In Armenia, the two main breeds of cattle are the Caucasian brown (80 percent) and black and white cattle (16 percent). The total population of 220,000 dairy cows is held by small farmers having six to eight cows each. In such a farm structure, it is very difficult to organize any breeding work aimed at increasing productivity of animals. The inadequate breeding work and the poor feeding are the principal reasons for the low average milk yield (in 1999 it was 1,800 kg with 3.8 fat). For the production of 1 kg of milk we use 1.3 kg of feed. The price of milk is US$ 0.25 per kg.

The future programmes for an increase in milk production is based on crossing the Caucasian brown with the American Swiss brown and black and white breed with Holstein.