



THREE-MONTH PROGRESS REPORT LEBANON RECOVERY FUND

Reporting UN Participating Organisation: FAO

Country: Lebanon

LRF-21 OSRO/LEB/901/UNJ – Recovery and Rehabilitation of the Dairy Sector in Bekâa Valley and Hermel-Akkar Uplands

Reporting Period: 1 June to 30 September 2010

LRF-21 OSRO/LEB/901/UNJ – Recovery of the Dairy Sector in the Bekâa Valley and Hermel-Akkar Uplands

- **Main objectives and outcomes expected as per approved Project/Programme/project Document.**

The aim of this project is to enable the recovery-rehabilitation and assistance to the livelihoods of vulnerable livestock keepers (almost one-third of whom are female-headed families) from Central Bekâa Valley, North Akkar and Hermel-Akkar Highlands, who are currently unable to keep up with the serious competition in the sub-sector. Farmers will draw indirect benefits from the project through veterinary and artificial insemination services as well as training sessions. The proposed project therefore aims to provide the basic needs for livestock keepers and farmers to resume production and income-generation activities.

- **Reference to how the project relates to the national priorities and how it aims to support national reconstruction goals of Lebanon.**

The aim of this project is to enable recovery-rehabilitation and assistance to the livelihoods of vulnerable livestock keepers in Central Bekâa Valley, North Akkar and Hermel-Akkar Highlands who are resource poor, with little or no assistance and currently unable to keep up with the highly competitive animal production sub-sector. Livestock farmers will draw indirect benefits from the project through veterinary and artificial insemination services as well as training sessions. The proposed project is also aiming to provide alternative income-generating activities to the poorest farmers with the highest level of socio-economic deprivation in Hermel-Akkar highlands in order to reduce their dependence on illicit crops.

- **A listing of the main international and national implementing partners involved.**

FAO and the Ministry of Agriculture

II. RESOURCES

Total Programme/Project Budget: US\$2 500 000

LRF: US\$2 500 000

Government Input: US\$ 0

Other: US\$ 0

Total: US\$2 500 000

MAIN BUDGET ACTIVITIES:

The tendering process for the procurement of milking machines and milk cans was completed in September and the delivery of equipment is expected to be completed during the last quarter of 2010. Training on good agriculture and dairy production techniques to farmers was conducted during the reporting period as well as continued milk testing and analysis of dairy farmers to measure the quality and safety of milk at the farm level. FAO initiated formalities for organizing farmer cooperatives in the project region and is working with the Ministry of Agriculture in rehabilitating the milk collection centres in Bekaa.

Budget: commitment and disbursement:

OSRO/LEB/702/LEB		
Item	Approved Budget (in US\$):	Estimated Disbursement/ Commitment (in US\$)
Personnel and travel:	645 000	392 686
Contracts	100 000	0
Training	125 000	14 186
Equipment and supplies:	1 302 500	213 271
Miscellaneous/Other:	164 000	73 647
Agency Support Costs:	163 500	32 351
TOTAL:	2 500 000	726 141

Personnel and travel costs:

FAO expenditures for personnel and travel cover honorarium to the Chief Technical Advisor (CTA) and technical mission from FAO Headquarters Animal Production Officer to Lebanon. Costs for local technical consultants are also included in these expenditures.

Item:	Approved Budget cost (US\$):	Estimated Disbursement/Commitment (US\$)
Personnel and travel:	645 000	392 686

Equipment and animal production supplies:

FAO plans to procure inputs valued at US\$1 302 500 and includes rehabilitation of six dairy collection centres, dairy equipment, artificial insemination, veterinary drugs, animal feeds, forage seeds and fertilizer. During the reporting period, FAO procured a completed the tendering of milking machines and milk cans which will be distributed during the next reporting period.

Item:	Approved Budgeted cost (US\$):	Estimated Disbursement /Commitment (US\$)
Equipment and feed:	1 302 500	213 271

Training

FAO carried out training to farmers and livestock and veterinary field technicians from the Ministry of Agriculture during the reporting period.

Item:	Approved Budgeted cost (US\$):	Estimated Disbursement /Commitment (US\$)
Training:	125 000	14 186

Other costs (General Operating Expenses, and Miscellaneous):

Expenses under "Other", which groups budget lines such as contracts, general operating expenses, miscellaneous and overhead costs are indicated below. Full charge to support costs appears only on delivery of project activities.

Item:	Approved Budget cost (US\$):	Estimated Disbursement/Commitment (US\$)
Other:	164 000	73 647

RESULTS

Outcome:

To enable recover-rehabilitation and assistance to vulnerable livestock keepers in Central Bekâa Valley and Hermel-Akkar Highlands and alternative income-generating activities to the poorest farmers to help reduce dependency on trading illicit crops.

Outputs:

Output 1:

- Assist identified resource-poor families through restocking of livestock;

Output 2:

- setting up six primary milk collection points through the creation of “village dairy cooperative” in order to provide services to dairy farmers (extension and farm inputs);
- provision of milk collection trucks to provide collection services for farmers in remote areas. The milk in these remotest areas of Lebanon provide the best milk due to the excellent grazing conditions in the highlands;
- training on improved dairy production and hygiene to farmers, demonstration and study tours;
- artificial insemination services, distribution of veterinary drugs and forage seeds.

Progress:

During the reporting period, FAO initiated the formation of milk producers cooperatives and associations through the constitution of Village Dairy Producers' Association (VDPAs) to help improve the standard of the dairy sector in Lebanon. VDPAs' aim is to upgrade the dairy sector for better marketing and profitable return on dairy products and act as focal points for providing other services to farmers including artificial insemination, training programs to improve farm management practices, milk hygiene and feeding. FAO plans to organize approximately 26 cooperatives throughout the project area (18 VDPAs in Beqaa-Hermel and 6 VDPAs in Akkar) and reaching most of the small to medium size farmers and dairy producers. FAO supported the legal procedures for the establishment of 15 VDPAs which were officially authorized by the Minister of Agriculture; in addition, the project helped set up a Management Board with the support of the Bekâa Directorate of Cooperatives.

During the reporting period, the Chief Technical Advisor (CTA) developed a training programme for the VDPAs to improve the knowledge and technical skills of smallholder dairy farmers. The project plans to conduct a comprehensive training, extension and demonstration programme covering practical technical areas to help increase small livestock holder dairy productivity. The project will use the 26 Village Dairy Producers' Association (VDPA's) as focal point for providing training program to all farmers (2131) in order to improve farm management practices, milk hygiene, animal feeding and animal health. The training methodology will focus on easy-to-understand training materials, on-farm demonstrations and distribution of agriculture extension materials.

FAO in full collaboration with the Ministry of Agriculture (MoA) began plans to revive six milk collection centers that belong to the MOA (funded by IFAD) located Barr Elias, Kherbt Rouha, Hermel, Baalbeck, Al Abdeh, and Wadi Khaled. These centers are an important support to FAO LRF dairy project and act as intermediary between farmers and the milk processing plants. Therefore, the legal procedures for leasing the MOA' milk collection centers are currently under preparation and very shortly a national bid invitation will be launched. The Council Of Ministers held on 21 July 2010 has officially agreed on their lease to private sector and the MOA will empower the position of VDPA's through the lease of insulated milk trucks.

In the Bekâa and Akkar region, there is a total of 2 065 dairy farmers, of which 310 farmers are women and their role is mainly to take care of the cows. The average number of dependants for farmers is five to eight family members. The majority of farmers have poor living standards. Milk production is low and the total quantity of milk produced daily is 28 tons with an average of nine kg of milk per cow per day. Farmers still

use rudimentary utensils and the hygiene level is low. Through this project, FAO is planning to help farmers increase milk production, increase farmer's knowledge and capacity and improve hygiene.

Poor milk practices and handling are the major causes of low quality standards and low milk prices. Almost all the farmers and milk dealers use obsolete milk cans and milk cows by hand. These unhygienic methods are the source of contaminated milk.

Procurement and delivery of project inputs:

Therefore, in order to improve milk quality standards, FAO completed tendering of the following equipment and distribution to farmers is expected during November 2010: 350 milking machines and 1 200 stainless steel milk cans and 1 200 milk filters. This equipment will be distributed to low-income and vulnerable beneficiaries that own between three to six cows.

As a support to small dairy farmers with veterinary services, including a vaccination campaign and supply with appropriate veterinary drugs and equipment to control the major diseases and milk hygiene. Veterinarians and technicians from MoA will be fully involved in supporting this programme through their assignment to the VDPA's and FAO will support farmers through the distribution of veterinary drugs, vaccines and prevention and treatment kits for common animal diseases. A procurement plan of necessary supplies was prepared during the reporting period and tendering for supplies will be carried out during the next reporting period.

A procurement plan was completed during the reporting period for the setting up of primary milk collection network at village levels. Equipment to be supplied during the first and second quarter of 2011 include essential tools and utensils for milk testing, receiving, filtration and refrigeration such as: milk cooling tanks, generators, milk testing and analysis kits, detergents and utensils for cleaning of cooling tanks. .

4. Training and Capacity Building:

Training programmes to livestock farmers were prepared in September 2010 and will be conducted to farmers after the distribution of milking machines. Various other trainings to dairy processing plant staff and farmers will be on-going during the establishment of the milk collection centres.

Implementation constraints, lessons learned from addressing these and knowledge gained from evaluations and studies that have taken place during the reporting period.

No current implementation constraints.

Key partnerships and inter-agency collaboration: impact on results.

- Close collaboration with the MOA as the main national counterpart is continuous.
- Close collaboration with UNDP.

Other highlights and cross cutting issues pertinent to the results being reported on.

FAO's livestock project has targeted the resource-poor livestock keepers in targeted villages and this support will help in various cross-cutting issues such as poverty alleviation and food security. Livestock around the world are considered a valuable asset and animal production provides needed household income and provides the necessary nutrients to supplement the family diet.

FUTURE WORK PLAN

- **Priority actions planned for the subsequent reporting period to overcome constraints, build on achievements and partnerships, and use the lessons learned during the previous period.**

The priority action plans for the project include the completion of the establishment procedures for the Village Dairy Producer's Associations and that involves the election of the Administrative Board. It is

important to mention that in most cases, especially in Baalbek and Hermel, the project is paying the enrolment fee for very poor farmers unable to afford the fee. During the next reporting period, technical specifications for all the equipment and materials to be used as support to needy farmers in order to upgrade the hygienic standards at all levels of milk production and handling will be completed. The milk testing and analysis of milk samples collected randomly for different farms and milk dealers will continue to evaluate the physical, chemical, and biological quality of the milk. These tests will provide a general idea about the present situation of the milk quality. In 2011, FAO will repeat the same tests in the same locations in order to see the impact of the project interventions on the milk quality.

Indication of major adjustments in the strategies, targets or key outcomes and outputs.

At the request of the MoA, FAO has extended project activities to a further geographical reach in the Bekâa Valley, particularly with the rehabilitation of the milk collection centres and extensive dairy production training, FAO received approval from the Chair, LRF on 4 October to extend the project closing date from 30 April 2011 to 30 September 2012.

- **Estimated Budget required (including any major funding shortfalls).**

None.