

FSS and LH Sectors Joint Meeting: Support to Agriculture Cooperatives-10 December 2020

SWOT Analysis-Access to Markets

Strengths of agri. coops to access markets

- Cooperative legal framework is in place
- They can provide a number of services to their members
- A good business model is important to help coop. to access markets
- Members' mindset is also important in terms of the services to be provided to members at a competitive cost versus on a free basis
- Cooperatives can be able to pull resources of their members (land, savings, machinery, goods produced, etc.) and apply economies of scale to buy inputs and equipment as a group. This could be done also with processing industries.
- Increase members' bargaining power with buyers, purchasing companies, etc.
- Age of coop members can be a positive factor towards activism and change in mindset
- Effective in adopting and disseminating more sustainable production models and/or new crops/varieties.

Opportunities of agri. coops to access markets

- GDC's regulatory frameworks in place
- New approach at GDC: partnering with NGOs and donors to provide information about existing cooperatives and avoid duplications
- Opportunity of a new era in Lebanon: changed context, more interest in local products and changes in consumption behavior/social responsibility
- Start with local markets first - access to local market is a viable option to integrate coop.'s supply chain with local big distributors
- Import substitution: faster market, though at the moment, disorganized, lack of guidance and planning. Local distributors are looking for local producers
- Value chains: diversification of activities, focusing more on processing, packaging and marketing/delivery opportunity to increase income of coops' members/improving products quality/adoption of holistic approach through the whole VC
- Development of local certified brands, locally set to increase quality of products
- Willingness to start certification by coop distributors.
- Local production of inputs: varies according to pesticides, seeds and seedlings (more difficult), fertilizers, and nursery (for those there are discussions ongoing)
- Possibility for cooperatives to reinforce agreements with farmers for consistent supply to cover market demands

Weaknesses of agri. coops to access markets

- Lack of awareness/knowledge of what a cooperative is and law/governance of cooperatives
- Lack of understanding of consumers' behavior and market needs
- Resistance to change
- No ability to supply large quantities; need to strengthen productive capacities
- Coops don't have internal capacity or the funding for proper accounting, bookkeeping, marketing, digital marketing, legal, etc. Need for support services that coops may not be able to secure internally. These services could be outsourced to a support service company focused on cooperative that would offer these services at an affordable price
- Tech support to adapt to the new normal, with increased process for imported material
- Inadequate finance: problem of access to finance for the cooperatives. Need to explore the creation of a specific adapted loan product
- Lack of data: solution going towards a centralized database to avoid duplication of assistance (see FAO/GDC initiative)
- Inadequate skilled staff: Lack of personnel trained in

Threats to agri. coops to access markets

- Economic/Social/environmental
- Increase in prices for inputs and low output
- Removal of subsidies (fuel/food/medication)
- Permits now needed to export food products and need to pay extra duty and permits which affects export capacity
- Restriction on foreign currency