

AGRICULTURE SECTOR

INTRODUCTION

Lebanon has all the components for a prosperous agricultural sector including human capacity, diversity of climate, fertile soil, water resources, and suitable ecological conditions. Yet, agriculture has been marginalized, underfunded, and untapped for its potential for the past 33 years in favor of other sectors resulting in a meagre 3% contribution to the GDP with less than 12% employed from the labor force because of import dependence, high production costs, and lack of protection of local produce. Furthermore, there has been a loss of 45% of agricultural land since 1970 and mismanagement of land, water, and soil resources.

Lately, agriculture has been an inadvertent beneficiary of consecutive crises from the impact of Covid-19 on Lebanon to the collapse of the financial economy, currency devaluation, destruction of the grain silos in the Beirut Port explosion, and the escalating impoverishment of the population. Moreover, global factors related to climate change and the disruption of supplies have put agriculture into the spotlight as a lever for the improvement of Lebanon's food security, alleviation of social problems, and creation of rural livelihoods.

These are clear signs that the sector is gaining importance in the imagination of the Lebanese. Some concrete examples: NGOs training farmers, young architects becoming farmers, hydroponics projects led by entrepreneurs, budding smart irrigation experiments by universities as well as initiatives from various embassies and the European Union to encourage the sector and export readiness.

Private sector enterprises and new entrepreneurs are also engaging in exploration and development of post-harvest facilities and new verticals in the agricultural economy, such as vegetables, fruit trees, seedless grapes, legumes, preserves, spirits, durum wheat products, Mediterranean herbs and spices, and other niche products.

Other opportunities lie in the adoption of cross-sectoral fertilization, organic farming, digitization, improved supply chain transparency, sustainable irrigation systems and in the upgrade of the protected greenhouse sector.

While rural areas do not account for a large share of overall GDP, up to 80 percent of the GDP of rural areas is derived from agricultural activities. Agriculture connects people with their land, their history, and their identity. Therefore, it is of paramount importance to support employment schemes in the agricultural sector to stem the escalating migration and brain drain from Lebanon.

PRIORITY OBJECTIVES



Increase Agriculture output to 6% of GDP and double employment and exports.



Establish a comprehensive, accurate, and accessible data hub on the agricultural sector.



Advance technology and innovation by making startup capital available.



Identify and support high return crops such as medicinal cannabis and others.

POLICY ASKS:



THE PRIVATE SECTOR SHOULD:

- Enhance the reputation of agriculture as a career opportunity supported by R&D in innovation and technology, therefore attracting young minds to enter the sector.
- Grow and diversify agricultural investment in sustainable practices as well as farmer training and upskilling.
- Address concerns of developed agro-destinations about Lebanese agricultural products such as the overuse of pesticides, lack of testing and weak compliance with standards such as GAP and Codex Alimentarius.
- Identify and restore all non-operational cooling and cold storage facilities and/or channel produce for domestic processing of fresh fruits and vegetables.
- Create linkages with food industrialists who can absorb large quantities of locally produced crops, consequently reducing import of raw material and improving the farmers' livelihood through contract farming.



THE PUBLIC SECTOR SHOULD:

- Review and update a comprehensive agricultural calendar for Lebanon.
- Legislate laws for sustainable agricultural development with incentives for agricultural finance and insurance.
- Apply water-energy-food (WEF) nexus insights and create policies that support positive WEF applications by favoring investments in renewable energy and water conservation technologies
- Enable social safety nets for rural communities.
- Mitigate climate change and protect agricultural land.
- Review and recalibrate existing bilateral trade agreements with regional and international target markets.
- Put in place the necessary measures to allay the fears of regional target markets about the potential abuse of agricultural trade for drug smuggling.
- Activate networks to increase international market access through aggregation.
- Adopt and implement mandatory labelling of local produce and a traceability system.
- Assess and organize the functioning of the wholesale vegetable/fruits markets, including the application of grading systems.