### LRF First Quarterly PROGRESS REPORT 2014

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| **Reporting UN Organization** | **:** | FAO |
| **Country** | **:** | LEBANON |
| **Project No.** | : | LRF-26 OSRO/LEB/201/UNJ |
| **Project Title** | : | Recovery and Rehabilitation of the Dairy Sector in Bekâa Valley and Hermel - Akkar Uplands (Phase 2) |
| **LRF Signature date** | : | 15 May 2012 |
| **Project Start date**  | : | 01 September 2012 |
| **Reporting Period** | **:** | 1 January 2014 – 31 March 2014  |

### List of Acronyms

MOA: Ministry of Agriculture

LRF: Lebanon Recovery Fund

FAO: Food and Agriculture Organization of the United Nations

VDPA’s: Village Dairy Producers’ Association

**Executive Summary**

The FAO Project “Recovery and Rehabilitation of the Dairy Sector in Bekâa Valley and Hermel - Akkar Uplands”,funded by LRF, has introduced the following interventions in the dairy sector in Lebanon:

1. Establishment of **40 small milk collection centres at village level with the set-up of 35 Village Dairy Producer's Associations (VDPA's)**. This resulted in an excellent breakthrough for the milk production and processing sectors in the country. The project had a positive impact on the livelihood of people, especially on small-scale farmers and women, mainly in the poorest areas of Beqaa and North Lebanon. Preliminary data show that the project allowed increasing 20% incomes of the poor dairy farmers and producers with a significant improvement of milk quality. As this assistance is heading towards its end (31st December 2014), it is important to continue monitoring the recently established VDPAs and milk collection centres to safeguard their continuity and sustainability.
2. **Genetic upgradingand improvementof reproductive performance of the dairy herd in Lebanon.**This was one of the major concerns as it is one of the main factors that determinethe economic gains or losses to the dairy farmers. The Lebanese economy is affected by the continuous importation of pregnant heifers due to failure of producing and maintaining of a good quality source of dairy heifers locally. The project trained 80 artificial inseminators and provided them with the necessary equipment and frozen semen. A field inspection and a follow up visit were undertaken to make sure that the equipment is properly used and maintained. In addition the people involved in these field activities are up to the expected standard of workmanship, proficiency, and integrity.
3. **Establishment of a database of vulnerable farmers**. An extensive survey has been undertaken with the aim of establishing a database of vulnerable farmers in the areas of the Lebanon-Syria border and where the Syrian refugees arein high density.
4. **Partnerships**. The project is reaching its final phase within a current complex situation in the country that is tremendously affected by the influx of Syrian refugees. FAO has taken into consideration the possibility to cooperate with several partners in the country to establish a robust network that will contribute to successfully implement this project.

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| I. PURPOSE |

The aim of this report is to highlight the achievements of the LRF FAO project on which phase two was built upon. This allowed to reach a higher number of poor livestock farmers and to improve the livelihoods of poor farmers by sustaining the dairy sector in Lebanon. Particular emphasis was given to the improvement of the quality and hygienic standards of milk and dairy products to safeguard the Lebanese consumers and to reduce the milk prices at farm gate. The project also emphasizes on the introduction of pilot demonstration sites. These encompass interventions on the intensive breeding of genetically improved or imported milking goats in dairy farms to enhance the income-generation of the poor farmers in rural areas whose subsistence is based on goats’ rearing. The project is targeting a) 2000 farmers to draw direct benefits from project interventions (distribution of project inputs, livestock services and milk services); and b) 1000 farmers to draw indirect benefits through milk collection, cooling and transport services, as well as training sessions.

**Main Outputs and Key Activities**

The main outputs and activities reported in this section relates to the first quarter of 2014 (January – March 2014). Further information is reported in detail in the following sections.

* StrengthenedVDPAs by monitoring their legal, financial, and administrative wellbeing;
* Supervised Primary Village Milk collection and Cooling Centres Network for the correct operation and utilisation of these centres. Follow up the technical and managerial procedures of the centres and the milk transportation trucks;

Empowered female-headed households through mini dairies and good manufacturing practices at the medium size dairies;

* Supported artificial insemination practices and veterinary services to assist 2000 direct beneficiaries.
* Supported Syrian and Lebanese vulnerable farmers in the areas with high concentration of refugees.
* Enhanced dairy sector as a whole to meet the growing demands of Lebanese citizens and Syrian refugees.

By the end of the project, the smallholder dairy producers and communities will be in a good position to be self-supported and sustainable. Provision of extension and other support services to livestock farmers by the project, MOA, private dairies and processing/marketing firms will lay the foundation stone for sustainable dairy sub-sector. Enhancing the milk production and small-scale dairy processing will lead to better nutritional conditions with more safety and hygienic standards.

Several important activities have been accomplished during the reporting period which will be further detailed in the next sections of the report.

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| II. RESOURCES |

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| **Total budget approved** | USD 1,474,023 |
| **Total disbursements as of**  | USD 1,114,647 |
| **Commitments for next quarter** | USD 177,000 |
| **Available Balance** | USD 182,376 |

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| **CATEGORY** | **ORIGINAL ALLOCATION(USD)** | **TOTAL EXPENDITURES (USD) to Date** |
| 1. Supplies, commodities, equipment and transport | 653,314 | 556,566 |
| 2. Personnel (staff, consultants and travel) | 514,617 | 324,522 |
| 3. Training of counterparts | 98,583 | 88,384 |
| 5. Other direct costs  | 111,078 | 72,254 |
| Total Programme Costs | 1,377,592 | 1,041,726 |
| Indirect Support Costs (7% of total programme cost) | 96,431 | 72,921 |
| **TOTAL** | 1,474,023 | 1,114,647 |

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| III. RESULTS |

**1. Follow up with producers cooperatives**

The project team carried out inspection field visits to the VDPAs. Mr.Ramez El Borji, Head of the regional office of cooperatives in Bekaa, was appointed as Team Leader of the inspection survey. All the cooperatives and the facilities that belong to VDPA were visited and inspected at different times and without prior appointments. The results of the inspection survey, including issues related to the administration and technical matters of these cooperatives and of the milk collection centres were reported as follows:

1. Twelve (12) cooperatives were identified to collaborate and coordinate with the Committee. This has been established following the inspection survey and is composed of: Mr.Borji (Leader), Dr. Ali Raad (representing the MOA), and Engineer Ziad Jaber (representing FAO dairy project). The 12 cooperatives identified and committed to collaborate are the following:
	* Cooperative of Qoubayyat and the surrounding villages.
	* Cooperative of Dreib and the surrounding villages.
	* Cooperative of KafarMeshki and the surrounding villages.
	* Cooperative of Ghazza and the surrounding villages.
	* Cooperative of Houch El Sayyed Ali, Hermel and the surrounding villages.
	* Cooperative of El Nasiryyeh and the surrounding villages.
	* Cooperative of El Marj and the surrounding villages.
	* Cooperative of Baalbek and the surrounding villages.
	* Cooperative of Masharee El Qaa and the surrounding villages.
	* Cooperative of KherbetRouha and the surrounding villages.
	* Cooperative of Jorood El Hermel and the surrounding villages.
	* Cooperative of Shlifa and the surrounding villages.
2. The cooperatives that already coordinate and collaborate with the monitoring committee and need closer follow up during the next quarter are:
	* Cooperative of Bezzaliyyeh and the surrounding villages.
	* Cooperative of Zahle and the surrounding villages.
	* Cooperative of Saweeri and the surrounding villages.
	* Cooperative of Tel Abbas and the surrounding villages.
	* Cooperative of Abboudiyeh and the surrounding villages.
	* Cooperative of Halba and the surrounding villages.
	* Cooperative of Meshha and the surrounding villages.
	* Cooperative of El Jouma and the surrounding villages.
	* Cooperative of Ilat and the surrounding villages.
	* Cooperative of Tariya and the surrounding villages.

Regarding the trucks, the nine (9) milk transportation trucks that were leased to the cooperatives were in good conditions of maintenance and are all in operational status.

With reference to the milk prices paid at the dairy plants gates, this ranged between LBP[[1]](#footnote-2)1125 and 1150. Depending on the distance of collection and the quantity of milk availability,the milk prices paidat the farm gate ranged from LBP1000 to 1100. The price gains resulted from project activities are excellent as compared to the earlier prices and at presentrange between LBP750 and 800.

**2.** **Establishment of a National Union for the Milk Producers in Lebanon.**

1. On 15h February 2014, solicited by the request of the LRF Project, the Minister of Agriculture signed a decree to establish the National Union for the Milk Producers in Lebanon. The central unit has been located in ZahleBekaa for the duration of 25 years. The central unit has the national mandate and covers the entire Lebanese territory and its capital is LBP 36 million(USD 23,862.96). Its objectives are: Cooperate to provide the best resources and elements of milk production of the best quality and price.
2. Control and monitor the accounting and administration of the dairy cooperatives.
3. Perform all operations necessary for good and hygienic milk production and better farm management especially artificial insemination and reproductive upgrading.
4. Facilitate the development of the milk sector through marketing and protection of the production chain.
5. Provide the veterinary products and feeds to the farmers.
6. Enhance the dairy processing, packaging and marketing in the local markets and abroad.

The First Administrative Board is composed by the following members:MessabKanaan – Al Marj Cooperative – President.

1. Ali Kurdi – KherbetRouha Cooperative – Vice-president.
2. Joseph Daher – Qoubaiyyat Cooperative – Secretary.
3. Ibrahim Abdul Hadi – Ghazza Cooperative – Member (Authorized signature)
4. Abbas Tarsheeshi – Nasriyeh Cooperative – Member.
5. Joseph Abdallah – Dreib Cooperative – Head of auditing Committee.
6. Samir Seklawi – Shlifa Cooperative – Member of Auditing Committee.
7. RolaFarkh – KfarMishki Cooperative – Member of Auditing Committee.
8. Omar El Zokra – Baalbek Cooperative – First officer.
9. Mohammad Kromba – Masharee El Qaa Cooperative – Second Officer.
10. Pascal Kefrooni – El Joumah Cooperative – Third Officer.
11. DiabJanbein – SawiriCoopertaive – Member of the general assembly.
12. Hassan Hamed El Bazzal – Houch El Sayd Ali and Hermel Cooperative – Member of the general assembly.

Each member has subscribed in 3000 shares at 1000 LBP / share adding up to 39,000,000 LBP of registered capital.

**3. Establishment of a database of vulnerable farmers in need of assistance**

An extensive survey in the field was conducted covering the areas that include the South of the country (Kafarshouba, Chebaa, and Marjyoun), the North (Wadi Khaled and Aboudieh) and the West side of Lebanon (Bekaa, Central Bekaa, Baalbek, Arsal, Hermel, Masharee Al Qaa and other districts). Furthermore; other areas where the concentration of Syrian refugees is very high, such as Donniyyeh, Mennieh, Halba, Jouma, Qoubaiyat, and others, were also included in the survey. More than 10 thousands entries were collected and, based on these a selection to identify about 5000 beneficiaries was carried out and is presently at its final stage. More than 90% of the farmers in the investigated areas live in poor and very poor status conditions. The preliminary results of the survey conducted in Akkar are presented in the Table below.

**Primary Field Survey of Small dairy Farmers in Akkar13 February 2014**

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| **CazaAkkar** | **No. of Farmers** | **Women (%)** | **Syrians (%)** | **No. of Cow** | **No. of sheep & Goats** | **Poverty Status** |
| Kobayyat | 623 | 8 | 4 | 1 656 | 7 813 |  93.0%  |
| Halba | 193 | 10 | 3 | 625 | 2 671 | 93.2 %  |
| Wadi Khaled | 236 | 15 | 10 | 294 | 4 284 | 92.7 % |
| Al- Jouma | 77 | 12 | 2 | 267 | 473 | 92.2 % |
| Tal Abbas | 326 | 13 | 8 | 1 247 | 7 589 | 92.6% |
| SahlAkkar | 327 | 6.5 | 5 | 1 074 | 3 975 | 100.0% |
| Dreib | 348 | 11 | 4 | 1 303 | 1 615 | 96.8% |

The data presented in the table above were adopted as initial databasein the framework of the DFID-funded project “Emergency Vaccination and Targeted Feeding of Livestock Grazing in Areas along the Syria – Lebanon Border” thatFAO is currently implementing. The database served as baseline for the selection of beneficiaries of feed distribution.

**4. Follow up and inspection of the project trained Artificial Inseminators**

Following the two Artificial Insemination training sessions that were held in Bekaa and in North Lebanon, the outstanding students were awarded Artificial Insemination kits and equipment. Exceptionally competent ones (12) were granted Ultrasound Pregnancy Detectors. These Inseminators started field work immediately serving the areas and the cooperatives which they are members.

The equipment and materials for the artificial insemination are provided by FAO while the frozen semen is supplied by the Ministry of Agriculture. Additional frozen semen is available at the MOA and delivered after filling an application at the regional departments. Inseminators are also able to refill the semen jars with liquid nitrogen available at the Regional Agricultural departments.

As indicated in the project document, it is essential to follow up and monitor the work of these inseminators to make sure that they follow the rules and standards set by the project. The main objective of these interventions is to create positive impact on the genetic base of the dairy herd in Lebanon and to reduce the cost of herd replacement and reproduction for poor small-scale farmers.

The Artificial Inseminators work across the whole country and, in particular they are distributed in the areas of Bekaa and Rachiya in the South, Huch El Sayed Ali in the North, West Bekaa, Central Bekaa, Baalbek, and Mashree El Qaa and Hermel. The follow up mission was aimed to make sure that the Inseminators are working up to the standards required by the project and that the equipment and supplies are being used solely for the purpose they are donated. It was also very important to check and monitor the efficiency and productivity of these inseminators and their compliance with the maintenance requirements for the equipment and semen, such as sufficient liquid nitrogen supply. These inspection and follow up field visits were conducted by the National Consultant of Veterinary Care and Artificial Insemination accompanied by an assistant. Below are the names of the visited inseminators, there areas of operation, and assessment results of their work.

The table below summarizes the results from the inspection and follow up missions

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| **Name of the inseminator** | **Area of operation** | **No. of Inseminated cattle** | **Percentage of successful inseminations** |
| YousefSobh | KafarMeshki and Rashaya | 100 | 44 |
| MohamadZaytoun | Saweeri | 225 | 56 |
| Bilal Khalil | Ghazza | 150 | 66 |
| Abdo El Majzoub | Ghazza | 150 | 55 |
| Abdallah Majzoub | Ghazza | 30 | 53 |
| Ahmad Shmouri | Marj | 150 | 51 |
| Abbas Fakih | Zahle | 80 | 53 |
| JaadMaakaroun | Zahle and Ablah | 75 | 56 |
| AymanYousef | KherbetRouha | 10 | - |
| Ali MelhemTarchichi | Naseryyeh | 70 | 52 |
| Ali El Najjar | Baalbek | 250 | 57 |
| ZaherSobh | Baalbek | 60 | 45 |
| Ali Rostum | Rasm El Hadath | 50 | 50 |
| Hussein Karsifi | Western Baalbek | 30 | 60 |
| Bilal Nazha | Labwee | 180 | 53 |
| Kamal ShhadehBou Fares | Masharee El Qaa | 70 | 53 |
| BahaaKrombeh | Masharee El Qaa | 30 | 50 |
| Ali Hassan El Heqq | Housh El Sayed Ali | - | - |
| **Total**  | **Bekaa – Baalbek – Hermel** | **1 710** | **53 %** |

**4.3Training on Ultrasound pregnancy detectors**

Twelve (12) ultrasound pregnancy detector machines were provided to exceptional competent inseminators. Training on the use of these detectors and general matters related to reproductionwas given to them. Each Inseminator was visited at site and an appropriate training, including practical field demonstrations, was provided to each inseminator.

**4.4Remarks and observations**

The visits of inspection at the Artificial Insemination sites provided an opportunity to assess how the Artificial Insemination equipment and kits were maintained and used. A total of 1710 cows were inseminated artificially by the Inseminators trained by the LRF – FAO Dairy project in Zahle – Bekaa. The equipment and accessories adopted for the inseminations were provided by the same project. Out of 1710 cows, 53% (850) of them have conceived with proven sires (bulls) whose frozen semen was supplied by the Ministry of Agriculture. The successful inseminations average is considered a very promising positive result for the newly trained inseminators which will improve eventually when these inseminators gain more experience. It is also important to note that the Inseminators undertake their work within a difficult environment as most farmers are not aware of the criticality of the timing of Artificial Insemination. All the inseminators were very punctual on refilling the semen jars with liquid nitrogen and this allowed preventing semen deterioration. Additional frozen semen is available at the MOA and is delivered by requesting it through an application form at the Regional Agricultural departments. Additional technical accessories and disposables were provided to the Inseminators. The remaining equipment and kits were distributed to the successful inseminators in the areas of Akkar, North Lebanon, and in some areas of Mont Lebanon. Further follow up and inspection visits will be carried out to these areas in the up-coming months.

**5. Meetings and Events**

Presentations, and related awareness events were organized during the reporting period. In addition, proposals and reports were drafted to continue providing assistance to the country. The most relevant of these are listed below:

* Submission of the report of the LRF26 – FAO dairy project to"TheFirst Arab States Regional South-South Development (SSD) Expo"
* Attendance to the UNHCR coordination meetings in west Bekaa
* Meeting with representatives of Save the Children in Bekaa to discuss ways of cooperation and to propose a development project related to the Syrian Refugees.
* Receipt of 15 mini dairy processing units.
* Preparation of a project proposal for Miss LysandraOhrstrom that generously donated funds to support a project helping the Syrian refugees.
* Selection of representative photos highlighting the LRF – FAO project to be posted on the FAO Flicker website.
* As a development of the earlier meeting with representatives of Save the Children, an additional meeting was carried outwith the representatives of WFP in Zahle where interest was expressed about FAO interventions with poor woman dairy processing and related Syrian refugees.
* Preparation of a project proposal for Mont Lebanon following the indications of H.E. Mr.AkramChehayyeb Minister of Agriculture where 450 beneficiaries are supported.

**6. Progress in Project Implementation**

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| **Reason for variance** | **Indicators** | **Activities** | **Project outputs** |
| As mentioned in the last report, It was expected that some cooperatives shall face internal problems and obstacles that will interfere with their activities and goals. This situation was perceived during the field inspection. The reason being that the cooperative work is new to the Lebanese farmers that consider the cooperatives just as a source of individual and personal aid and support. Other political or family factors played important roles in obstructing the development of the cooperatives with consequent delay. | Individual reports were prepared on each cooperative and facility evaluating the current conditions and the giving directions and recommendations on what should be done to improve these conditions in details. Official decree for the formation of the national Union signed by H.E. the Minister of Agriculture. | Regular visits and monitoring of the cooperatives documents and legal stand and the technical and managerial conditions at the milk collection centres and milk transportation trucks. Establishment of the National Union for milk Producers in Lebanon.  | Helping the 30 VDPAs and the 40 village milk collection centres to maintain their legal and administrative wellbeing.  |
| The number beneficiary farmers have surpassed all expectations by more than double. It was a very exhausting and depressing mission to refuse the pleas of these poor people that gathered in hundreds around the working team. The amounts of available feeds were limited and the project team has to select the neediest farmers and ignore the rest. | Individual delivery notes signed by each farmer and the feed supplier along with the signature of FAO representative.  | Distribution of 1124 tons of concentrated feeds to 2248 livestock poor farmers most of which are Syrian refugees.  | Supporting small and poor farmers (Lebanese and Syrian refuges) to keep their livestock as their only source of income.  |
| The total number of cows that have been served by AI using the LRF – FAO interventions in Bekaa was 1710 with an average of 100 cows per inseminator with a 53% of good inseminations. It was expected that each inseminator reaches 200 inseminations during the reporting period. This was not possible due to prevailing mentality of the farmers that still do not accept or understand the advantage of AI. The percentage of good shots is satisfactory for the new inseminators and it will be improved with the experience.  | Official certificates signed by H.E. Minister of Agriculture were given to all passing students. Official vouchers in receipt of the AI kits and equipment were signed by the inseminator and the dairy cooperative president that each inseminator belongs to. It should be noted that all the equipment related to AI were found in good condition.  | Conducting two training workshops on AI for 80 promising young farmers.Providing the outstanding students with full AI kits to serve the dairy farms each in their respective areas according to the geographical distribution plan mentioned above. | Upgrade the genetic base and the reproductive efficiency of the National dairy herd through Artificial Insemination.  |
| Several thousands of Syrian refugees are flooding into Lebanon monthly and most of them are poor and being hosted by poorer Lebanese communities located on the border villages. The project team was informed by a civil source for Arsal, for example, that the number of refugees has exceeded 250 thousand while the original citizens are around 45 thousands. In addition to economic problems there are nutritional and social troubles that are expected to amplify.  | Delivery notices for this equipment and receiving coupon signed by the beneficiaries of 15 mini dairy processing units.  | Providing feeds to livestock farmers and small dairy processing equipment for home production of cheese and yogurt.  | Supporting the Syrian refugees that depend on livestock for their living and the Lebanese farmers in the communities hosting the refugees.  |

1. **Constrains faced and lessons learnt during this reporting period**
	1. **Constrains**
2. Negligence of technical and hygienic rules in some dairy collection centres resulted in a bad quality of milk, especially when the testing at these centres is not carried out on regular basis.
3. The establishment of the database of vulnerable farmers was very challenging. Data gathering proved to be more difficult than expected due to the large number of farmers in need. Furthermore, the collected data needed thorough verification.
4. Most of the farmers do not have official registration numbers, especially the Syrian nationals. Many dairy farmers are still not aware of the advantage of the Artificial Insemination and insist on using the bull to inseminate their cows. This attitude is interfering with the progress of the Artificial Insemination programme.
5. The continuous influx of the Syrian refugees is increasing the need and requirements for assistanceof the hosting vulnerable rural communities.
6. The security conditions in the country havelimited the access to the field which has a direct impact on the implementation and monitoring of project activities
	1. **Lessons learned**
7. FAO needs to concentrate more on educating farmers and emphasizing the importance of cooperatives and cooperative work.
8. Dairy farmers should be more involved in workshops and individual visits to better understand the importance and the benefits of Artificial Insemination. A customized educative booklet for unlettered farmers would be of great help to pass the message. Interagency collaboration to gather synergies in helping the Syrian refugees and the Lebanese hosting communities would be necessary.
9. More collaboration with other UN agencies supporting the Syrian refugees and Lebanese hosting communities is needed.
10. More inputs should be granted to help the small-scale dairy producers in the villages at home production level to increase their productivity in quantity and quality. Providing sanitary and hygienic equipment with the necessary training would help in producing more food for the growing population.

**7. Ongoing activities**

1. Continue with the follow up visits and monitoring of the cooperatives, especially the weak ones, milk collection centres, and milk transportation trucks.
2. Field visits and inspection for the inseminators in Akkar, The North, and parts of Mont Lebanon will continue.
3. Continue the coordination and collaboration meetings with other UN agencies and NGOs in order to better understand the modalities for implementing joint projects for the benefit of the poor people.

**8. Visibility**

FAO is striving to provide the necessary visibility to the LRF’s financial contribution. In all official communications, reports and information materials issued at national, regional and HQ level, the LRF’s support is fully acknowledged.

For instance an illustrated story was published on the FAO emergency portal and on the Flicker account (<http://www.fao.org/emergencies/resources/photos/photo-detail/en/c/214623/>).

Furthermore, FAO is providing regular updates on the progress of project activities in the relevant information bulletins at national andregional levels.

LRF’s funding role in the project is also acknowledged at all meetings with communities, national and local authorities.

LRF branding is displayed on all visibility materials produced under this grant (e.g. banners) as well as in all events and trainings organised.

1. 1.00 USD=1,508.61 LBP [↑](#footnote-ref-2)