



IDAL

INVEST IN LEBANON

AGRICULTURE FACT BOOK



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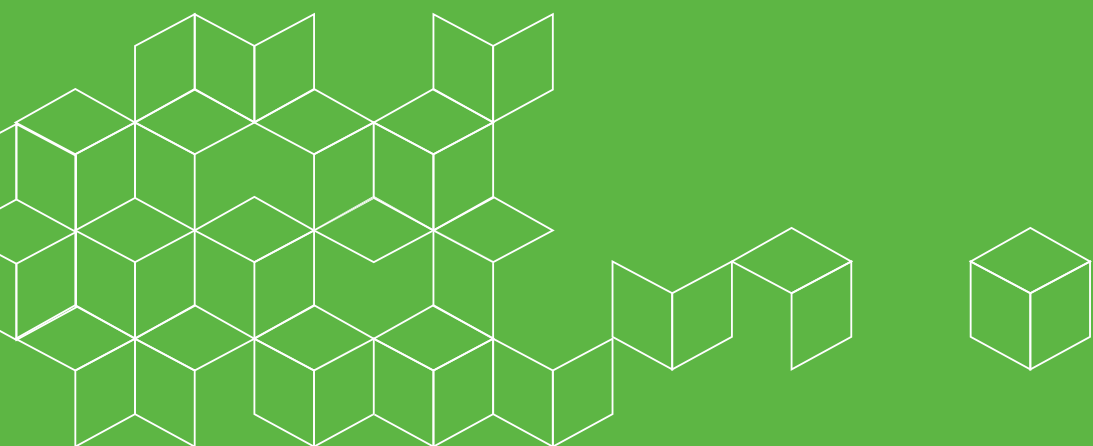
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SECTOR OVERVIEW



SECTOR OVERVIEW

MAIN GEOGRAPHICAL FEATURES

Lebanon's moderate climate, rich soil, and abundant water resources provide it with key enablers to stand out in the region as an ideal location for agricultural activity ¹.

The country is endowed with the highest proportion of agricultural land in the Middle East.

According to the latest figures of the Food & Agriculture Organization (FAO),

67%  **14%**

territory is covered by agricultural areas



of the total area of Lebanon is considered arable ²

Rainfall in the country remains relatively abundant at an average

2.2 billion

significantly higher than the regional average

m³/yr



The country is also rich with major rivers & water resources










Climate is overall moderate and allows the cultivation of a wide variety of crops that would normally grow in both cold and tropical countries.

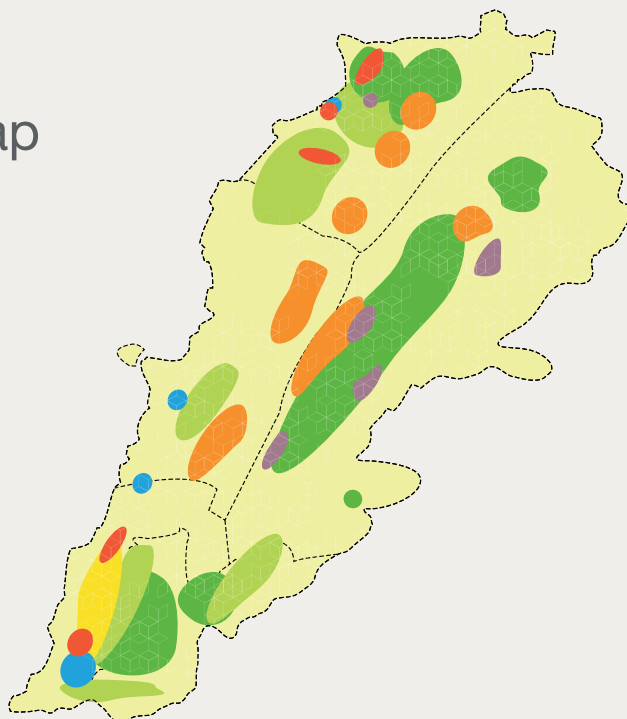
Major regions for crops, meadows and pastures include the Bekaa plain (where more than 40 percent of the land is cultivated), the North, especially in Koura and Akkar, and the South with the coastal region from Sidon to Tyre (where intensive agriculture is also present in greenhouses). Mount Lebanon and Nabatiyeh are also important agricultural zones, albeit with lower shares of cultivated land due to their rough landscape.

CONTRIBUTION OF THE SECTOR TO THE ECONOMY

Agricultural production in 2010 totaled 2,650 billion LBP, nearly 4.7 percent of total GDP. This share has been in slow decline since 1997 when it occupied a share of nearly 6.7 percent of GDP. The sector employs roughly 10% of the Lebanese labor force, and is the fourth largest employer in the country.

Agriculture Map of Lebanon

-  Annual Crops (Vegetable, Cereals, Etc.)
-  Olives
-  Citruses
-  Bananas
-  Vineyards
-  Fruits (Other)
-  Intensive Agriculture



Source: FAO, 2010

¹ As defined by the FAO, agricultural areas include arable lands, as well as permanent crops and pastures.

² Arable lands consist of temporary crops and meadows, market and kitchen gardens, and temporary fallow areas.

MAIN AGRICULTURAL PRODUCTS

Key agricultural products include fruits (mainly apples, oranges, bananas and grapes, but also significantly olives)

41% 

of total agricultural production

Vegetables (such as potatoes, tomatoes and maize)

23% 

of total agricultural production

While livestock production has been picking up in the recent years. In fact, meat production has more than doubled since 1990 reaching levels slightly below

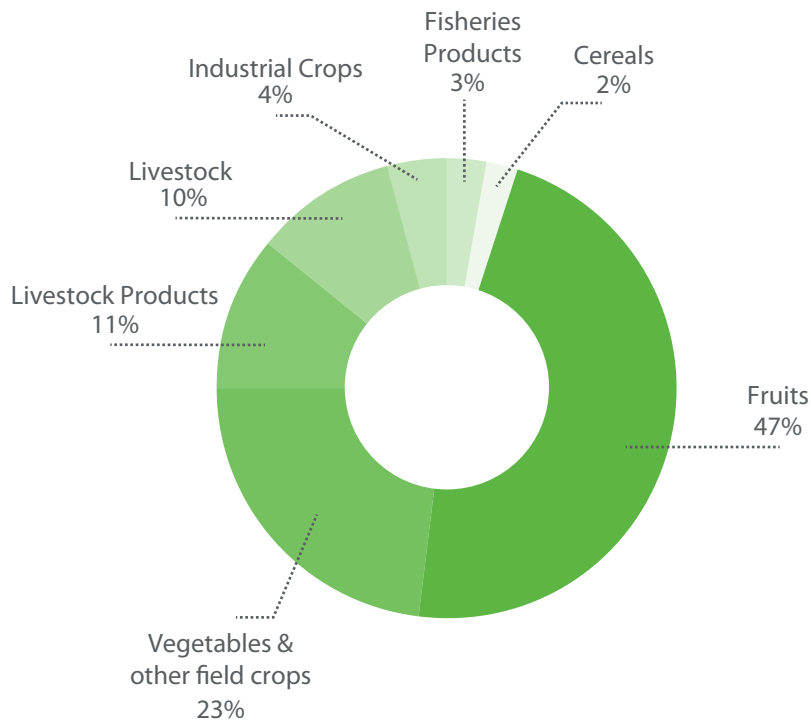
200,000t



Other produce includes tobacco, and cereals (mainly wheat and barley).



Figure 1: Agricultural Output by Sub Sector | 2010



Source: Lebanese National Accounts 2009

Amongst the fruit category, citrus account for

28% 

of total fruits production

Apples

19% 

of total fruits production

Grapes

15% 

of total fruits production

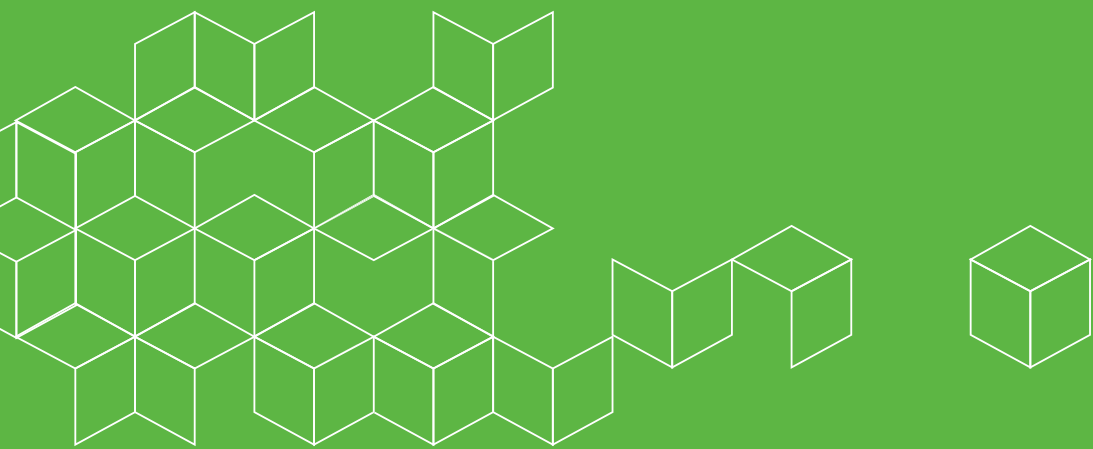
Bananas

11% 

of total fruits production³

³ Based on 2002 data from the Ministry of Agriculture

TRADE STATISTICS



TRADE STATISTICS

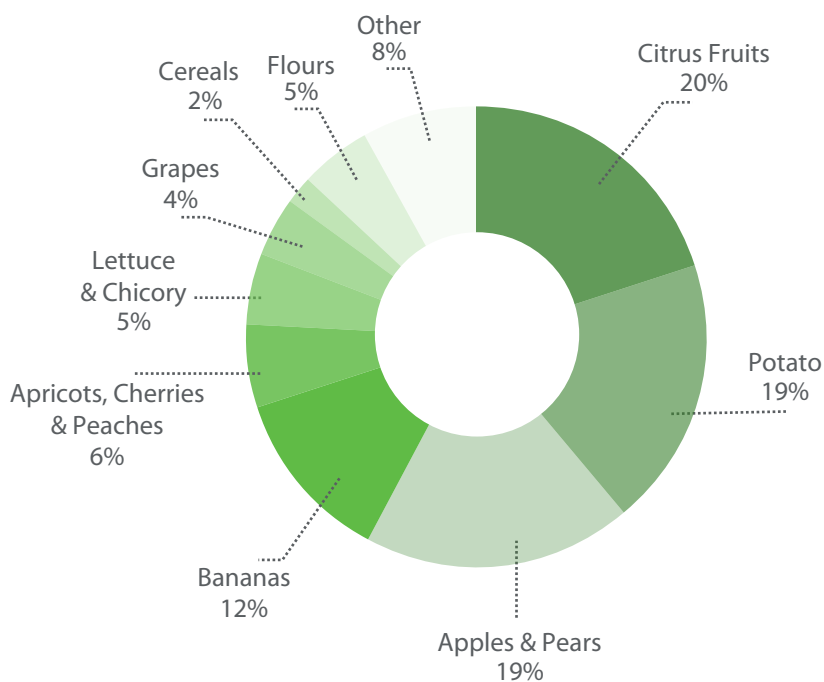
EXPORT PERFORMANCE

While agricultural production had been previously limited to meeting local market needs, it has recently shifted towards lucrative production, with higher focus on export.

Exports of agricultural products have fluctuated widely over the last years, due to varying factors and conditions. Having flourished in 2007 and 2008, the figures dropped by an estimated 10% in 2009, down to 538,000 tons as a result of the global economic recession, only to recover the year after. In 2011, exports fell once again to 504,000 tons following the beginning of the civil unrest in neighboring Syria. As the situation unfolded, farmers were able to find alternative and more secure trade routes, which ultimately paid off well. In 2012, agricultural exports reached 518,000 tons, the equivalent of LBP 283 Billion. By value, agricultural exports accounted for around 4.2% of total exports in 2012 estimates.

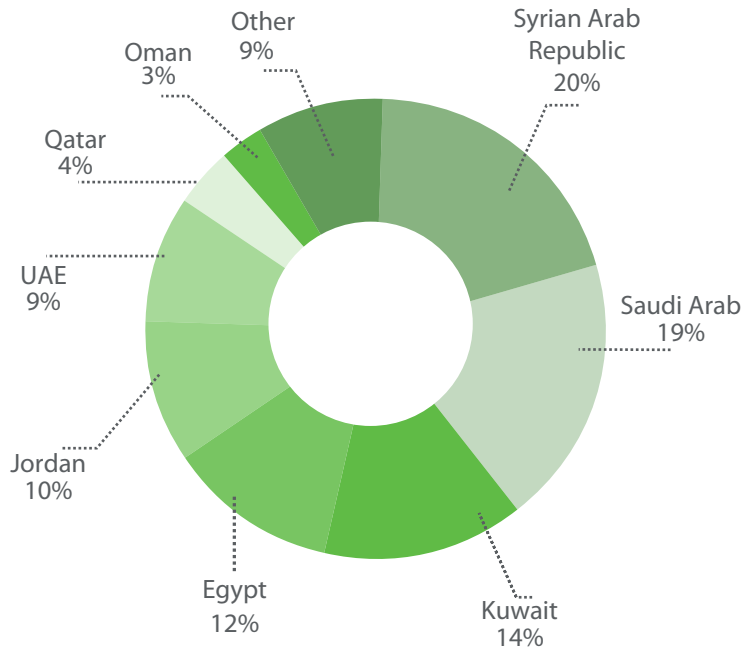
Fruit exports have constituted around 60 percent of agricultural exports in 2012 (**Figure 2**) with citrus and apples being the dominating products. Over the last five years, their corresponding figures have increased considerably, only to fall in 2011, and recover once again in 2012, reaching 325,000 tons. Banana trade is a particularly noteworthy market, with exports having expanded by almost 40% in the 2011-2012 period. On another hand however, vegetable and raw tobacco exports have both decreased from 2008 to 2012. It is worth noting that Lebanon remains highly import dependent with regards to agricultural products, with imports in this sector amounting to LBP 1,644 Billion in 2012 (about 5.8 times the value of agricultural exports, and up by 8% relative to 2009).

Figure 2: Agricultural Exports in Lebanon | 2012



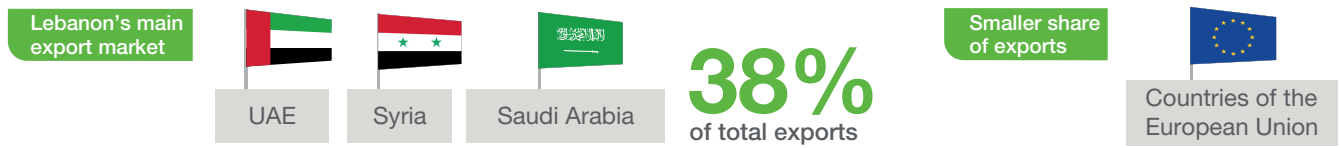
Source: Lebanese Customs

Figure 3: Agricultural Exports by Destination | 2012

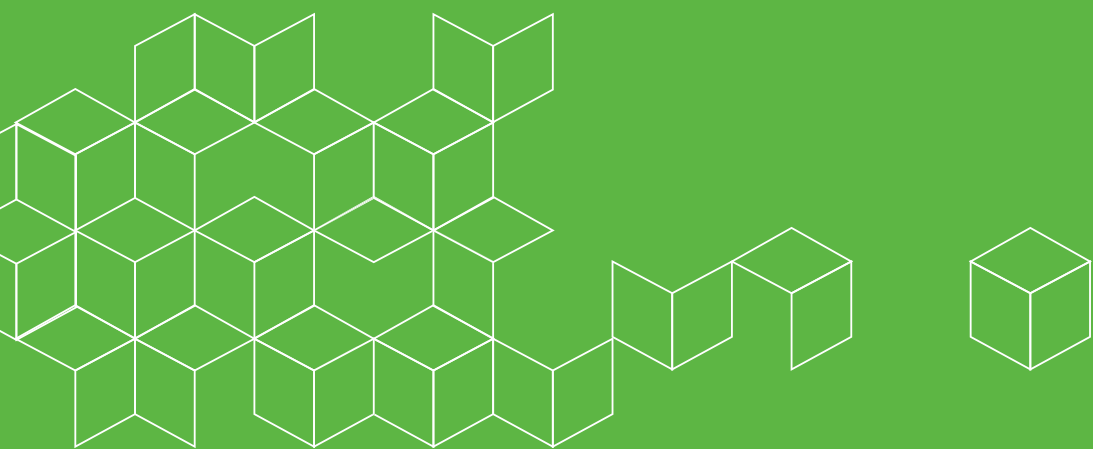


Source: Lebanese Customs

EXPORT PARTNERS



INVESTMENTS IN THE SECTOR



INVESTMENT TRENDS

Overall, Lebanon is seeking to diversify and enlarge its fruit varieties such as kiwi, custard apple, and truffles. The same can be said for fresh water farming which has kicked off since the 1990s. On another level, organic agriculture is gaining in popularity, and there are currently some 300 farmers working in this area.

INVESTMENT THROUGH IDAL

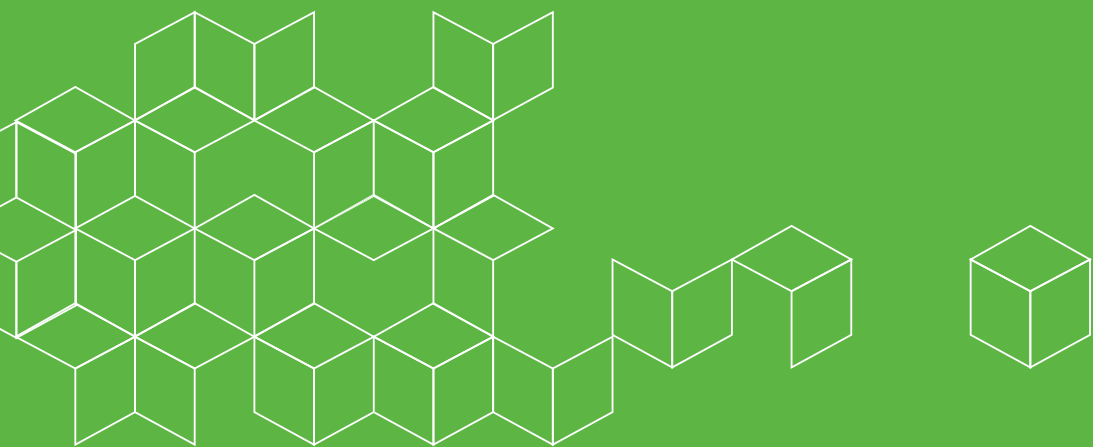
IDAL has mediated an agriculture project for Kuwaiti NPPC Fresh Produce Factory. The project entails the production of packaged fruits and vegetables and has generated 62 new job opportunities, considerably enhancing the livelihoods of several rural households.

Agriculture in Lebanon has a strong potential for growth, for it still hasn't attained its expansion limit. In addition to the country's ideal climate and landscape, other factors such as skilled labor, devoted research (8 agricultural colleges established across the territory), and good export opportunities to the Middle East, also make investments in this sector highly attractive.

On another level, the persistent dependence on imports signals that the market is far from being mature yet. With demand greatly exceeding local supply and local conditions favoring agricultural activity, Lebanon's diverse and rich agricultural sector makes it an eye-catching center for future investments.



MAIN STAKEHOLDERS



MINISTRY OF AGRICULTURE

The Ministry of Agriculture has put in place a new four-year strategy expected to significantly improve the sector's competitiveness by 2014, the main pillars of this plan include efforts to increase export volumes and mechanisms for the improvement of production practices.

The ministry has equally focused on providing financing for the sector. In August 2010, it signed a memorandum of understanding with the Lebanese banks association to provide investors in the sector with soft loans to finance small and medium enterprises at low interest rates. In an effort to hike up its trade figures, the Lebanese ministry of agriculture is in the process of setting up a joint agricultural committee with its Syrian counterpart as of October 2010.

Other programs run by the ministry include a project focused on the promotion of olives and olive oil production, one of the hallmarks of Lebanese products.

INTERNATIONAL ORGANIZATIONS

Extensive Funding has been directed to the agricultural sector from organizations such as the FAO, UNDP, IFAD, and the EU.



FAO extends assistance through the provision of seeds and fertilizers, and support in the rehabilitation of greenhouses and the stocking of animals. The organization also provides financial assistance through partly funding grants to help agricultural companies invest in new technology



Projects implemented by the UNDP, particularly those funded by the Lebanese Recovery Fund (LRF) established in 2006, include wide-ranging assistance to horticulture smallholders and livestock keepers, a focus on the cultivation of aromatic plants and herbs, as well as water management projects including a hydro-agriculture development initiative in the area of Marjaayoun.



A recent USAID project has been launched in support of agricultural value chains in Lebanon. The project aims to transfer marketing and production know-how to Lebanese farmers to help raise their productivity, and increase agricultural value added. It equally has a parallel focus on agro-food industries, thus reinforcing linkages between both sectors.

USEFUL CONTACTS

Ministry of Agriculture
www.agriculture.gov.lb

Ministry of Economy and Trade
www.economy.gov.lb

Investment Development Authority
of Lebanon (IDAL)
www.idal.com.lb

Ministry of Environment
www.moe.gov.lb

Chambers of Commerce,
Industry and Agriculture
in Beirut and Mount Lebanon
www.ccib.org.lb

Chambers of Commerce, Industry
& Agriculture in Beirut & Mount Lebanon

- ▶ Chambers of Commerce,
Industry and Agriculture
in Beirut and Mount Lebanon
www.ccib.org.lb
- ▶ Chambers of Commerce,
Industry and Agriculture
in Tripoli and North Lebanon
www.cciat.org.lb
- ▶ Chambers of Commerce,
Industry and Agriculture
in Saida and South Lebanon
www.cciias.org.lb
- ▶ Chambers of Commerce,
Industry and Agriculture
in Zahleh and the Bekaa
www.cciaz.org.lb

The federation of the chambers
of commerce industry
and agriculture in Lebanon
www.cci-fed.org.lb

Industrial Research Institute-IRI
www.iri.org.lb

Quality Programme-QUALEB
www.qualeb.org

Lebanese Standards
Institution-LIBNOR
www.libnor.org

Lebanese Agricultural
Research Institute (LARI)
www.lari.gov.lb

National council for scientific
research Lebanon
www.cnrs.edu.lb

KAFALAT s.a./Loan guarantee
company
www.kafalat.com.lb

Sources:

Ministry of Agriculture;
Federation of the Chamber of Commerce Industry and Agriculture in Lebanon;
Lebanese Economic Accounts 2009;
FAO Statistics ;
World Bank Database



CONTACT US

If you require any further information on investing in Lebanon or on the services IDAL can offer you, please do not hesitate to contact us at the following:

Riad El Solh, Emir Bachir Street, Lazariéh Tower
4th Floor, **PO. Box:** 113-7251 Beirut, Lebanon
T +961 1 983306 **F** +961 1 983302
invest@idal.com.lb

Follow us on twitter @Invest_Lebanon

www.investinlebanon.gov.lb

