Agro-Food Market Gap Analysis in Lebanon
Research Background

Economic Situation

• Concern over potential food security crisis
• All risk analyses conducted by independent economic experts alert of a severe economic crisis in the very near future (March 2020), that will affect the daily life of communities in Lebanon, not only at socio-economic level, but at the level of basic needs and necessities.
• Prices of the raw materials imported have increased by 30%.

Industry & Trade

• Lebanon imports over 80% of all its consumables.
• Agro-industry covers a maximum of 40% of local consumption.
• Industry suffers from severe competition by imported products.
• Currently, importing is complicated and difficult to managed due to:
  • Inflation
  • Banking crisis / capital control
  • Currency exchange rate USD / LBP
  • Unavailability of USD in formal market.

Rural Agricultural Cooperatives & SMEs

• Find it difficult to pursue activities on commercial level
  • Lack of start-up capitals
  • Quasi-complete disconnection from urban markets
  • Lack of commercial perception by members
• Now have the potential to become active participants in a national food security crisis mitigation plan, if they are provided with
  • A clear road map
  • Support to supply market with its most pressing needs

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1 As per Financial Times; International Banker; Le Commerce du Levant
2 Ministry of Economy, Jan 27
3 FAO
4 Ministry of Economy, Jan 27
➢ Capitalize on agricultural projects’ outcomes

➢ Prepare future potential interventions in agriculture sector that are aligned with the emerging national economic crisis

➢ Investing in the agriculture sector is one opportunity to overcome the absence of a national strategy in food security
Research Objectives

01 To understand the upcoming market activity & movement including basic supply & demand of agro food products
02 To quantify the needs in terms of varieties, products, and quantities
03 To specify local resources and real figures of available/achievable quantities of the raw material
04 To identify growth opportunities for rural cooperatives and SMEs
05 To produce guidelines for existing and new production lines
06 To set guidelines for accompanying cooperatives, small producers, and industrial SMEs in the full production & marketing process
07 To provide tools that can be used to conduct further market research for specific projects
Intended Users

Baseline Study

Local government agencies (local & national)

Other agencies involved in rural agricultural/agro food development

Other relevant vulnerable groups

Stakeholders in national food market

Potential partners

Rural cooperatives, associations, SMEs, and MSMEs

Rural communities in general

Stakeholders in national food market

Other agencies involved in rural agricultural/agro food development

Other relevant vulnerable groups

Rural communities in general

Baseline Study

Intended Users

- Local government agencies (local & national)
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- Stakeholders in national food market
- Potential partners
- Rural cooperatives, associations, SMEs, and MSMEs
- Rural communities in general
Geographical Scope

The market analysis will be conducted on a national level, with emphasis on cooperatives from PCPM’s areas of intervention.
Methodology

Secondary Data
Previous Reports
- National Strategy for SMEs
- UNDP Annual Report
- Chambers of Commerce, Industry, and Agriculture in Lebanon records and reports

Primary Data
Interviews
- Director General of Cooperatives
- Director General of the Ministry of Economy and Trade
- Head of Association of Lebanese Industrials
- Relevant professional groups and syndicates representatives
- UNDP Head of Socio Economic Division
- Presidents of the CCIA
- Director of Business Loans Department at Banque du Liban
- President of Association of Banks in Lebanon
- Head of Import and Export Unit at the Ministry of Economy and Trade

Primary Data
Focus Groups
- Active cooperative representatives
- Retailers
- Local stakeholders involved in the socio-economic development (NGOs, INGOs, technical schools, syndicates)
- Representatives of SMEs
- Small agro-industrials and agribusiness owners
Data Analysis

PEST tool
(market research team)

SWOT analysis
(market research team, PCPM, and key economic player)

Four Corners analysis
(market research team)
## Timeline

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<td><strong>Inception</strong></td>
<td><strong>Secondary data collection</strong></td>
<td><strong>Identification of key players &amp; local stakeholders to be interviewed</strong></td>
<td><strong>Identification of potential focus group participants</strong></td>
<td><strong>Submission of list of potential focus group participants for PCPM’s approval</strong></td>
<td><strong>Key informant interviews</strong></td>
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<td><strong>Submission of inception report</strong></td>
<td><strong>Survey</strong></td>
<td><strong>Data Analysis</strong></td>
<td><strong>Elaboration of the draft market research report</strong></td>
<td><strong>Draft report and the findings validation</strong></td>
<td><strong>Public restitution meeting</strong></td>
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<td><strong>Market research workshop</strong></td>
<td><strong>Submission of the final version</strong></td>
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Deliverables

01 Data collection tools and related materials
02 Inception report
03 Draft report
04 Final report
05 Relevant annexes (List of people interviewed or consulted, raw data…)

Thank you