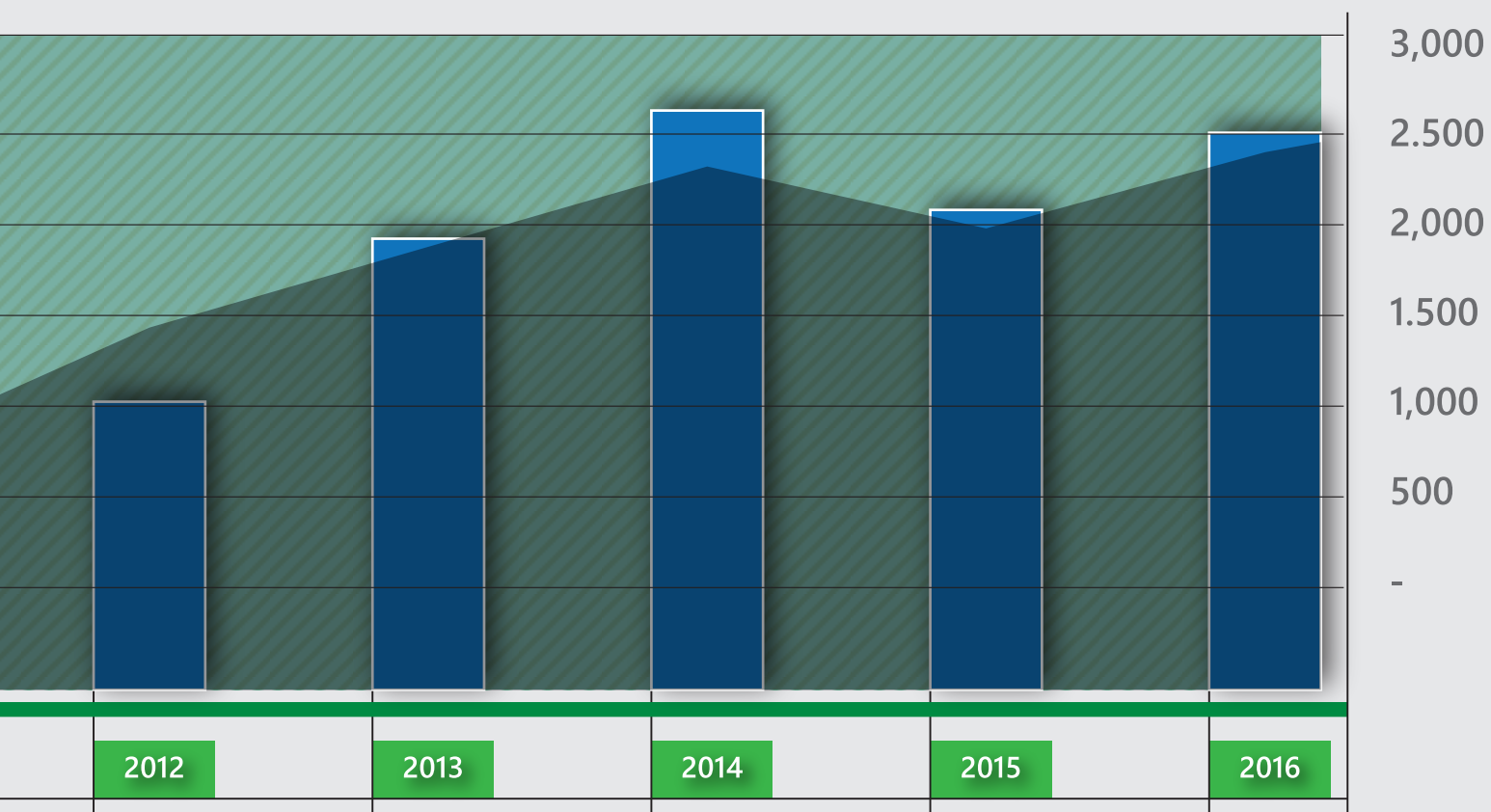


Our partners:



Corporate Social Responsibility:

“National Song and Dance Academy”, “Hayastan All Armenian Fund”, “Rural Co-op Support Foundation”



Number of loans







ARMEN GABRIELIAN

Chief Executive Officer / President

Dear Member-Shareholders,
Hereby, we present the chronicle of the ten-year path of the only credit cooperative institution in Armenia.

Having adopted the best practices of the US Farm Credit System and developing them in the conditions of Armenian reality, "Farm Credit Armenia" credit cooperative has managed to establish itself and seize its unique place in the sector of lending to agriculture and small and medium businesses in the Republic of Armenia over the past ten years.

The above mentioned ten years were not easily passed through, although overcoming the obstacles, we have grown stronger, more persistent and goal-oriented. Undoubtedly, it was difficult to be established and grow against the strict competition existing at the Armenian financial market, however, due to the cooperative and unison endeavors of our team we are well-established, self-sufficient and self-consistent.

There were many who were skeptical upon the settlement of "Farm Credit". Our launch time was during the period of the global financial crisis, hence, nobody was able to cast any forecast

on our future, instead, we managed to successfully overcome the time trial we were confronted with.

Our cooperative was established by farmers and for farmers, and its founders were guided by the slogan "Cooperation for the Benefit of All", for the welfare of hard-working, creative people. Adhering to our adopted values and vision, we kept introducing consistently the principles of cooperative lending, thus offering affordable credit services based on those principles.

It is worth mentioning the collaborative work of the Board of Directors and the executive body in establishment and management of the organization. According to our Charter, each region has one elected representative in the Board of Directors and they jointly discuss and adopt the strategic objectives of the organization.

We share the great responsibility born by the Board of Directors and the executive managers in making strategic and tactical decisions related to the activity of the organization. Our united team tries to face the challenges arisen from our history

to be specific, to make stronger and develop the first and the only credit cooperative established in the Republic of Armenia.

In our structure, we are essentially different from other credit organizations; regardless of the share amount each participant has one vote. "Farm Credit" is not only a lender for our member-shareholders. By joining our institution, they become its owners, instilling their share in the capital of the cooperative and acquiring all rights and obligations defined by the charter.

Each of them, with their shareholding, contributes to the development and progress of our country, creating an opportunity for other people to also be granted a loan. We can assure that the Board of Directors selected from the shareholders is guided solely by the interests of the member-shareholders of the organization jointly with the staff while performing its activities.

With the lapse of time, "Farm Credit" can become a unique national cooperative institution being transformed into a people's cooperative bank.

We express our gratitude to all

the international and local partner institutions, the Central Bank of Armenia and the German-Armenian Fund, which have always been supporting us during these years.

We also express our gratitude to the member-shareholders of our cooperative, our staff, all members of the Board of Directors as without their cherished efforts it would not have been possible to successfully cross the ten-year trajectory.

Dear member-shareholders,

Today, ten years later, we take a look at the way we have passed and proudly state that the progress of "Farm Credit Armenia" credit cooperative is unfailing.

We keep leading our cooperative forward through confident, steady and reasonable steps, for the benefit of people living in rural communities, small and medium business owners, and all our shareholders.

Our doors remain open for all our compatriots who contribute to strengthening of our country by their everyday hard and fair work.



**SERYOZHA
HAYRAPETYAN**

Chairman of the Board of Directors

Governor of the Central Bank of the RA Arthur Javadyan

The Central Bank congratulates "Farm Credit" on the tenth anniversary of its activity.

Under current conditions of the global economic development and increasing economic integration processes, it is important to develop certain sectors of economy, to provide for necessary flexibility, for proper and targeted usage of competitive advantages. The Central Bank highly appreciates the work done by "Farm Credit", its role and significance in the field of agriculture - one of the priority fields of the country's economy.

The cooperative has always maintained high growth rates of lending to the economy, simultaneously ensuring high rate of return on loans due to unique confrontation against the challenges existing in the sector, and substitution of the existing problems with innovative solutions. All this has also been favored by the staff trained by foreign specialists and compliant with the best practice, by adjustment of the Eastern and Western collaborative culture and advanced



practice to the local conditions, as well as adoption of such principles as professionalism, transparency, consistency and integrity.

Emphasizing the role of the human capital, the Central Bank hails "Farm Credit's" approach that stands closest to the agriculture, is aimed at the identification and most targeted and efficient usage of the potential of those customers who understand the existing problems better, given the fact that these customers are simultaneously the members, owners, participants, and beneficiaries of the cooperative.

We also encourage "Farm Credit's" expanding cooperation with community, state, foreign, and international institutions that can serve as a basis for new solutions and new projects in the future.

We wish you good luck in all your initiatives, once again appreciating your role in the development of rural communities of our country, their economic and financial alignment, and the improvement of the quality of life for the population of those communities.

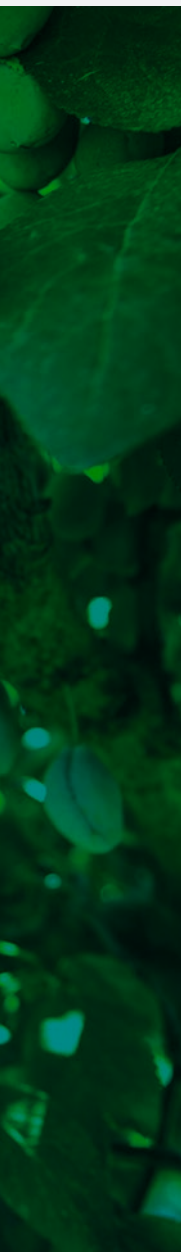
10 YEARS FOR THE BENEFIT OF ALL

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

2007



2017



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The history of our cooperative

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Our branches

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Financial figures

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Our member-shareholders

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Speeches

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Our Core Values are:

- ▲ Integrity
- ▲ Respect
- ▲ Commitment
- ▲ Customer Focus
- ▲ High Performance
- ▲ Relevancy
- ▲ Transparency
- ▲ Professionalism
- ▲ Team focus

2007 • 2008 • 2009 • 2010 • 2011 • 2012 • 2013 • 2014 • 2015 • 2016 • 2017

- February 21-22 – the founding meeting of the organization with participation of 57 members from five regions of the republic
- On September 18 - registration at the Central Bank of the RA as a universal credit organization, commercial cooperative
- December 11 – the festive ceremony of disbursement of the first loans

In 2007 following the model of American "Farm Credit" system, with the financial and technical support of the US Department of Agriculture and by the initiative of 57 Armenian farmers, "Farm Credit Armenia" credit cooperative began its activity aimed at implementing one common idea, i.e. to improve the businesses of rural entrepreneurs of Armenia, disbursing accessible and affordable credit resources. Trying to establish the model of cooperative structure in Armenia in the environment of financial crisis, with insufficient funds, "Farm Credit" moved forward, and its founding meeting was called on in February of the same year when the Charter of the organization was approved, members of the Board of Directors, the Board Chairman and the executive body of "Farm Credit" were selected.

Several months later, on September 18, "Farm Credit" was officially registered also at the Central Bank of the RA as a universal credit organization, commercial cooperative, which was followed by visits of the representatives of the US "Farm Credit" system banks to Armenia and self-establishment of "Farm Credit" as a credit cooperative.



On December **11, 2007**, in Yerevan office of "Farm Credit", the first employees disbursed the first three loans with a festive ceremony, thus launching a patriotic commitment which celebrates its tenth anniversary today.



2007
2017



The History of our Cooperative

2007 • **2008** • 2009 • 2010 • 2011 • 2012 • 2013 • 2014 • 2015 • 2016 • 2017

- On April 9, “Millennium Challenge Account – Armenia” SNCO and “Farm Credit Armenia” signed a cooperation agreement within the credit component “Water-to-Market”
- Visits of American delegations to Armenia – the office of “Farm Credit Armenia”

The year **2008** was distinguished in the history of “Farm Credit” by the establishment of cooperation with “Millennium Challenge Account – Armenia” SNCO, as a result of which, within the framework of the credit component “Water-to-Market”, we got the opportunity to provide technical assistance to farmers through conveying knowledge and providing new technologies as well as to disburse affordable credit resources to the beneficiaries of the project.

The year was marked by visits by our partner-sponsors from the US “Farm Credit” system who constantly fostered the development of our credit cooperative by their support. Among them were Nancy Pellett, the Chief Executive Officer/Chairman of “Farm Credit Administration”, Dave Lawrence, the Chief Executive Officer of “Farm Credit of the Virginias”, and John Wells, Board Chairman of the same bank. We cannot but mention among our American friends Marie Yovanovitch, the U.S. Ambassador in Yerevan during the years 2008-2011, and Fred Johnston, the representative of “Foreign Agriculture Service” of the US Department of Agriculture, who have repeatedly assisted “Farm Credit” on its full of challenges way to establishment.





2007 • 2008 • **2009** • 2010 • 2011 • 2012 • 2013 • 2014 • 2015 • 2016 • 2017

- “Farm Credit” as the best participant of “Water-to-Market” project implemented by “MCA-Armenia” SNCO
- April 30 – signing a contract with “MCA-Armenia” SNCO
- USA-Armenia mutual visits

“Farm Credit Armenia” is one of the unique structures in Armenia that are interested in raising the educational level and in training of their employees. From April 27 to May 1, 2009 a number of “Farm Credit” employees attended “Microfin” training course in Washington and, jointly with a number of senior staff members of the Central Bank of Armenia, visited the US “Farm Credit Administration”, the office of the US Department of Agriculture, the banks “MidAtlantic Farm Credit” and “Farm Credit of the Virginias”, getting acquainted with the American cooperative banking culture.



One of the achievements in year **2009** was the continuation of cooperation with “MCA-Armenia” SNCO. In January, “Farm Credit Armenia” was recognized as the best participant of “Water-to-Market” project, and on April 30 a contract was signed between the two organizations according to which “Farm Credit Armenia” had to implement “MCA –Armenia’s” credit component and provide loans to beneficiaries living in rural areas, for expanding agricultural production and applying efficient technologies.



FCA

FARM CREDIT ARMENIA

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2007 • 2008 • 2009 • **2010** • 2011 • 2012 • 2013 • 2014 • 2015 • 2016 • 2017

- April 22 – field demonstration of tractors in Dimitrov community of Ararat marz, commencement of cooperation with Chinese “YTO” company, signing of a Memorandum of Understanding
- Ceremony of contract signing between “Farm Credit Armenia” and the Central Bank of Armenia within the framework of the World Bank’s lending program “SME Access to Finance”



The year of **2010** was important in the history of our organization also due to the establishment of cooperation with Chinese “YTO” company, as a result of which we managed to organize field demonstration of tractors for our customers in 2010-2011, introduce the agricultural machinery to them and provide about **100** tractors and agricultural machinery for lease.

One of the biggest achievements in “Farm Credit’s” history was signing of a contract with the Central Bank of Armenia within the framework of the World Bank’s lending program “SME Access to Finance” in September 2010, as a result of which “Farm Credit” became the first credit cooperative in Armenia that was entitled to provide loans to its customers within the framework of the program, along with commercial banks.



Liuhao Song
General Manager
YTO International Ltd.

Armen Akhrielyan
Chief Executive Officer
Farm Credit Armenia UOCC

2007 • 2008 • 2009 • 2010 • **2011** • 2012 • 2013 • 2014 • 2015 • 2016 • 2017

- Cooperation agreement with “Armenian-Belarusian Trading House”
- Memorandum of Understanding between “Farm Credit Armenia” and “PUM”

The cooperation agreement between “Farm Credit” and “AR-BE Armenian-Belarusian Trading House” was another important achievement for us in terms of the cooperative’s leasing transactions. Due to this cooperation, “Farm Credit” enabled our members-shareholders to purchase tractors and other agricultural machinery of Belarusian production, along with Chinese “YTO” tractors and agricultural equipment.

The establishment of cooperation with “PUM” organization from Netherlands gave us the opportunity to conduct trainings by Dutch experts in the following years and not only for the staff of “Farm Credit” but also for our member-shareholders on the topics they were more concerned about.





2007 • 2008 • 2009 • 2010 • 2011 • **2012** • 2013 • 2014 • 2015 • 2016 • 2017

- Membership in “Microfinance Centre”
- October – Participation in International Summit of Cooperatives in Quebec, Canada; Membership in “International Co-operative Alliance”
- Signing of an agreement with “RFF” PIU

In **2012** “Farm Credit” had festive celebration of its 5th anniversary, emphasized by a number of new achievements during the year - the organization became a member of two major financial institutions: “Microfinance Center” (MFC) and “International Co-operative Alliance” (ICA).

Another festive ceremony was held to celebrate the symbolic joining to the cooperative of the 1000th member-shareholder.

Later on, in October, an agreement was signed with the “Rural Finance Facility-Project Implementation Unit” (RFF-PIU) within the framework of the agricultural lending “Product of the International Fund for Agricultural Development” (IFAD).





2007 • 2008 • 2009 • 2010 • 2011 • 2012 • **2013** • 2014 • 2015 • 2016 • 2017

- Cooperation agreement with “Dream Garden” LTD
- Membership in “Cooperatives Europe”

The CEO of “Farm Credit Armenia” Armen Gabrielyan participated in the General Assembly of “Cooperatives Europe” in Istanbul, Turkey, on May **6-7**. During the assembly, “Farm Credit Armenia” was affirmed as a member of the union, thus opening new opportunities for cooperation.

Throughout the year, trainings conducted for the staff by foreign specialists continued. On January 13-15, 2013 and also on March 11-13, 2013 we hosted trainers from the USA who conducted seminars for the Board members and senior staff. The trainings were delivered by John Penson, professor at Texas A&M University, and Lynn Exton, Chief Risk Officer at “Opportunity International” company. The main topics covered by the training were the corporate governance, board governance and risk management.





2007 • 2008 • 2009 • 2010 • 2011 • 2012 • 2013 • **2014** • 2015 • 2016 • 2017

- Cooperation with "MobiDram" CJSC
- Cooperation agreement with "German-Armenian Fund"
- Launching cooperation with the "European Fund for Southeast Europe" (EFSE)
- Cooperation agreement with "Asian Development Bank"
- Memorandum of Understanding with "German Saving Banks Foundation for International Cooperation"
- Participation in the Forum of Credit Unions League of Russia held in Sochi

Establishment of two important cooperation relations in year **2014** considerably increased the lending opportunities for member-shareholders of "Farm Credit".

Due to cooperation with "MobiDram" CJSC, "Farm Credit" began providing improved services to its member-shareholders, enabling them to obtain loans and repay them in "MobiDram's" office.

In March 2014 "Farm Credit" continued its cooperation with the "German-Armenian Fund" and became a participant of the "Agro Lending Project" of KfW development bank, thus expanding its services in agro lending sector. On September 3, a Loan Agreement was concluded between "Farm Credit Armenia" UCO CC and the "Asian Development Bank" for implementation of "Women's Entrepreneurship Support Sector Development" program, within the framework of which loans are provided to foster development of women entrepreneurship in the RA and women-owned small and medium enterprises.





2007 • 2008 • 2009 • 2010 • 2011 • 2012 • 2013 • 2014 • **2015** • 2016 • 2017

- Participation in the training organized particularly for the team of “Farm Credit Armenia” by the “German Academy of Cooperatives” (ADG) in Montabaur, Germany; Memorandum of Understanding between the organizations
- October – conducting the second stage of “Borrow Wisely” campaign
- Participation in “Microfinance Centre’s” 18th annual conference in Prague

At the annual conference of “Microfinance Centre” held in Prague in 2015 the CEO of “Farm Credit” Armen Gabrielyan was elected as MFC’s Board member.

Since 2014, “Farm Credit Armenia” credit cooperative, under the patronage of “Microfinance Centre”, has been implementing “Borrow Wisely” educational campaign for the existing and potential customers. “Borrow Wisely” campaign covers a number of questions, and every customer should be able to answer them before obtaining a loan.

The campaign is being held for the third consecutive year. From October 1 to 31, interactive workshop-discussions are organized for the customers in the regional branches of the organization and in rural communities, and the relevant information materials are provided to the participants.



GLOBAL CONFERENCE

AND GENERAL ASSEMBLY

TOARDS 2020

WHY WILL YOUR
FUTURE BE LIKE?



2007 • 2008 • 2009 • 2010 • 2011 • 2012 • 2013 • 2014 • 2015 • **2016** • 2017

- February 4 - Visit to "Farm Credit Armenia's" office by Richard M. Mills, Extraordinary and Plenipotentiary US Ambassador to Armenia
- September 29 - Signing of a cooperation agreement with "Golden Goat" CJSC about value chain financing of goat milk and cheese production within the framework of the "Second Stage of Support to the Agricultural Sector of the RA"
- November – Business visit to "Fed Invest" agricultural financial cooperative and "Noah" credit organization in Albania

In September **2016** "Farm Credit" launched a new loan product – "Rich milk", which is intended for providing loans on special terms to "Golden Goat" company and its supplier farmers with the purpose of product value chain financing. "Rich milk" loan product terms have been developed taking into account the special features of the cattle breeding sector and generation of income by milk producers.

The visit by "Farm Credit's" working group to capital of Albania Tirana in November, for exchange of experience with "Fed Invest" agricultural financial cooperative conducting a similar activity, was also significant. The employees of the cooperatives had the opportunity to discuss their own experience in promoting the model of a cooperative financial enterprise, focusing on the issues related to automation of business processes and efficient development of the branch network through the use of information technologies.

On October 13, within the framework of the International Summit of Cooperatives, the meeting of the Executive Committee of "CIBP" international organization was held. Armen Gabrielyan, the Chief Executive Officer/President of "Farm Credit", was an honorary guest and participant at the meeting. He presented "Farm Credit Armenia" to the meeting participants, speaking of the establishment, development and future plans of the cooperative.





Corporate Social Responsibility

2007 • 2008 • 2009 • 2010 • 2011 • 2012 • 2013 • 2014 • 2015 • 2016 • **2017**

- February– Provision of a gardening loan within the framework of cooperation with “RAED PIU” rural finance institution for the purpose of technological upgrade of existing gardens and founding the new ones
- June 14 – Technical support agreement with the “National Federation of French Savings Banks” in Paris
- Opening of the 10th jubilee office “Myasnikyan”

One of the significant achievements of this year was signing of a technical support agreement with the “National Federation of French Savings Banks” (Federation Nationale des Caisses d’Epargne) in Paris on June 14. This agreement aims at raising the educational level and enhancing the skills of “Farm Credit Armenia’s” employees as well as adoption of the best practices of the European cooperative culture.

The ceremony was honored with the presence of the Ambassador of Armenia to France Vigen Tchitechian and his Advisor Levon Amirjanyan. Jean Arondel, the Chairman of “FNCE”, assured that this was the beginning of future mutually efficient cooperation and friendship.

This year, towards the 10th anniversary of “Farm Credit Armenia”, our jubilee office was opened in Myasnikyan village of Armavir region. This is the first branch of “Farm Credit” in a rural community and it gives our specialists the opportunity to be closer to their member-shareholders.





10 OFFICES WITHIN
10 YEARS



- ▲ **Head Office**
- ▲ Armavir
- ▲ Masis
- ▲ Vayots Dzor
- ▲ Ejmiatsin
- ▲ Kotayq
- ▲ Artashat
- ▲ Sisian
- ▲ Ashtarak
- ▲ Myasnikyan

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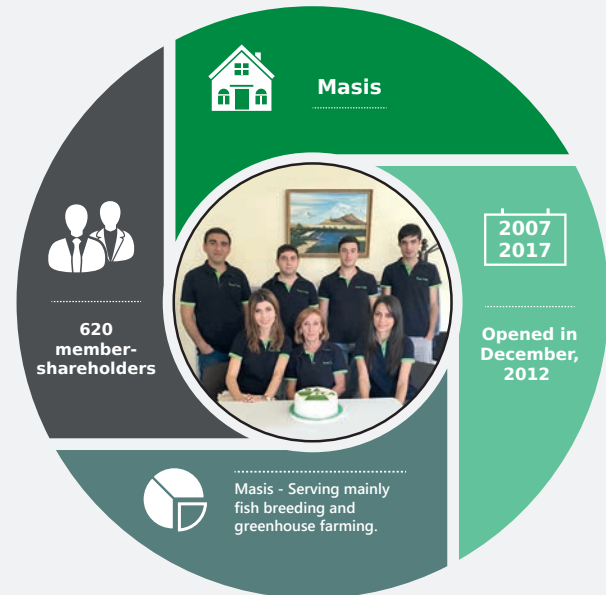
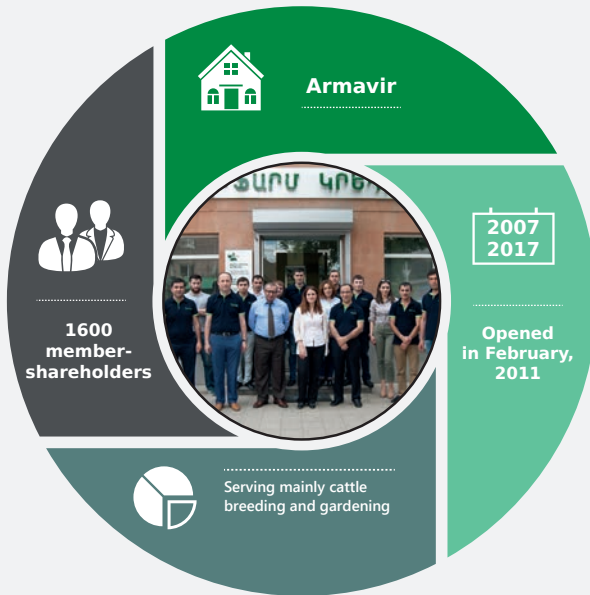
► Our Branches

2

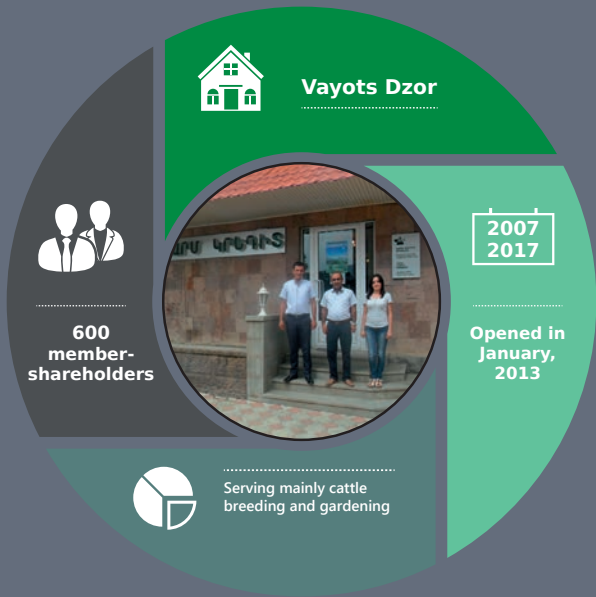
Remaining loyal to its mission, to be specific, being close to rural communities and its member-shareholders living there, "Farm Credit Armenia" UCO CC has been implementing a clear strategy of expanding its branch network since its establishment. Today, as a result of opening new branches in marzes of the country on a yearly basis, "Farm Credit" has reached the symbolic result of 10 offices within 10 years towards its tenth anniversary.

As a result of this continuous strategy, the credit and leasing services offered by "Farm Credit" are more affordable for the customers.

Moreover, opening of new branches contributes to further development of the organization and attraction of new customers as well as fosters the growth of agriculture.



OUR BRANCHES





In order to encourage and evaluate performance of the staff in its branches, "Farm Credit Armenia" carries out annual award in 5 nominations, 2 of which - at the branch level, and the other 3 – at the individual level. The nominations are as follows:

The award results are summarized on the basis of those criteria, which emphasize mostly the quality and efficiency of the work performed.

The award winners of year 2015 are:

- ▶ Armavir branch - "LOAN PORTFOLIO WITH THE BEST QUALITY"
- ▶ Artashat branch - "LOAN PORTFOLIO WITH THE HIGHEST GROWTH"
- ▶ Artak Badalyan - "LOAN OFFICER WITH THE LARGEST NUMBER OF DISBURSED LOANS"
- ▶ Artak Badalyan- "LOANS WITH THE LARGEST VOLUME"
- ▶ Hayk Hambardzumyan - "THE BEST QUALITY OF DISBURSED LOANS"





3



► Financial figures

Loan Portfolio and Financial Results

With its establishment, the organization intended to develop agricultural production and improve the quality of life in rural areas through a stable cooperative institution. Initially, it was decided that the principal direction of its activity would be agricultural lending and rendering affordable financial services in that sector, based on cooperative principles.

The organization provides loans and leasing of agricultural machinery to legal entities and private individuals engaged in agriculture, processing of agricultural products and other entrepreneurial activity. 5 main products can be emphasized in the loan portfolio of the organization – agricultural loans, agrobusiness loans, SME loans, leasing and rural mortgage renovation loans.

Agricultural loans are provided to private individuals and legal entities engaged in agriculture (animal husbandry, fish breeding, vinery, gardening, other agricultural activity) in regions. The prevailing portion of the loan portfolio is the share of agricultural loans. In terms

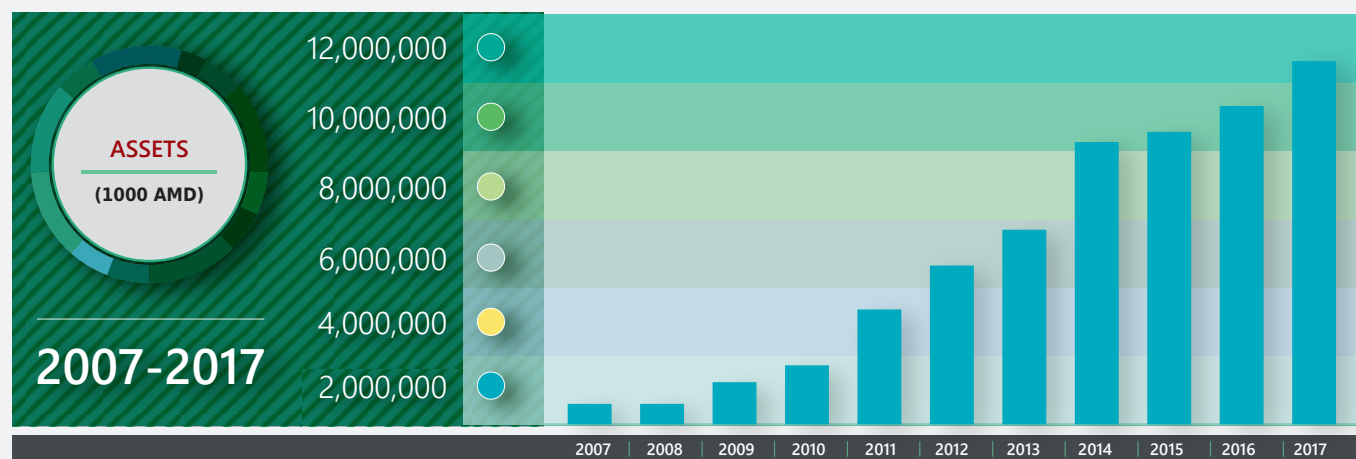
of quantity, this index is more than three fourths of the portfolio.

Agro business loans are disbursed to legal entities engaged in processing and selling of agricultural products (production and processing of milk, wine-making, production of dried fruit and vegetables, selling of pesticides and therapeutics, other types of agro business) in regions, with experience in the respective sector.

SME loans are disbursed to legal entities engaged in retail and wholesale trade, manufacturing, rendering of services, and other activity in regions, with experience in the respective sector. SME loans are more than one fourth of the loan portfolio.

The leasing service is offered to private individuals and legal entities engaged in agriculture, agro business and other fields. During ten years of its activity, the cooperative leased about 130 units of agricultural machinery (tractors with different horsepower and agricultural tools).

Loan applications for rural mortgage and renovation of apartments can be submitted by private individuals who are member-shareholders



of the cooperative, living in rural areas of the RA, who get steady salary or regular income from other sources (agriculture, entrepreneurial activity, participation in business, rent, etc.).

Over years "Farm Credit" has had dynamic growth in all indices. But the rate of growth is conjugated with the economic growth rate in the

country; in case of economic stagnation it displays more conservative behavior. As of July 31, 2017 the assets of the organization amounted to AMD 10.7 billion (USD 22.4 million¹). 92% of the assets is the share of the loan portfolio, 6% - that of cash and banking deposits.

In the past ten years about 13,400 loans were disbursed in amount of AMD 30 billion (USD 62.8 million¹). The average maturity of the loan portfolio is 20 months, the average loan amount – AMD 2.1 million (USD 4,400¹), and the average weighted yield is 13.7%.

The attracted liabilities of the organization amount to AMD

9.18 billion (USD 19.2 million¹), which is 86% of the total liabilities.

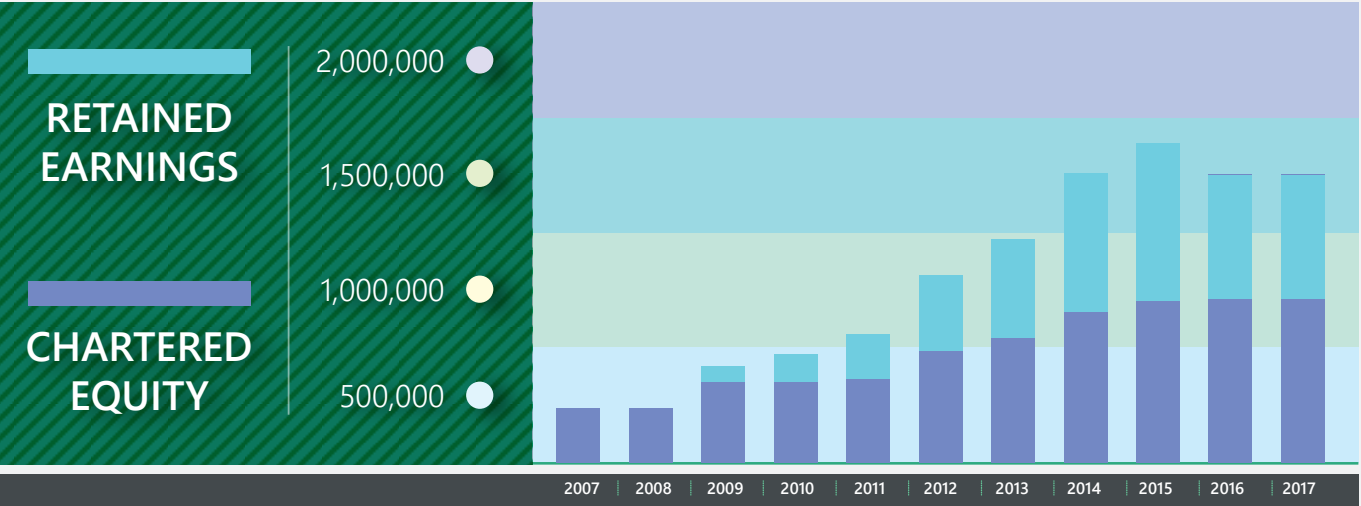
Via “Rural Finance Facility PIU” of the Ministry of Finance, “Farm Credit” participates in “Water to Market” credit component of the Millennium Challenge Foundation and the lending projects of the International Fund for Agricultural Development (IFAD), and via German-Armenian Fund – in World Bank “Access to Finance for

Due to dynamic growth of the loan portfolio, as of July 31, 2017 the portfolio amounted to AMD 9.3 billion (USD 19.5 million¹).

SMEs” lending project, KfW development bank’s agro lending, as well as “Women Entrepreneurship lending” project of the Asian Development Bank. Since 2016, lending is provided within the framework of the “Rural Capacity Building Program” via “Rural Finance Facility PIU”, disbursing long-term affordable loans for

the establishment and modernization of gardens.

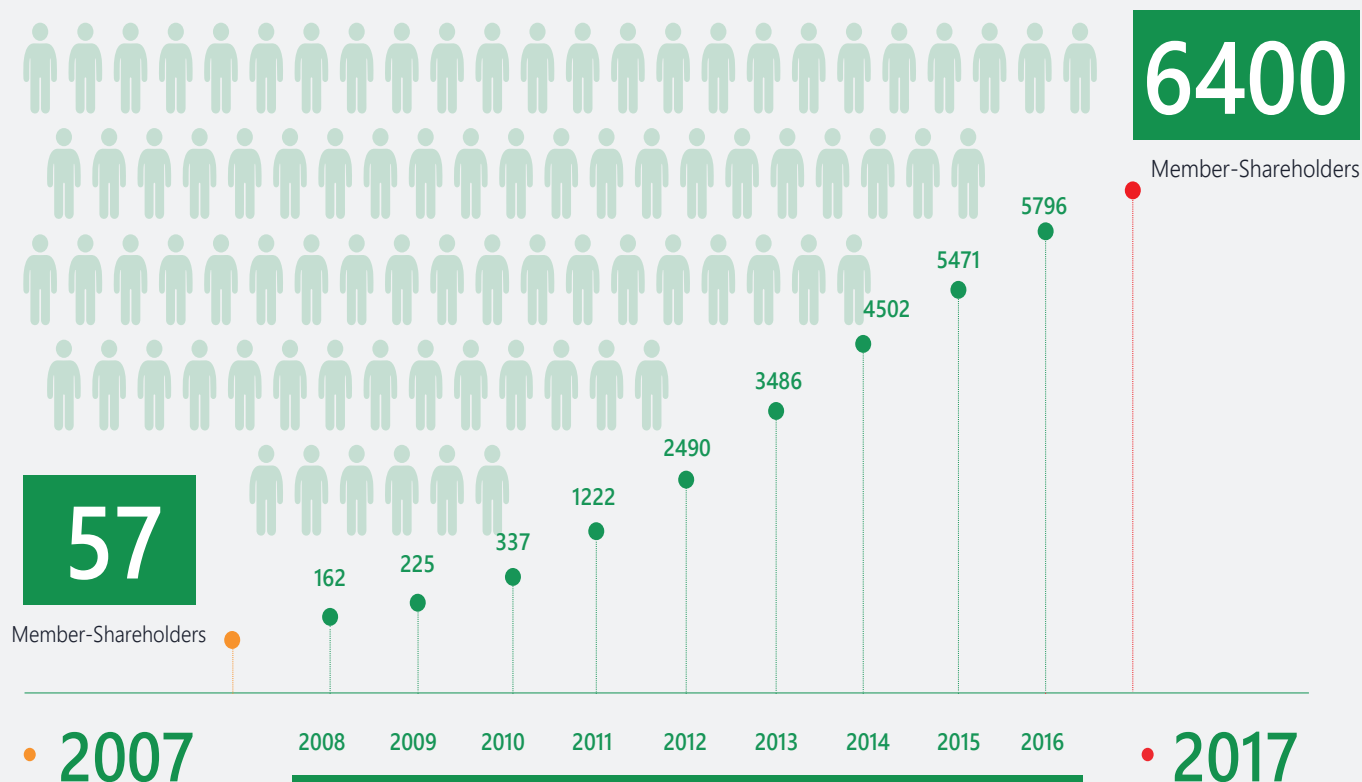
As of July 31, 2017 the equity of the organization amounted to about AMD 1.4 bln (USD 2.9 million¹), of which AMD 842.6 mln (USD 1.75 million¹) is the share of the chartered equity, and AMD 554.7 mln (USD 1.16 million¹) - retained earnings.



From the standpoint of credit risk assessment and management, considerable attention is paid to diversification of the credit portfolio (by customer, sector, maturity), regular continuous

monitoring is conducted. The average loan amount is also emphasized, which weighs the ratio of lending to large and small enterprises in the portfolio.

As of the end of the year 2017 the organization had 6400 member-shareholders.



478.36 dram = 1 dollar 31.07.17

Henrik Yevreyan

village Hovtashat



► Fish-breeding

Henrik Yevreyan is one of the numerous member-shareholders of "Farm Credit" who started and developed their businesses with "Farm Credit".

Henrik Yevreyan is one of the largest fish breeding entrepreneurs in Armenia. The total volume of his current fishponds is around 4 hectares, where mainly trout is grown. The Yevreyans' farm is a striking example of a family business that has been inherited by multi-generations. Three brothers and their father, Derenik Yevreyan, who founded the farm, work here. Several years ago, in 1971, getting established in Hovtashat village (the largest village in Masis region, one of the leading areas at the market of agricultural products), he began doing farming, growing various crops and fruit trees. Then, with the involvement of his sons, he made the first fishpond in the year 2007, and gradually the Yevreyans family expanded and improved its multi-branch business. Today, having 12 hectares of land (they grow watermelon, apricot, pepper, etc.) and 4 hectares of fish ponds, they are among the largest member-shareholders of "Farm Credit Armenia". "The hardest ever years for me were my teenage years, when I studied excellently in the 8th grade, but had to be fully indulged in the development process of our newly established farm by devoting all my time and strength to it", - says Derenik Yevreyan.

Henrik Yevreyan told us about the specific features of breeding the rainbow trout: the spawn is imported from abroad, it lives in separate fishponds in special conditions and then, when it grows, it is poured into the main ponds, where it is fed with special forage 3 times a day for 1 year and 2 months, after which it is ready to go to the market. The fish ready for sale generally weigh 1 kg, but in separate cases fish of different weight is grown up to 1.7 kg. All year round, the fishponds are under special control by the employees who clean them regularly from sludge and maintain proper water temperature (14° is considered perfect).

Henrik Yevreyan became a member-shareholder of "Farm Credit" about two years after making the fish ponds, when it was necessary to attract new funds to develop the farm. The Yevreyan brothers mention that thanks to "Farm Credit" they have been able to develop the farm quickly and arranged it in the way that would lead them to success. They proudly state that in response to "Farm Credit's" support, during these years, they have always made repayments in due time and in responsible manner knowing also that if they set up any new business there is an organization they can rely on not only once, "like their own home".

► Our member-shareholders

Our member-shareholders



"When we start any new business, we know that there is an institution we can call in on repeatedly, like our own home..."

Khachik Martirosyan, “Golden Goat” CJSC
Anna Martirosyan (daughter)
town Yeghegnadzor



► Cheese production

“Golden Goat” CJSC is the largest cheese production enterprise in Vayots Dzor region. The company was founded in the year 2000 and has been a member-shareholder of “Farm Credit” since 2009. Previously, it was located in Goghtanik village, then it expanded and the workshop was moved to Yeghegnadzor town. In line with the production of cheese, the company is also engaged in large and small cattle breeding. It has about 850 heads of small cattle, 13 heads of large cattle, and 130 pigs.

In the “Golden Goat’s” workshop, 7 tons of milk is processed daily. It is collected from the own farm and small cattle breeding farms from the neighbouring villages. Milk goes through special processing, is pasteurized, and only after that goes to the production stage. On the average, 1 kg of cheese is produced from 7 l of milk, which in its turn depends on the season of the year and fat content of milk. The next stage of production is the cheese ripening phase, which lasts for more than 2 months (depending on the type of cheese). After

this stage cheese is packed and dispatched to the market. The “Golden Goat’s” factory works hard every day, coordinating its work so that even in winter, when no milk is supplied, the workshop continues its active work in the warehouse, packing and selling cheese.

61% of “Golden Goat’s” production is exported and the remaining 39% is consumed in the local market. The range of products is quite varied; it includes such types of cheese, as Lori, Chanakh, Dzor, Gladzor, Yeghegnadzor, Alpine, Tommy, etc.

The 8-year cooperation between “Golden Goat” and “Farm Credit” has currently resulted in mutual advantages - “Farm Credit” credit cooperative has developed a special loan product “Rich Milk”, which is offered to the participants of the value chain created around the “Golden Goat” CJSC, namely - to milk suppliers and “Golden Goat” CJSC. This loan type is provided to the project participants for acquisition of working capital and fixed assets.

A woman wearing a white lab coat and a hairnet is working in a cheese factory. She is focused on a task, possibly cutting or inspecting a piece of cheese. In the foreground, there are several large wheels of orange cheese, some with white rinds. The background shows industrial equipment and a window with blinds.

Our member-shareholders

"This is not just an organization. We rely on Farm Credit and they rely on us, since we will still immensely help one another ..."

Roland Susunyan

village Narek



► Gardening, cultivation of vegetable crops

Roland Susunyan is amongst the first member-shareholders of “Farm Credit Armenia”. He joined the institution back in year 2007 and has already obtained 8 loans. He is engaged in gardening and cultivation of vegetable crops. When recollecting the commencement of his cooperation with “Farm Credit”, Roland says:

“My father knew the head of “Farm Credit” even from “ACBA” bank, therefore, I can say that the trust towards his team was inherited by me from my father. I remember the first loan for which I applied – the amount was AMD 10 million. I got refusal from other banks, so I applied to “Farm Credit”. It was difficult because I did not have my own property to pledge and get the necessary amount. I had to pledge the property that belonged to my uncle’s friend and, with difficulty, but managed to get the necessary AMD 10 million via “Farm Credit” within the framework of “Water-to-Market” program.

I immediately commenced on my work upon receiving the loan. I bought agricultural machinery, began the land cultivation works and expanded our gardens. Of course, it was difficult at that time, as I made monthly instalments of AMD 100,000, but I managed to succeed and repaid the loan in a two-year period...”

Roland Susunyan was originally engaged in cultivation of tomatoes, then he planted new fruit trees and expanded the farm as a result of which he managed to release the pledged property owned by his uncle’s friend within several years. Roland proudly states: “Soon I was able to buy my own house and new land plots, and was already pledging my own property”.

Roland Susunyan’s farm covers an area of 7 hectares at the moment,

where he grows plum, peach, apple, cherry, pear, apricot, and grape. Most of the harvest is sold locally through re-sellers, and the remaining part of it is kept in special refrigerating compartments for later sale at higher prices. With the recent loan obtained from “Farm Credit”, he also renovated and expanded his refrigeration area to store more harvest. Garden cultivation is done with his own tractors purchased with “Farm Credit’s” funding. Besides, Roland Susunyan is engaged in growing and selling seedlings – about 7,000 planting materials are vaccinated annually, of which at least 5,000 are sold.

Starting with pledge of relatives’ property and finally purchasing his own immovable property and agricultural machinery, increasing the number of refrigerators from 1 to 8, growing from a small land plot to about 7 hectares, Roland Susunyan has passed a long and difficult ten-year way with “Farm Credit”. Today he is able to make larger and more serious steps with peaceful conscience, having a reliable footing.

“At first, my only problem was the collateral. Now it’s not an obstacle for me any longer. My credit line gives me the opportunity of using bigger financial resources than I actually use, but in the existing conditions of financial-economic instability, I do not want to take a big risk. I get the same advice from “Farm Credit” employees who really care about us. At “Farm Credit”, I am treated like a family member. I remember that in years 2007-2008 we got loans directly from the head office, particularly from the senior staff of “Farm Credit”. But the most important thing is that currently the employees of our branch have adopted and continue keeping the same values and attitude we initially received from their managers”.

A man with a beard and mustache, wearing a red polo shirt, is standing in a plum orchard. He is reaching up with his right arm towards a branch of a plum tree. The branch is covered with green leaves and several ripe, dark blue plums. The background is filled with more green foliage and branches of the orchard. The lighting is bright, suggesting a sunny day.

Our member-shareholders

"My father was Farm Credit's customer, therefore, the trust towards the head of the institution and his team was inherited from my father..."

Tigran Markosyan

village Sisavan



► Gardening

Tigran Markosyan has passed quite a long way with "Farm Credit" ever since 2007. "I remember the beginning of our cooperation. Guests from "Farm Credit" visited our community, the staff informed us about the principles and goals of their institution. All this interested us a lot. I took part in the founding meeting, and already in the year 2008 I received the first loan". Thus, Tigran Markosyan became one of the first 57 member-shareholders who remained in the history of "Farm Credit" as brave founding farmers who believed and created the institution, of which they are proud members up to present.

Tigran Markosyan's first loan was to establish a vineyard. At that time, Tigran had only one hectare of land and one "Zhiguli" car. The first undertaking was successful and Markosyan bought new land plots and agricultural machinery. Tigran Markosyan's farm is one of the largest investments of "Farm Credit" with its vast gardens of apricot and other fruit trees, grain and sunflower fields.


In response to the question why he had been loyal to "Farm Credit" for so many years, Tigran Markosyan answered: "First of all, it is binding because this is our local institution, our "bank", and we want to develop it. Actually, we also have loans obtained from

other financial institutions, but we are always treated in a special way at Farm and, in response to it, we display responsibility for timely repayment of loans", - said Tigran Markosyan, smiling.

Tigran Markosyan has a multi-branch enterprise and manages its works with his brother Vardan Markosyan. They grow cereals and vegetable crops, sunflower, grape, peach, and apricot. The production is sold mainly at the Armenian market – they are the suppliers of a number of major processing companies in Armenia. They also cooperate with exporting companies and individual resellers as they do not manage to sell their crops fully. During the 3-4 winter months the brothers do not generally work and start making new investments only starting from spring.

It is also encouraging that our member-shareholders cooperate closely with one another, like Tigran Markosyan and Roland Susunyan. Markosyan regularly buys seedlings from Roland Susunyan to expand his gardens.

With the help of his own credit cooperative, Tigran Markosyan, starting his business with 1 hectare of land he made it up to 50 hectares where he managed to establish a reliable and sustainable enterprise.

A man with short grey hair, wearing a black t-shirt with white stripes on the sleeves, stands in an orchard. He is looking off to the side with a thoughtful expression. The background is filled with trees bearing yellow fruit, likely lemons or oranges, under bright sunlight.

Our member-shareholders

First employees of Farm Credit were like my army friends, so old and close...

Varuzhan Mouradian, “Van Ardi” LLC village Sasunik



► Winemaking

Varuzhan Mouradian is one of the patriots who lived abroad for many years and carried out certain activity, but finally returned to his homeland to create and prosper on the native land.

Abroad, he worked in the financial sector, but office work gradually ceased to be interesting for Mr. Mouradian and wishing to do some creative work he decided to set up this winery. In 2008 he bought a plot of land, planted the first gardens, and with the funds obtained from “Farm Credit” he purchased the necessary equipment and aging vessels from France and Italy, studied the history of wine, as he says, “the wine bee bit him” and he set to work. The barrels, in which the wine is stored, are imported from Nagorno-Karabakh and France. Besides his own vineyards, he purchases also the harvest from other vineyards in the region. “Van Ardi” name literally means the “sun of Van”. This name is explained by the fact that Mr. Mouradian’s origins go back to Van area and he has chosen this name trying to convey the sun and the warmth of his ancestral land, which he currently imparts to the whole production process at the winery.

Varuzhan Mouradian always states that he wants to produce wine not just for sale, but to make it a family culture and to transfer it to future generations. Today Van Ardi wines have their own unique place at the local and foreign markets. They are rightful participants in a number of contests in different countries and win awards due to their high quality flavour.

“I have worked with a number of lenders abroad and in Armenia, but I have always felt that everyone pursues their own interests, while “Farm Credit” is a different case – here I feel that work is based on human relationship values. All employees of “Farm Credit” have unique human features and are always next to us due to their willingness. When applying to “Farm Credit”, we are as calm as if we ask our own uncle for some money.”

The cooperation between Mr. Mouradian and “Farm Credit” is still young, just 2 years old, but the vineyards planted and cultivated with “Farm Credit’s” support and the winery prove that this cooperation leads to common prosperity, which underlies the principles of our credit cooperative.

Our member-shareholders

"Farm Credit assesses the businessman's risks for you, guides you in due manner and gives good advice..."



Artavazd Khachatryan

village Aratashen



► Greenhouse farming

Artavazd Khachatryan is a member of "Farm Credit's" Board of Directors, engaged in greenhouse farming. He has 5000 sq. m of glassed greenhouse, where tomatoes are cultivated as the first harvest as well as cucumber and tomato - as the second harvest. In this farm you feel at once that you are dealing with a skilled, knowledgeable vegetable growing specialist who pays attention to everything. Four decades ago, he graduated from the Department of Mechanization of Armenian Agricultural Institute. Then he worked at Merdzavan Scientific-Research Institute of Viticulture, Wine Making and Horticulture located in Echmiadzin area. Since 1980, he is a candidate of technical sciences; he has been interested in inventing a machine for planting grape on slanting slopes. Afterwards he began cooperating with the "Armenian Support Fund" and established his greenhouse farm.

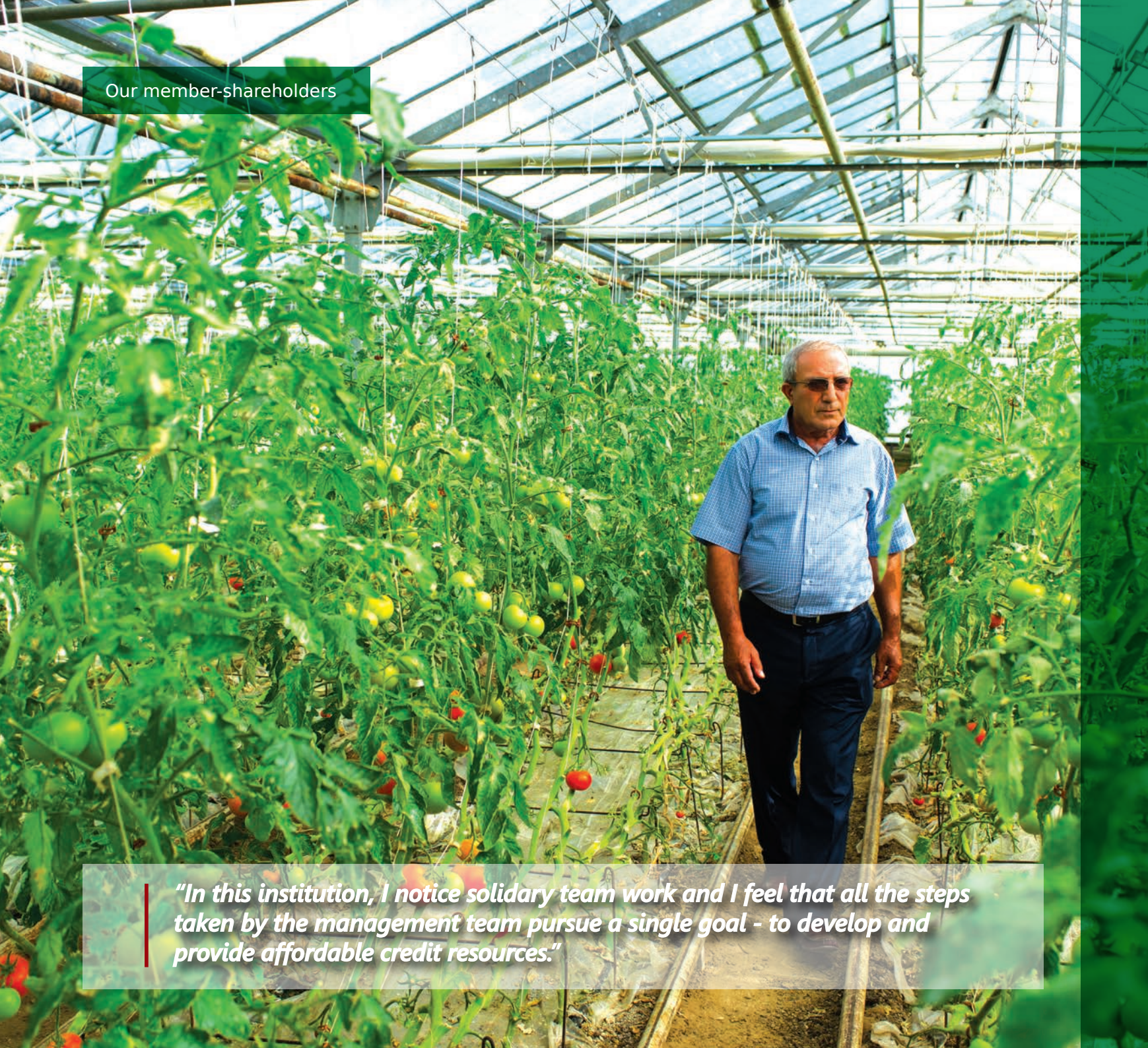
"Large-scale construction and mounting works have been fulfilled; I have bought most of the construction devices from former greenhouse owners. Many of them were disappointed; they said that this was a business without future. I have done everything with my own hands. The greatest challenge for me was to build a reliable, properly equipped greenhouse. Slowly

but confidently I have achieved my goal. I got the first results in 2006", - says Mr. Khachatryan.

The greenhouse yields large crops twice as a year. The remaining part of the year they are mainly engaged in cultivation and making investments to enjoy the results afterwards.

As a result of cooperation with "Farm Credit", Mr. Khachatryan managed to expand his farm with confident steps, expand the scopes of cultivation, purchase an automated cover system for the greenhouse and still continues to attain new achievements, setting an example for other members of our cooperative.

"I have been cooperating with "Farm Credit Armenia" for already four years. Here, loan officers thoroughly explain the lending procedure to the customer, determine the customer's creditworthiness, assess the risks and adjust repayment of the interest amount to the cash flow schedule. The borrower feels protected because he/she becomes also a shareholder and member of the cooperative. In this institution, I see solidary team work and I feel that all steps taken by the management team pursue a single goal - to develop and provide affordable credit resources".

A photograph of a man standing in a large greenhouse filled with rows of tomato plants. The man is wearing a blue short-sleeved button-down shirt and dark trousers. He is looking towards the camera. The greenhouse has a high ceiling with a complex metal frame and translucent panels. The tomato plants are lush green and have many small, round tomatoes, some of which are red. The floor of the greenhouse is covered with a light-colored material, possibly plastic or straw.

Our member-shareholders

"In this institution, I notice solidary team work and I feel that all the steps taken by the management team pursue a single goal - to develop and provide affordable credit resources."

Artashes Rostomyan, Mark Agro LLC, Sav Agro

Rafik Tadevosyan, agriculturist

village Geghanist



► Greenhouse farming

The main direction of the farm's activity is cultivation of greenhouse crops, namely - cucumber and tomato. It also trades medicinal stuff and fertilizers. Like the majority of "Farm Credit's" successful member-shareholders, in order to diversify risks, the farm develops also other sectors of economy, such as fruit-growing, gardening, etc.

Rafik Tadevosyan, the member-shareholder's father-in-law, daily coordinates and manages the smooth working processes of this farm that occupies around 1 hectare of land. He tells about the basic process of cultivation and harvesting - cucumber seeds are planted in late February, then, as a result of continuous cultivation and work, it becomes possible to collect the harvest starting from mid-spring - up to 1-1.5 tons of cucumber per day. "During the harvest, we have about 10 employees helping us. We sell the harvest mainly at the local market, but we also try to export it to foreign markets", - says Rafik Tadevosyan.

This greenhouse is distinguished from the others by its

unique heating methods, which have been developed and implemented by the owners. Heating is provided by means of burning specially processed cylindrical mixtures of manure and medicinal stuff, and the resulting heat is distributed over the entire greenhouse through special pipes.

When asked about the risks and problems arising in their farm, Rafik Tadevosyan replies: "Hail, frostbite, the problems existing at the market and difficulties arising during sales. But we try to overcome all of them due to our organized work".

This farm is one of the many successful ones, which have gone through their development path together with "Farm Credit Armenia" and now enjoy the results of this cooperation. This is also a proof that due to cooperation with the cooperative an Armenian villager can overcome various obstacles without bending and move forward with small and confident steps, like Mr. Rafik, playing his accordion while walking in the greenhouse, thus spicing the hard work with joyful and exciting melodies.

A middle-aged man with short, graying hair is smiling warmly at the camera. He is wearing a short-sleeved button-down shirt with a blue, white, and yellow plaid pattern. He is standing in a greenhouse, with the metal frame and translucent panels visible in the background. The background is slightly out of focus, showing rows of plants and hanging structures. A solid green vertical bar is on the right side of the image.

Our member-shareholders

"It happens that we have difficulties, but we try to overcome all of them due to our organized work"

Douglas L. "DOUG" Flory



Dear Friends,

It is my high honor to attend the Tenth Anniversary Celebration of "Farm Credit Armenia". It is with the greatest joy that I celebrate with you being in business ten years serving and aiding in strengthening rural Armenia. It is also with a heavy heart that I can no longer live in Armenia and work with you.

In 2005, when Nancy Pellett, Chairperson of Farm Credit Administration (FCA), asked me to head the possible establishment of a farm credit system in Armenia, I had to look at my world atlas to locate Armenia. The only recognition I had of Armenia was my mother admonishing me, "eat everything on your plate since you must remember those starving Armenians." This was in the 1940s when I was a young boy. I had no idea who the Armenians were, where they lived, or why they were starving.

From 2005 until now, I have learned much about Armenia, its location, its people, its struggles, and its contributions to mankind. Loving history, Armenia has taught me much about biblical history, architecture, warfare, politics and its people of great intellect and perseverance. I learned to love Armenia and its people and I am saddened to not be able to live with you again. Armenia is my second home and I miss it and its people daily. I have so many fond memories of my time there.

In 2005, a group of forward thinking Armenians traveled to the U.S. several times to study our U.S. Cooperative Farm Credit System and to inquire if USDA would assist in helping to establish a system for their country. Our Secretary of Agriculture and Armenia's Minister of Agriculture had agreed to pursue such a challenge. USDA ask FCA to evaluate if a system could be set up and if Armenia's Central Bank could be its regulator. After much research and study during 2005, Roland Smith, Bob Orrick, and I traveled to Armenia to do our in-country evaluation in January 2006. In two weeks, we visited farmers who

walked miles in the snow to meet us and answer our questions. We met with government officials, our Embassy and USAID officials, Central Bank officials, NGOs, University professors, bankers, Universal Credit bankers, and others involved in supplying credit to rural Armenia. In the snow, we visited several historical sites, which spurred my interest in the history of Armenia. After returning home, Roland, Bob, and I completed our study and recommended to USDA that a system could be set up in Armenia and Armenia's Central Bank could easily regulate the system.

The working group from Armenia wanted to use the cooperative model for the system and, of course, Roland, Bob, and I were enthusiastic about that possibility. We learned the hard way that attempting to establish and operate a cooperative system in a former Soviet country was a huge challenge. The Soviets had taken individuals' farmland, equipment, livestock, and their pride to establish the collective farms. The Soviets called these collective farms cooperatives, therefore much work and education was necessary to convince rural Armenians that another cooperative would be beneficial for them. Other challenges surfaced as the year of planning ensued. Armenian government support was reduced, competition was tough, capital was fleeting and very tough to come by, and promises were made which never materialized.

Through all these tough challenges, Armen Gabrielyan and the tenacious board of directors, management, and staff worked very hard making "Farm Credit Armenia" the success it is today. Armen had many of the visions for "Farm Credit Armenia" and has worked so very hard with a "can do spirit" to make the only cooperative financial institution serving rural Armenia a success. I must also give credit to the U.S. government and institutions and the many international financial institutions who provided funding, capital, and support to "Farm Credit Armenia".

From the peak of historical Mt. Ararat, I shout my CONGRATULATIONS and PRAISES to "Farm Credit Armenia" for ten years of success in supporting Armenia's rural communities and its people!

Sincerely and with much love and admiration,

Farmer
Farmer Mac Board Member
Former Farm Credit Administration Board Member
Former Farm Credit System Insurance Corporation Board Member and
Chairman


Douglas L. Flory

Farm Credit Administration 1001 Farm Credit Drive
Moline, Illinois 61201-6000
(312) 862-4000

FCA

February 23, 2006

Armen Gabrielyan
Credit Manager
CA010
914 Teyan
Yerevan 375008,
Armenia

Dear Armen:

Bob, Roland, and I want to thank you for your kindness, help, and patience while we were in Armenia. We appreciated your answering our questions, which helped us to better understand the MAF, the Credit Clubs, and the proposed Armenia Farm Credit organization.

Our work is progressing quickly because of your assisting us while in Armenia. Thanks again for being so kind to us, and we hope to see you again.

Sincerely,
 Douglas L. Flory
Board Member

 Robert E. Smith
Secretary to the Board

 Robert Orrick
Office of Congressional
and Public Affairs

Lynn Exton and Dr. John Penson



By means of background, Dr. John Penson, Regents Professor of Agricultural Economics at Texas A&M University, and Ms. Lynn Exton, Managing Partner of "Exton & Partners Risk, Governance and Analytics" LLP, worked as consultants with FCA's Board of Directors and Senior Management in a capacity building advisory project over the period 2010 to 2015. The team was under contract with the U. S. Department of Agriculture, Foreign Agricultural Service (USDA FAS) as part of a program to promote the availability of credit in rural Armenia. This project provided operational support and capital to "Farm Credit Armenia" (FCA) over the years 2007-2015.

The role played by FAS/USDA in supporting the capacity building of FCA took three forms:

1. Financial contribution
2. Analytical contribution
3. Training contribution

Exton & Penson worked primarily on the training leg of the project, specifically by delivering corporate governance and risk management training to FCA's Board of Directors and serving as technical advisors to Senior Management. The objective was to create a strong governance framework to support FCA's objective of being financially self-sufficient and with corporate governance practices aligned with best practices.

As FCA celebrates its 10th anniversary, we want to congratulate Armen Gabrielyan, the Board and senior management as we believe that the organization has largely achieved this goal. We wish we could be with you in-person for this significant milestone and would welcome future opportunities to work again with FCA as it moves into its second decade.

We wish you continuing success in meeting the credit needs of farmers and others in rural Armenia.

John Penson
Regents Professor of Agricultural Economics at Texas A&M University
Lynn Exton
Managing Partner of Exton & Partners Risk, Governance and Analytics, LLP

Robert Frazee



Dear Armen, Board Members, Management and Staff,

Congratulations on achieving 10 years of successful service to the farmers and rural residents of Armenia! You've made great strides in bringing to life your mission and vision of improving the quality of life in rural Armenia. Your results, in terms of the stories you tell about projects you finance as well as the overall financial performance of your cooperative, speak clearly and loudly about your accomplishment of delivering on that mission promise.

I was honored to have been involved with your work 10 years ago as you worked to lay the foundation and build this organization that we're celebrating. I am honored to be invited to join in this celebration.

Allow me to offer my wish, my vision for your next 10 years. I hope that when it comes time to celebrate the 20th year anniversary, that you're able to show that you're a thriving financial cooperative, serving even more people, are universally recognized for improving the quality of life of rural Armenia and serve as an example that others around the world might model their agricultural developments around.

With well-deserved congratulations on the past, and best wishes for the future, I am,

Sincerely yours,

J. Robert Frazee
President and CEO – Terrapin Enterprise Strategies
Retired President and CEO – MidAtlantic Farm Credit

Ambassador Marie L. Yovanovitch



It is an honor for me to congratulate “Farm Credit Armenia” on the occasion of its 10th Anniversary and to applaud its efforts to improve the quality of life in rural Armenia. The U.S. Department of Agriculture is proud of its contribution to the establishment of FCA, and I am personally proud to have been a part of this initiative. It is one of the many examples of the successful collaboration between the U.S. Government and the people of Armenia which we are celebrating throughout this year – the 25th anniversary of the diplomatic relationship between the United States of America and the Republic of Armenia. The USG’s partnership with FCA marked an important step forward not only for the financial industry but also for the agriculture sector. Anyone who has had the good fortune to visit Armenia knows what I do: agriculture serves as an engine of economic growth for rural communities in Armenia, accounting for 40% of Armenia’s labor force and 20% of its GDP. I am delighted that through USAID’s support to the “Partnerships for Rural Prosperity” and “Advanced Rural Development Initiative” programs, the United States continues to promote rural economic development in Armenia, encouraging entrepreneurship and facilitating access to finance. The U.S. Government greatly values its partnership with FCA.

Ambassador Marie L. Yovanovitch
Former U.S. Ambassador to Armenia (2008-2011)

Ambassador Richard M. Mills



It is my pleasure to congratulate “Farm Credit Armenia” on its 10th anniversary.

The U.S. Government’s support to FCA, through the U.S. Department of Agriculture, is one of many partnerships we are celebrating as we mark our 25th year of diplomatic relations with the Republic of Armenia. The USG continues to partner with Armenia to develop the agriculture sector, one of the most vital and important economic sectors in the country. In support of rural development, the United States Government has provided the skills, knowledge, tools, and resources that hard-working Armenian farmers needed to provide food locally and to compete in the local and regional markets. I am proud of the important role that the U.S. played to support FCA and Armenia’s promising agriculture sector.

Robert Engel

One does not need to look very far to see the value of a safe, nutritious, and abundant food supply to the well-being of people and their society; nor the lack of the same to the daily obstacles that can hinder the future of people and their society. At its core, food is foundational: it is necessary for good health and enables people to better their lives and create a better world. Those of us who have been blessed to spend most of our lives in the world's highly developed democracies are often guilty of taking our abundance for granted. We can also be guilty of not remembering nor appreciating the not-too-distant past when it wasn't this way – and forgetting about how we got to where we are. That is, unless we have had the good fortune of seeing history repeat itself.

In my case, that good fortune came in the form of a partnership and friendships that were developed in a former republic of the Soviet Union – Armenia. Armenia, one of the oldest, holiest and most spectacular countries in the world, was still in the process of transitioning to a sovereign state – one that could both exist and thrive on its own. And the vital need for a source of safe, nutritious and abundant food was one of the necessary building blocks.

Fortunately, a man named Armen Gabrielyan and his colleagues quickly realized that the ability to reach that goal lay in unleashing the work ethic, the determination, and the ingenuity of the Armenian farmer. That, in turn, required a dependable source of credit to be there for farmers – in good times and bad. Armen and his team reached out to the Farm Credit System in the United States, an organization that was almost 100 years old that had begun serving farmers in an environment not unlike the one facing Armenia at the time. "Farm Credit" had a commitment to a mission of service, one that aligned the interests of farmers and their credit provider through the cooperative form of ownership, and where knowledge and success would be shared. Armen sensed intuitively that connecting with Farm Credit would be instructive.

As the CEO of a "Farm Credit" institution at that time, CoBank, I became excited about the deep



commitment, the spirit of the mission, and the sense of urgency Armen and his team displayed. Against much more difficult odds than we could imagine at that time, "Farm Credit Armenia" was formed 10 years ago – founded on the same cooperative principles that have proven to be sustainable around the world. Make no mistake, there were challenges every step of the way, including a worldwide financial crisis where many financial institutions failed; and one of the greatest challenges for "Farm Credit Armenia" was capitalizing their tremendous growth as farmers benefitted from their cooperative and others sought to join. The path from a start-up to a successful cooperative financial institution had many challenges, but the member shareholders and employees of Farm Credit Armenia aggressively took them on; fulfilling their mission and differentiating their value proposition in short order, a goal some of the best-known and most successful companies continue to pursue after decades of business. As a longtime international banker, this is a unique and tremendous accomplishment in 10 short years!

"Farm Credit Armenia", Armenia's farmers, and the people of Armenia will continue to face challenges as they further transition their country towards an even brighter future. But they also face opportunities, opportunities that will prove to make people's lives and their society better – and one of the core ingredients will be that safe, nutritious, and abundant food supply made available because of the success of Farm Credit Armenia.

It has been both a privilege and a pleasure for CoBank, the Farm Credit System and me to witness the success of "Farm Credit Armenia"! On this tenth anniversary, and on behalf of all of us, I extend our sincere congratulations and warmest wishes to Armen, his member shareholders, his team, and all the wonderful people of Armenia.

Robert Engel
Retired CEO & Senior Advisor at CoBank

Monique F. Leroux

Dear Mr. President,

On behalf of the International Co-operative Alliance, I would like to extend my heartiest congratulations to your co-operative and its members for completing 10 years of success. I wish I could join you for the celebrations but unfortunately, I have commitments in Canada that I could simply not reschedule.

Willingness to co-operate is a unique and irreplaceable contribution of enriching the society in which we live. Around the world, the co-operative model makes important contributions to socio-economic development. By creating viable and sustainable enterprises, the co-operative movement secures productive employment and the generation of income, thereby contributing to poverty reduction. In addition, co-operatives, driven by their values and principles and focus on their local communities, strengthen rural economies and provide significant positive externalities for the rest of society.

The power of the co-operative approach resides in the fact that it portrays the lives, the values, the commitments and the creativity of people.

In 2007, "Farm Credit Armenia" started off with only 57 farmers and it grew exponentially over the years because it answered an important need of the Armenians providing adapted loans to smaller entrepreneurs. Today, the co-operative has more than 5 300 members and shareholders, it is truly a huge success across Armenia. The story of "Farm Credit Armenia" is a reflection of the



strength of the co-operative movement.

Co-operatives make a huge difference in communities. Its mission is not only based on economic activities but more so on finding solutions to ensure that communities can reach their ambitions. It is exactly the case with "Farm Credit Armenia". We need to continue to tell our story to government leaders and economic leaders to ensure they foster the creation of more co-operatives for the benefit of all. Our contribution is very important to the global economy because it helps to stabilize it along with the private and the public sector. But, our contribution can still grow and it is by working together that we will make that difference and build a better world for future generations.

Again, I greatly regret that I cannot be with you in person first because I am sure it will be memorable and second because – in a certain sense – it will also celebrate all the co-operative community that acts every day for a better world.

Kindest regards,

Monique F. Leroux
President

Wishes From Our Staff

Hrant Yeghiazaryan

Deputy Chief Executive Officer/Chief Credit Officer

Over the past 10 years, we have gone together through a path called "Foundation and Establishment of Farm Credit Cooperative". The path was full of various hardships and obstacles, and at the same time full of many interesting and memorable events. What we have today is the result of the hard work done by all of us. I congratulate us all on the 10th anniversary of "Farm Credit". Let us be strong and clever enough to be able to continue our work, and honest and transparent to attract new member-shareholders to join us.

Mushegh Petrosyan

Deputy Chief Executive Officer/Chief Operating Officer

I am glad that ten years ago I joined the team, due to the efforts of which as well as with the involvement of our member-shareholders our credit cooperative was established. These years have proven that the ideas and values that underlie the ideological foundation of the organization are viable and demanded.

I congratulate all of us from the bottom of my heart on the occasion of our tenth anniversary.

Shirak Boyajyan

"Ejmiatsin" Branch Manager

I am happy to congratulate all of us on the occasion of the tenth anniversary of our organization. During these ten years, we have achieved a lot of success. I am convinced that this would not have been the case without the trust that the member-shareholders of the cooperative have towards us. I am sure that the future of "Farm Credit" will be bright, prosperous, and our chosen path - victorious. In connection with this remarkable anniversary, I wish all of us faith in achievement of our common goal.

Arsen Lobyan

"Armavir" Branch Manager

Over the past 8 years "Farm Credit" has given me tangible amount of knowledge. Now, I feel more confident and secure in my country. I can surely state that our institution has been founded not only to satisfy the financial needs of the customers. We are a unique example of transparency and devotion at the financial market and for the society of our country. I heartily congratulate all of us on the 10th anniversary of our organization, wishing us stability, prosperity and new achievements.

Armen Vardanyan

Head of the Leasing and Mortgage Department

Honesty, impartiality, individual approach -the combination of these high human and business values has been dominating in the activity of "Farm Credit" over the past ten years, which enabled each employee to love the institution and get into close ties with it.

I wish "Farm Credit" a green and smooth path towards the hard financial world of rural Armenia, full of problems.



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