ASSESSING THE IMPACT OF THE FINANCIAL CRISIS ON AGRICULTURE IN LEBANON

Presented by: Antoun Maacaroun
11-03-2020
Assess the impact of current macro-economic and financial crisis on the agricultural sector: focusing particularly on the impact on and outlook for imports of agricultural inputs.

Investigate the impact of the ongoing crisis on access to domestic input markets covering different geographic areas.

Assess potential short and medium-term impact on farmers.

Make recommendations to explore any feasible actions that could be taken at policy level to alleviate the situation.
Methodology

- International economist
- Nationally recruited agronomist
- FAO Representative team in the country

**Government Level**
- Ministry of Agriculture; Ministry of Economy and trade

**Private Sector**
- CCIA, agri-inputs importers, forage importers

**Farmers**
- Union of farmers, livestock farm

**Academic**
- AUB

Final Report

Discusses the main hardships stemming from the ongoing economic and financial crisis on the agri-sector; short to long-term recommendation
Potato

1 - Seeds
2 - Value Chain
3 - Cost ($/dn)
4 - Consumption
Lebanon does not produce certified seeds

The total amount of potato certified seeds is imported from EU Member States 66% from Netherland
• The Decree No.693/1 of 2014 consist of 15 articles aiming at organizing the rules to import potato seeds
• Seeds importers had the possibility to make a letter of credit (LC) to the import before the crisis
Value chain

**Bekaa**
- Input dealers (fertilizers, pesticides, irrigation, ...)
  - Pesticide retailer
    - Farmers
  - Potato seeds importers
  - Traders
    - Food Processing
      - Export
        - Cold storage
          - Sort/Packing facility
            - Export
            - Local Markets
  - Local market supermarket/

**Akkar**
- Input dealers (fertilizers, pesticides, irrigation, ...)
  - Pesticide retailer
    - Potato seeds importers
    - Farmers
  - Seed Potato
    - Harvest period Akkar April - June
      - Traders
        - Food Processing
          - Export
            - Cold storage
              - Sort/Packing facility
                - Local wholesale Markets
### Cost ($/dunum)

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost ($/dn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Rental + irrigation</td>
<td>400</td>
</tr>
<tr>
<td>Labor</td>
<td>30</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>220</td>
</tr>
<tr>
<td>Pesticides</td>
<td>40</td>
</tr>
<tr>
<td>Seeds</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>890</strong></td>
</tr>
</tbody>
</table>

The breakdown of costs is as follows:

- **Land rental + irrigation**: 45%
- **Fertilizer**: 25%
- **Pesticides**: 4%
- **Seeds**: 22%
- **Labor**: 3%
Consumption

- Daily consumption **650 tons/d**
- Average production per area
  - Akkar: **3 tons/dn**
  - Bekaa (early): **3 tons/du**
  - Bekaa (Late): **1.5 ton/du**

Lebanon imports potato from Egypt based on the trade exchange agreement between the two countries.

The potato import period was set from 1 of February till the end of March. This year the minister of agriculture set it from 6 of February till the 18th of March.
Vegetables

- Value chain
- Consumption
**Value chain**

- Input dealers (fertilizers, pesticides, irrigation, certified seeds)
- Pesticide retailer
- Farmers
- Harvest

- Wholesale markets
- Local market / supermarket
- Export
- Pickles factories
- Uncertified seeds locally produced
Frozen Vegetables (uncooked or cooked by steaming or boiling in water)

Vegetables provisionally preserved (for ex, by sulphur dioxide gas, in brine, in sulphur water or other preservative solutions), but unsuitable for immediate consumption

Dried vegetables (whole, cut, sliced, broken or in powder, but not further prepared)

Fresh, chilled, frozen or dried roots (whether or not sliced or in form of pellets)

Lebanon imports yearly around 82.1 million $ of vegetables, for all the 5 categories together, as average for the last 3 years (2017-2018-2019)

Source: Lebanese Customs
Lebanon imports yearly around $346 million of cereal.

Wheat is the most imported to Lebanon ($128.2 million), followed by corn ($111.4 million), and finally rice ($60.1 million).

Wheat, rice and corn constitute 86.6% of the total imported cereals to Lebanon from the World.
### Meat Import

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>bovine</td>
<td>129,165,749</td>
<td>136,640,458</td>
<td>120,127,256</td>
</tr>
<tr>
<td>swine</td>
<td>2,949,079</td>
<td>1,932,398</td>
<td>4,154,638</td>
</tr>
<tr>
<td>sheep or goats</td>
<td>861628</td>
<td>846541</td>
<td>614771</td>
</tr>
<tr>
<td>Edible offal of bovine, swine, sheep, goats</td>
<td>365,963</td>
<td>634,436</td>
<td>749,962</td>
</tr>
<tr>
<td>Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal</td>
<td>365,963</td>
<td>634,436</td>
<td>749,962</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>134,193,865</strong></td>
<td><strong>140,995,958</strong></td>
<td><strong>126,197,008</strong></td>
</tr>
</tbody>
</table>

Lebanon imports yearly around **133,8 million $** of Meat (average)

Meat of **bovine animals** is the most imported to Lebanon (**128,6 million $**) followed by meat of sheep or goats (3 million $)
Thanks for your attention