

THREE-MONTH PROGRESS REPORT

LEBANON RECOVERY FUND

Reporting UN Participating Organisation: FAO

### Country: Lebanon

### Project No. and Project Title:

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

### Reporting Period:     1 April to 30 June 2012

I. Project Summary:

The project LRF-21 OSRO/LEB/901/UNJ, is aiming at the recovery-rehabilitation of dairy sub-sector in Bekaa Valley and Hermel-Akkar Highlands with emphasis on increasing milk production and hygiene, farm dairying incomes and living standards, especially of the poor small dairy holders.

1. Major activities implemented during the reporting period:

**a. Opening Ceremonies related to project activities (held on 26/05/2012)**

Under the Patronage of H.E. Minister of Agriculture Dr. Hussein Hajj Hasan, and H.E. Minister of Social Affairs Mr. Wael Abou Faaour, and the presence of Dr. Ali Moumen FAO Representative in Lebanon, and a distinguished appearance of many important figures, with a large crowd of workers in milk production and dairy sector and citizens from all over Lebanon (more than 1000) , the LRF-21 project “Recovery and Rehabilitation of Dairy Sector in Bekaa Valley and Hermel – Akkar Uplands” (LRF-OSRO/LEB/901/UNJ), called for a gathering in the occasion of: a) opening new milk collection and cooling, b) dairy processing centres, c) handing of a milk transportation truck in Rachayya and West Bekaa and d) launching of the MOA forage subsidy project. Certificates of good performance and prizes were given to farmers with best results of milk analysis, also a sample of about 50 delivery vouchers for concentrated feeds from the forage subsidy project were distributed to selected farmers from different areas

**b. Support to dairy smallholder for milk marketing and follow up of milk price fluctuations**

During this reporting period the project staff had regular meeting with dairy coop’s and the owners of dairy processing plants to support farmers for marketing of their milk with guarantee of fair milk price.

**c. Follow up of project activities and Field Visits in Bekaa**

In order to re evaluate the situation at the project sites. The project staff had continuous field visits to the different project sites where the security situations allowed. In these visits we targeted the following stations: 1) Dairy processing plants and home dairy processing, 2) Milk collection and cooling centers and milk transportation trucks and 3) Dairy producer’s cooperatives. Corrective measures and recommendations for good management were given to project stake holders.

**d. Project Steering Committee Meeting held on 30th May 2012**

After its first project steering committee held on 7th December 2007 , the LRF Dairy project held its second steering committee meeting on 30th May 2012 in presence of representative from FAO, MOA and LRF. **The key Decisions taken by the PSCM are :**

1. Approved the work plan and budget allocations for the remaining period of the phase I of the project up to September 2012.
2. Approved the work plan and budget allocations for phase II of the project with the immediate launching of the project.
3. Approved to increase the staff of the project by two members one to follow up with administration and organizational matters of the cooperatives and second to follow up the implementation of technical training and issues regarding the forage cultivation and production.
4. Approved and appreciated the intention of preparing a new collaboration contract for capacity building between the MOA and the FAO Dairy project
5. Follow up and accelerate the transfer process of the leftover funds from LRF-14 to LRF-21. These funds shall be exclusively spent to cover and support activities and procurements for Donnyyeh – Mennyyeh Casa in the North.

# 2. Future Work Plan (up to 30 September 2012)

A comprehensive work plan for the next reporting period (ending 30th September 2012) is prepared. The main activities are related to the following activities:

1. Delivery of cooling tanks and accessories with Setting up of new Intermediate Primary Village Milk collection and Cooling Centers Network.
2. Delivery of medium and mini dairies to support women-headed households for milk handling & processing at home level

**c.** production of extension and training materials

During the next period, the project will prepare the necessary training material and publications (leaflets, manuals, and posters): 5000 copies for Corn Silage with 1000 Posters and 5000 Copies for Cow fertility and heat detection with 3000 Posters.

**d. Support to artificial insemination services through training skilled inseminators’ and provision AI supplies to VDPA’s**

During its next phase, the project will reinforce artificial insemination servicesbased on conducting intensive training courses on Artificial Insemination to 30 selected people from the farmer’s cooperatives and MOA veterinarians with distribution of the necessary Insemination Kits to be immediately operationally ready to start working within the Dairy Coop’s and to give services to dairy small holders.

**e Support to milk analysis and testing programs to insure health and safety of milk and dairy products.**

During the next period, LRF project will Continue monitoring the hygienic conditions and health situation of the raw milk through Collection of random milk samples from the farm, the milk dealers, and the dairy centers and conducting imperative laboratory tests and analysis for biological, physical, and chemical properties for basic assessment and follow up

The last and not the least, we present in this report some of the major constrains and lessons learnt during the reporting period of the project hoping that those may add to the wellbeing and advancement of the project in the future stages.

II. Resources (To Be completed and updated by TCES HQ’s):

|  |  |
| --- | --- |
| Total budget approved: | USD 2 500 000 |
| Total disbursements as of 30 June 2012:   | USD 2 330 175 |
| Commitments for next quarter:  | USD  169,825 |
| Available Balance: | USD 0 |
|  CATEGORY | BUDGET(USD) | EXPENDITURES (up to 30/06/2012) (USD)  |
| 1. Personnel  | 634 000 | 634 000 |
| 2. Contracts  | 35 000 | 0 |
| 3. Training | 110 000 | 88 905 |
| 4. Transport | 0 | 0 |
| 5. Supplies and commodities | 824 340 | 721 496 |
| 6. Equipment | 450 475 | 450 475 |
| 7. Travel | 150 000 | 90 780 |
| 8. Miscellaneous | 132 685 | 132 685 |
| 9. Project Support costs | 163 500 | 211,834 |
| TOTAL | 2 500 000 | 2 330 175 |

**III. Results during the Reporting Period**

**1. Opening Ceremonies related to project activities (held on 26/05/2012)**

Under the Patronage of H.E. Minister of Agriculture Dr. Hussein Hajj Hasan, and H.E. Minister of Social Affairs Mr. Wael Abou Faaour, and the presence of Dr. Ali Moumen FAO Representative in Lebanon, and a distinguished appearance of many important figures, with a large crowd of workers in milk production and dairy sector and citizens from all over Lebanon (more than 1000) , the LRF-21 project “Recovery and Rehabilitation of Dairy Sector in Bekaa Valley and Hermel – Akkar Uplands” (LRF-OSRO/LEB/901/UNJ), called for a gathering in the occasion of: a) opening new milk collection and cooling, b) dairy processing centres, c) handing of a milk transportation truck in Rachayya and West Bekaa and d) launching of the MOA forage subsidy project.

**Proceedings:**

**a. Ceremony in Zahle:**

The day started at Zahle the Sugar Beet Cooperative where the project manager gave a speech about the project achievements and prospective. H.E. Wael Abo Faaour talked about the importance of Agriculture and how it is gaining interest lately from the government under the direction of H.E. Hajj Hassan. Dr. Hajj Hassan talked about the forage cultivation and production project and how it will help the farmers to produce better and more milk and improve their income and about the future plans of the MOA. Then the certificates of good performance and prizes were given to farmers with best results of milk analysis, a detailed report on certificates and prizes to farmers with milk good results is presented in annex 1. A sample of about 50 delivery vouchers for concentrated feeds from the forage subsidy project were distributed to selected farmers from different areas. A Translation of an article written in Al Safir Newspaper on activities in West Bekaa and Rachayya - Saturday: 26/5/2012 (El Safir Of 28 May 2012, N° 12192) is presented in annex 2. In annex 3, we present some excerpts from the Speeches given at the official meeting held at the Sugar Beet Cooperative.

* 1. **Ceremony in Machgara:**

Then the Ministers went to Machgara where they were received by 150 farmers and citizens and a discussion and dialogue was made with the minister. They had criticism over the performance of the extension people of the MOA in the area. H.E. took immediate action and gave the necessary orders to rectify the problem.

**c. Ceremony in Kfar Mechki**

In Kafar Michki there were about 250 farmers and citizens and the president of the cooperative gave a very nice thanking speech to the FAO and to MOA namely to Dr. Hajj Hassan and the LRF FAO Project. H.E. inaugurated the milk collection centre, the medium dairy processing plant and showed his appreciation of the work of the cooperative, the Minister promised to help this cooperative and any other active and organized cooperative with all MOA abilities and resources. The tenth milk transportation truck of a 9 tons capacity was handed over to Kherbet Rouha Cooperative to serve dairy coop’s from Rashaya and West Beqaa.

**d. Ceremony in El Mouhaydtheh**

At El Mouhaydtheh (Nejmet El Soboh Women Cooperative, Mouhaydtheh West Bekaa), the gathering was more than 300 people most of them women and religious figures. A thanking speech was given by the president of the cooperative (Nejmet El Sobh) and the project manager recommended that this active and efficient cooperative be given a support from FAO (Mr. Ali Moumen) Tele - Food Program (Dr. Salah Hajj Hassan head of the project committee) both officials agreed and asked Dr. Kayouli and the cooperative to prepare project proposal. Then both ministers inaugurated the medium dairy processing plant provided by the LRF project, later all the guests enjoyed the very fine products of the women cooperative. Then H.E. Wael Abo Faaour invited all the guests to a lunch at one of the best restaurants of the area. He gave a short speech at the lunch asking the MOA planning team to spend a day in Rachyya caza in order to prepare an Agricultural Master Plan for the area.

**Conclusion:**

The fruitful collaboration among the FAO, the Ministry of Agriculture, and the support of the Lebanon Recovery Fund that emerged from Stockholm Conference, resulted in the recovery and rehabilitation of the dairy sector in Bekaa and Akkar. It has laid the foundation stone for future development projects aspired by all the workers in the dairy subsector especially the small dairy holders. The current project was not able to give these small and needy farmers their rights of support and assistance due to insufficient financial resources. With the efforts and directions of H.E. the Minister of Agriculture Dr. Hussein Hajj Hassan, and the coordination with the FAO, and all the relevant stake holders, a second complimentary phase of this project has been prepared. This second phase will guarantee the fulfilment of most the necessary needs and services to all small dairy holders and sectors.

**2. Support to dairy smallholder for milk marketing and follow up of milk price fluctuations**

During this reporting period the project staff had regular meeting with dairy coop’s and the owners of dairy processing plants to support farmers for marketing of their milk with guarantee of fair milk price. We present in the following paragraph an Abstract on Milk Price Fluctuations

Towards the end of 2011 the price of milk started to drop very rapidly and it reached 700 L.L. in many places. During the summer of the same year the price went up to more than 1300 L.L. These serious fluctuations were reflected on the farmer's well being and income. Many sold some of their cows in order to pay for concentrates and TIBN to feed the remaining cows. H.E. the Minister of Agriculture Dr. Hussein Al Hajj Hassan was aware of this situation and gave his directions to the project team to investigate and evaluate the prevailing conditions.

A field survey that involved several dairy processing plants, milk collection and cooling centers, and milk dealers was conducted on the first week of December 2011. This survey was followed by a general meeting held by the FAO project in Zahle on Friday 16/12/2011 for more than 50 dairy cooperative presidents and board members in the Bekaa and Akkar along with several major milk dealers and traders in both areas to study the problem of milk price. The next day, Saturday, a short meeting was arranged with H.E. the Minister of Agriculture at the Sugar Beet Cooperative in Zahle with a sample of the people that attended Friday's meeting. On Friday 16th of the next week a meeting was called for at the MOA and has been presided by H.E. Later in the same session another technical meeting was held to study the same topic of milk price. Many important decisions were taken during this day. Quality control of the milk was of a primary concern. The awareness of H.E. to help in reducing the cost of milk production made it possible for a national wide Forage Cultivation and Production project to be born. It will be supported by a budget of almost 100 million USD over 5 years. It is expected to improve the profit margin of the dairy milk producer and improve his income.

Later a press conference was held at the MOA on 11/1/2012 where representatives of the dairy farmer's cooperative and the dairy processing plants attended at the office of H.E. the Minister. An agreement took place between the two parties and representatives of the MOA in order to stabilize milk price. It dictated a price of refrigerated milk at the dairy plant gate for 1025 L.L. /kg. Warm milk and milk at the farm were priced accordingly. Later during a ceremony headed by H.E. the minister of agriculture at the Sugar Beet Cooperative on the 4th of February 2012 for the distribution of dairy processing units, two major dairy plants owners “Henri Abou Khater” and “Abdallah Khoury”, signed legal contracts with 7 different milk collection centers and dealers. It was emphasized by the minister that the milk should be of a very good quality, refrigerated and delivered to the dairy processing plants by means of insulated milk transportation trucks. It’s good to mention that 10 such trucks were handed over by the MOA to the dairy producers cooperatives through the FAO dairy project thanks to the efforts deployed by H.E Dr. Hussein Al Hajj Hassan.

However, during the season of low demand on dairy products (winter and Fasting period) some of the dairy plants exploited dishonest ways to pay less for the milk by claiming that it has a yellowish color or added water or high acidity etc …) Now some milk dealers and may be farmers are trying to ask for a higher price than the agreed one because the demand on milk is increasing during summer season. These improper actions to gain individual and private illegal profits will have negative impacts on the implementation of the previous agreement. For this reason the measurements taken by the MOA and LRF FAO project to stabilize the milk price shall not persist or be sustained if not followed and monitored very closely to prevent any deviations or unfair competitions that started to appear.

**3. Follow up of project activities and Field Visits in Bekaa**

Introduction:

After the compulsory vacation that is required by the recruitment rules of FAO, it was necessary to re evaluate the situation at the project sites. Starting the first week of May 2012 and up till now several field visits were made to the different project sites where the security situations allowed. In these visits we targeted the following stations:

* Dairy processing plants and home dairy processing.
* Milk collection and cooling centers and milk transportation trucks.
* Dairy producer’s cooperatives.

These visits covered most areas in Bekaa (west, central, Baalback, Hermel, and north Hermel). This report may be considered as a general account on the current situation in these areas that can be referred to in future reporting or projects.

All the project team members participated in several visits along with some visitors such as Mrs. Lyn Eid from LRF.

 **A: Dairy processing plants and home processing (from Cow milk and Goat/Sheep milk):**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of cooperative** | **Village** | **Daily Kg production** | **Major products** | **Retail price LL/Kg** | **Price of milk LL**  |
| **Kherbet Rouha** | **Manarah** | **3000 cow** | **The whole range** | **Market price** | **1025** |
| **Kherbet Rouha** | **Rafeed** | **500 cow** | **Labnneh** | **7000** | **1050** |
|  |  |  | **Baladi cheese** | **10000** |  |
| **Kafar Michki** | **Mohaydtheh 1** | **80** | **Kishk** | **20000** | **1250** |
| **Women cooperative** | **Mohaydtheh 2** | **200 Goat** | **Kishk** | **20000** | **1200** |
|  | **Mohaydtheh 3** | **70 Goat** | **Kishk** | **25000** | **1300** |
|  | **Mohaydtheh 4** | **Needed**  | **One mini unit** | **-** | **-** |
|  | **Rachayya 1** | **65 Goat** | **Labnneh** | **10000** | **Own milk** |
|  | **Rachayya 2** | **200 goat** | **Kishk** | **25000** | **1300** |
| **Private** | **Ayyha** | **10000 goat and cow** | **The whole range** | **Market price** |  |
| **Women cooperative** | **Ayta El Fokhar** | **300 Goat** | **Dried Labneh Kishk** | **16000 30000** | **1300** |
| **Korbet Kanafar** | **Masabki Dairy** | **1500 goat 500 cow** | **Dried Labneh** |  | **1300 G 1025 C** |
|  | **Mini Dairy 1** | **Did not**  | **Start yet** |  |  |
|  | **Mini dairy 2** | **Did not**  | **Start yet** |  |  |
|  | **Mini dairy 3** | **40 cow** | **Labneh**  | **6000** | **Own milk** |
|  | **Saghbeen** |  |  |  |  |
| **Kafar Michki** | **Kafar Michki 1** | **250 Goat** | **Labneh Kishk** | **40000** | **1300** |
|  | **Kafar Michki 2** | **Did not**  | **Start yet** |  |  |
|  | **Kafar Michki 3** | **Did not**  | **Start yet** |  |  |
|  | **Kaokaba** | **Did not**  | **Start yet** |  |  |
| **El Nassryyeh** | **Haouch Rafkah 1** | **selling** | **milk** |  |  |
|  | **Haouch Rafkah 2** | **selling**  | **milk** |  |  |
|  | **Haouch Nabi 1** | **40 cow** | **Laban** | **1400** | **Own milk** |
|  | **Haouch Nabi 2** | **30 cow** | **Laban** | **1200** | **Own milk** |
|  | **Haouch Nabi 3** | **30 cow** | **Laban** | **1400** | **Own milk** |
| **Gazza** | **Gazza** | **300 cow** | **Laban Mozzarella** | **2000**  **12000** | **1050** |

* Almanarah Dairy, a private institution has a daily volume of about 3 tons of milk. The price paid for refrigerated milk at the plant is 1025 L.L while at the farm is pays 950 L.L. per kg.
* Alrafid, (Kherbet Rouha Cooperative) processing plant, medium size processing equipment, 250 Kg in winter and 500 – 600 in summer. Milk price is 1050 L.L. /Kg. Needed an electric cream separator and wished to learn how to produce Kashkaval and Tcheeki cheeses.
* Nejmet El Soboh Women cooperative in Mohaydtheh. They are working with 200 Kg of goat’s milk to make kishk and Labneh in oil. They started using the cream separator and butter churn to produce skim milk products and Samneh.
* Also in mohaydtheh (mini dairy units): first, (80 kg) and second. (70 Kg), A third mini dairy unit is needed very urgently for a family with a very critical health case.
* Rachayya (mini dairy units): First, (60 – 70 kg goat milk) needed electrical labneh mixer and complained that the pot pasteurizer is heavy, Second. stopped production at present because she underwent a heart operation. She will proceed again in two weeks.
* Al Barkeh Dairy in Ayyha, Rachayya, they work with 5 tons cow’s milk and 5 tons goat milk daily. They pay 925 – 1000 L.L. for cow milk and 1000 – 1050 L.L. for goat milk. They have no problems.
* Ain El Areesh Women Cooperative Association of Ayta El Fekhar, has 11 members and is processing 300 kg of goat milk daily. Their major product is concentrated Labneh in vacuum bags or in olive oil. They have a very nice and clean production apartment and they produce other products such as Kishk and grape vine leaves and other jams and pickles and many others. They need labneh cutter and refrigerated transportation minivan.
* Masabki Dairy, Khorbet Kanafar Cooperative the market is very weak, they work with 1.5 tons of goat milk and 5oo cow milk daily. Goat milk price depend on distance from the plant it has reached 1300 L.L. /kg at the beginning of the season. The cow milk price is 1025 refrigerated at the plant and 850 L.L. warm at the farm.
* Mini size processing unit, Khorbet Kanafar, we taught them how to use the butter churn. They are facing a marketing problem and we recommended that a small shop be opened on the main road and be managed by the Dairy Cooperative of Khorbet Kanafar where all the members can display their dairy and other products all around the year.
* Second mini size dairy unit in Khorbet Kanafar, was waiting for the season of goat milk and kishk production to start working. We advised her that she should be working around the year with cow milk and produce different dairy products other than Kishk in order to make best use of the equipment.
* Third mini size dairy unit in, Khorbet Kanafar, a very poor and needy family has started a home processing dairy business at home with a mini dairy unit. They use the milk of their 3 cows and currently are processing about 40 kg of milk into Laban and Labneh and send them to Beirut. They are working as a family with wife, mother and husband.
* El Tinn Dairy in Saghbin, Medium size dairy unit, they did not like the pasteurizer and it was recommended to transfer it to Kafar Mechki Cooperative, They are using the other equipments such as the table and labneh hanger etc….
* Kafar Mechki medium size dairy plant, it belongs to the Kafar Mechki Cooperative and operated by the president. She has started recently in production as the equipment was transferred to her. She is using about 200 – 300 liters of Goat milk into Kishk and Labneh. She looks forward to learn with her colleague small producers how to produce other types of cheeses such as Mozzarella.
* Mini dairy owners in the areas of kafar Michki and Kaokaba did not start processing on the date of our visit in the first week of May. They are waiting to start the goat milk season. We recommended that they work with cow milk when the goat milk is scarce.
* Mini dairies in Haouch El Rafkah: First, sells the milk at present to a milk dealer at 750 L.L. /kg. The second, sells the milk of her cow which is in very good condition to the same milk dealer also at 850 L.L.
* Mini dairies in Houch El Nabi: First, makes Laban and sells at 7000 L.L / 5 kg container. Second, produces 20 kg daily. Third, sells Labneh and Laban in the village. Forth, produces different types of dairy products and sells it in the viallage and to Beirut.
* Missedi El Majzoob (Um Abdo), Gazza, Medium size dairy unit, daily processing of 200 – 500 kg, main products Mozzarella, Labneh, and white cheeses. She sells the Laban at 2000 L.L/ kg and the grated mozzarella at 12000 L.L.

**B: Milk Collection and Cooling Centers and milk Transportation Trucks:**

* El Marj Collection and cooling center 1: the center is well cleaned and the cooling tanks are full of milk and operating properly. The cooling capacity is 2.5 tons used for the evening milking, but the daily volume is 5000 kg. He had to deliver the evening refrigerated milk to the truck of Centre Taanayel at 950 L.L. before collecting the morning milk. Usually he sells a major part of the morning milking as warm to three or four small dairy plants at 900 L.L. He pays the farmers 800 L.L. He needs more refrigeration capacity and a milk transportation truck as he has in many cases to empty the cold milk from the tanks into milk jars in order to take it to the dairy plants.
* El Marj Collection and cooling center2, it has one 550 liters cooling tank. It was full of milk and running but manager was not there. He does not have a milk pump and he is emptying the refrigerated milk by gravity again into the milk jars and takes them to the dairy plants in his truck.
* Ghazza milk collection and cooling center is managed by the president of the Ghazza cooperative. This center is the largest in the project areas with a cooling capacity of 4.5 tons but they also collect refrigerated milk from farms in the milk transportation truck making the total amount about 15 tons. They sell the milk to El Douroob Milk Collection Company. This company pays the running cost of the transportation truck that is provided by the MOA through the FAO project and the salary of the driver and it pays the center 975 L.L. /kg of refrigerated milk. The center pays the farmers 825 L.L. for warm milk collected from the farm, 875 L.L warm delivered at the center, and 955 L.L refrigerated collected at the farm in the truck.
* Kherbet Kanafar milk collection center at Masabki dairy plant (Kherbet Kanafar Dairy Coop). The capacity of the cooling tank is 550 liters and it is used for cooling the evening milk. They pay 850 L.L for warm milk at the farm. They are using the laboratory equipment efficiently and they keep it well maintained and stored.
* Machgara milk collection center (Kherbet Kanafar Dairy Coop), cooling capacity 2100 liters. It purchased another cooling tank of 2 tons capacity. He collects milk from the farmers in his area (about 22 farmers) and he refrigerate them at the center then delivers it to the milk truck of Abo Khater. The center is clean and well maintained. The total quantity of milk collected and sold is about 3.5 tons the price being 900 L.L. paid by Abo Khater and 850 L.L. paid to the farmers.
* Kafar Michki milk collection center, managed by Cooperative President, cooling capacity of 1650 liters. She sells the refrigerated milk to Ali El Kurdi, a milk trader that has a milk transportation truck. She gets 950 L.L. / kg and she pays the farmers 850 L.L. She needs more cooling tanks.
* Kherbet Rouha milk collection and cooling center managed by Ali El Kurdi (Milk dealer) appointed by the cooperative. He is also operating the milk transportation truck that was provided by the MOA through FAO project of 9 tons capacity. His current working volume is 12 tons that he collects from different farms and milk collection centers. He sells the milk to different customers such as Abo Khater, Abdallah Khoury, and other smaller dairies. The selling price of milk ranges between 900 and 1000 L.L and he pays the farmers for unrefrigerated milk at the farm 875 L.L. and 950 L.L for the refrigerated milk.
* El Nasserriyeh milk collection and cooling center, managed by Hussein El Tarsheeshi, appointed by the cooperative who himself drives the milk transportation truck provided by the MOA through the project. He collects the milk from more than 30 farmers in the area and he has one technician that does the laboratory testing of the milk of each farmer before receiving at the cooling tanks. He collects about 7 tons daily and sells it to Abo Khater at 1025 L.L. and he pays the farmers 900 – 950 L.L.
* Houch El Nabi milk collection center, cooling capacity of 1100 liters. The center is being used only to refrigerate the evening milk at the present.
* Haouch El Sayyed Ali milk collection and cooling center, managed by Hasan Bazzal appointed by the cooperative, the cooling capacity is only 4 tons and he is collecting 6 tons daily so he is selling part of the extra as warm milk and processing the rest. He has a truck from the MOA through the project 6 tons capacity. The number of farmers is 30. He sells the milk to Abo Khater at 1025 L.L. and pays to old cooperative members 900 L.L. and 850 for the new members. Currently he is able to accommodate the milk of only 39 members. He requires more cooling capacity to increase the number of farmers in fluxing to his center. He suggests the utilization of the cooling tanks and facilities present at Hermel milk collection center.
* Al Qaa private milk collection center owned and managed by Charbel Bitar the number of farmers is 60. It collects 19 tons daily that are tested filtered and refrigerated. He sells it to Center Jdita at 1025 L.L. using his own transportation truck. He pays 850 – 900 L.L. to the farmers. He makes use of the milk transportation truck of Baalbeck Cooperative operated by Omar El Zokra. Bitar pointed that the main problem is the importation of powdered milk that is used in many big dairy plants. He suggests that the MOA prohibit the powdered milk importation.
* Baalbeck (El Kayyal) milk collecting and cooling center managed by Omar el Zokra appointed by the cooperative, It has a cooling capacity of 2550 liters of milk and he utilizes a milk transportation truck of 6 tons provided by the MOA through the FAO project. He uses this truck to transport milk of El Qaa center of Cherbel Bitar. He used to sell the milk to Abo Khater at 1025 L.L but now he is paid 975 L.L. He pays the farmers 940 L.L. He is suffering from illegal competition made by one milk dealer (Radwan Salhab) who is paying the farmers higher prices just to take the milk from the cooperative. Omar has provided the farmers with disinfectants to clean their equipment and succeeded in reducing the total count from 16000 to 5000 CFU. He asks for the help of the MOA to stop illegal competition of the milk dealers and the dairy plants when the demand on milk increases.
* Al Labbweh milk collection and cooling centers I and II. The first one with a capacity of 1.5 tons and the second with a capacity of 2.6 tons. They sell the milk at 950 L.L. and pay to the farmers 800 – 850 L.L. not 600 – 650 as some people claim. They complained of the post dated checks of milk payments that may reach in some cases 3 months.
* Al Karak private milk collection and cooling center managed by Radwan Salhab. He collects about 5 tons from Baalbeck, Nabi Chit, Bednail, and Saraeene. He also collects another 7 tons from other close villages like El Karak and Ferzol etc… He sells the milk to Dairy Khoury that picks the milk in their milk transportation trucks at 975 L.L. and he pays to the farmers 900 – 950 L.L. He is asking for more cooling capacity and the FAO project has promised him of one or two milk coolers in the upcoming stage.
* Masharee El Qaa milk collection and cooling center managed by Shehadeh Abo Fares appointed by the cooperative it collects about 6 – 7 tons daily and the cooling capacity is 7.5 tons from 41 members. They are suffering very much of the security conditions in the area. They sell the milk to Liban Lait and they also suffer from the closure of the dairy plant on weekends and holydays. They have to sell the milk at low prices to some small dairy plants in order not to accumulate the milk and endure spoilage. In some cases they have to sell it for 300 L.L. in case the dairy plant refuses the milk for any reason such as the slightly yellowish color. They usually pay the farmers 850 L.L. They use the milk transportation truck of 6 tons capacity provided by the MOA through the FAO project.
* Shlifa milk collection center operated by Samir Seklawi president of the cooperative, he sells the milk to Omar El Zokra of Baalbck milk transportation truck at 900 L.L
* Dayer Al Ahmar milk collection center was found unused and un attended and in a very miserable condition. The cooling tank and the electric generator were removed and relocated in Al Marj Dairy Coop (center 2).
* El Kwakh belongs to Houch El Sayyed Ali Cooperative. It is being utilized to refrigerate the evening milk of the neighboring farmers. The capacity is 550 liters.
* Anjar milk collection and cooling center that belongs to the Al Marj cooperative (center 3). The capacity of the cooling tank is 550 liters. The center sells the milk to a milk dealer from El Marj at 900 L.L.
* Zahle milk collection and cooling center operated by the cooperative president and transported by the milk truck that was provided by the MOA through FAO project to Zahle Cooperative.
* Joroud El Hermel milk collection and cooling truck is an insulated truck used to collect milk from farmers and shepherds in Hermel up lands. Its capacity is 2.5 tons and it is equipped by a dual refrigeration system that works on the engine power of the truck and on the domestic electrical power during the night when necessary. They are asking for a milk cooling tank of 1000 liters capacity with an electrical generator to refrigerate the evening milk.

 **D: Dairy producers Cooperatives:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  Area  |  Caza | Cooperative Name | Villages № | Farmers № | Milk/Day (kg) | General Remarks \* |
| Central Bekaa |   Zahle | ZAHLE  | 6 | 26 | 14155 | Active |
| TERBOL  | 7 | 57 | 16170 | Idle  |
| BAR-ELIAS | 7 | 78 | 16223 | Idle  |
| NASSRIYE | 11 | 85 | 1447 | Very active |
|  Northern Bekaa | Baalbeck | BAALBAK  | 16 | 121 | 10590 | Active |
| SHLIFA  | 5 | 25 | 1765 | Moderate |
| RASM LHADATH | 11 | 100 | 3479 | Moderate |
| BAZZALIYA  | 17 | 169 | 9119 | Very active |
| MASHREE El QAA | 3 | 127 | 10180 | Very active |
| HOCH NNABI | 10 | 79 | 6404 | Moderate |
| Hermel | HERMEL  | 18 | 110 | 4507 | Troublesome |
| JOROUD HERMEL | 16 | 66 | 3905 | Active |
| HOCH SAYED ALI | 7 | 73 | 5751 | Very Active |
| West Bekaa |  west Bekaa | GAZZA  | 9 | 112 | 33812 | Very Active |
| KHERBETKANAFAR | 8 | 42 | 4245 | Moderate |
| MAREJ  | 7 | 121 | 24829 | Idle |
| Rashaya  | KFARMECHKI | 14 | 96 | 2932 | Very active |
| KHERBITROUHA | 10 | 112 | 7798 | Active |

These remarks are based on accumulated observations of the project team members on different field visits and inspection calls, The main evaluation criteria utilized to assess the work of the cooperative and degree of collaboration with the project are as follows:

* Number of meetings called for by the president or vice-president or secretary.
* The attendance of these meetings and participation of the cooperative members in discussion and decision taking.
* Keeping good records and staying in a good condition with the cooperative administration in Bekaa.
* Follow up with the FAO project and meeting deadlines and active collaboration of stake holders.

The major corrective measures that the project has taken together with MOA with regard to the Hermel cooperative which has been reported as troublesome are:

* The cooling tanks and auxiliary equipment were retrieved and placed in another center.
* Contacts with the influencial people of the area to reunite the cooperative.
* Promising to re equip the milk collection center if things go back to normal.

With regard to the Dairy Cooperatives rated Idle or Moderate, the project is trying to consider the specific conditions for each Coop and to find out solutions in order to safeguard the interest of smallholder dairy producers:

1. Terbol Cooperative was faced from its establishment with conflicts among the members of the administrative board that may be classified as socio political. This rendered the board unable to meet and take decisions. We were able to reduce the tension and may be before the termination of the project some kind of agreement will be reached.
2. Barr Elias Cooperative is presided by a person that used to be the manager of the previous MAO milk collection center (from IFAD project) . The farmers do not have good experience with the current administration and the president is busy with other private milk collection business. We are trying to induce the necessary changes and modifications in the administration in order to activate the cooperative otherwise, the project will call farmers shortly for new elections of new Coop Board.
3. Shlifa and Rasm al Hadath cooperatives are both characterized by lack of team work attitude. We try to enhance this attitude through continuous encouragement for cooperation and by elaboration on the benefits of cooperative work. The project will call farmers shortly for new elections of new Coop Board.
4. Haouch El Nabbi cooperative lacks the administrative organization and does not take good care of regular meeting and updating status with the cooperatives administration. We are trying to help them manage these problems and follow up with them on these matters. In case that they do not show positive results, the project will call farmers shortly for new elections of new Coop Board.
5. Kerbet Kanafar Cooperative have the good intentions but the president and his deputy are busy in other agricultural private business. We are encouraging them to start home dairy processing and opening a retail shop for home and farm produced by the cooperative members.
6. El Marj cooperative’ President was not cooperarive with the project and the project had to create a bypass to work with another existing livestock coop and started with three milk collection and cooling centers in the areas.

**4. Project Steering Committee Meeting held on 30th May 2012 (The minute of the meeting (MoM) is indicated in annex 4.)**

 The first project steering committee was held on 7th December 2007 at MOA, chaired by the Minister of Agriculture.The PSC and the MOA recommended to extend project activities to all needy farmers in whole Beqaa and North areas (Cazas: Rashaya, West Beqaa, Zahle, Baalbeck, Hermel, Akkar, Hermel-Akkar Upplands). The PSC proposed also to cancel distribution of live animals and to focus primarily on supporting small scale dairy producers and primary milk collection and milk hygiene at farm and village levels, with strong practical training programs and farmers’ building capacity.

The second project steering committee was held on 30th May 2012 at Padova Hotel in Beirut, in presence of the following ***members of the PSC present in the meeting:***

**Ministry of Agriculture of Lebanon**

* Dr. Salah Haj Hassan – Advisor to the Minister of Agriculture

**FAO**

* + Mr. Ali Moumen – FAO Representative in Lebanon
	+ Mr. Andrea Lazzari – FAO-Iraq (Operations Officer TCES)
	+ Dr. Markos Tibbo – FAO-RNE

**Others attendees:**

* Miss Lyn Eid – LRF Monitiring & Evaluation Unit (invited)
* Project Staff: Dr Chedly kayouli (project manager); Dr Ziad Jaber, Ms Joane Akl & Mrs Joyce trad (national Consultants)
* Mr. Georges Nahri & Mrs Mirna Slim (FAO Lebanon)

**After opening session by Dr Ali Moumen, FAOR and Dr. Salah Hajj Hassan (Representative of the Minister) and presentation given by** Dr. Markos Tibbo (FAO-RNE) and Miss Lyn Eid (LRF Monitiring & Evaluation Unit) who attended as observer, the project managergave presentation on the history and achievements and expectations of the dairy project. He has explained the work plan with the proposed budget allocations of the available funds along with a detailed procurement plan for the remaining few (4) months of the on-going project (Phase I) whose NTE date 30 September 2012. He did mention that they are waiting for the leftover funds (about USD 270 000) from the LRF to be transferred from the forestry project.

As all members of the Steering Committee were available it was decided to hold the Steering Committee Meeting for Phase II of the project (LRF-26). Subsequently, the project manager gave a detailed presentation of the second phase of the project (the project and the work plan). The areas which the second phase will cover include North Lebanon, Akkar, Hermel and Baalabeck, Bekaa, and some adjacent villages in the South and Koura. The number of direct beneficiaries shall be 2000 and the indirect beneficiaries of 1000.

**The key Decisions taken by the PSCM are :**

1. Approved the work plan and budget allocations for the remaining period of the phase I of the project up to September 2012.
2. Approved the work plan and budget allocations for phase II of the project with the immediate launching of the project.
3. Approved to increase the staff of the project by two members one to follow up with administration and organizational matters of the cooperatives and second to follow up the implementation of technical training and issues regarding the forage cultivation and production.
4. Approved and appreciated the intention of preparing a new collaboration contract for capacity building between the MOA and the FAO Dairy project
5. Follow up and accelerate the transfer process of the leftover funds from LRF-14 to LRF-21. These funds shall be exclusively spent to cover and support activities and procurements for Donnyyeh – Mennyyeh Casa in the North.

# IV. Future Work Plan (up to 30 September 2012)

**1. Strengthening the village dairy producers’ associations to reach self support a sustainable status.**

The project will emphasis on capacity building of VDPAs’ for better milk marketing and act as focal points for providing other services, such as training, artificial insemination, vaccination campaign and management of government subsidies for fodder crops.

**2. Support the improvement of Milk Quality standards through Strengthening and Setting up Intermediate Primary Village Milk collection and Cooling Centers Network.**

The project is planning to carry out during the next period the following interventions:

* + Supervising, monitoring and boosting the activities and work at the already existing small scale village milk collection and cooling centres with the milk transportation trucks. They need help in good management and most important marketing of milk in the right way. So the project need to stay by their side for some time before they can stand strong by themselves, for the safe and hygienic milk storage and handling and marketing.
	+ In response to the intensive demands and requests by the Village Dairy Producers Associations for more milk cooling centres, the project has ordered additional milk refrigerators. The already established milk collection and cooling centres are suffering from shortage of cooling capacity while some other centres have not been yet equipped, the planned cooling tanks will be mainly installed in new centres. To satisfy these urgent needs on the verge summer and hot weather we have ordered additional milk cooling tanks and some extra accessories as follows which will be delivered by mid august 2012:
	+ Six (6) milk cooling tanks of two tons capacity each (6X2 Tons) of the same original specifications stated in the first quotation.
	+ Four (4) milk cooling tanks of one ton capacity each (4X1 ton) of the same original specifications stated in the first quotation.
	+ Six (6) milk reception tanks of the same original specification stated in the first quotation.
	+ Eight (8) milk pumps of the same original specifications stated in the first quotation.
	+ Nineteen (19) kits for laboratory analysis and testing.

**3. Support to women-headed households with mini dairies for milk handling & processing at home level**

In response to the intensive demands and requests by the small dairy producers and small dairy farm holders for the mini and micro dairy processing units, the project has ordered a additional units as follows:

Four (4) Mini Dairies (medium size) units composed of the following:

1. One Batch milk pasteurizer (Gas) of 250 litre capacity.
2. One Working table.
3. One Labneh bag hanger.

Six (6) Micro Dairies (small size) units composed of the following:

1. One Pot milk pasteurizer of 60 – 70 litre capacity.
2. One Fire place (gas and wood)
3. One Working table (small).
4. One Labneh bag hanger (small)

Ten (10) Electrical Churners

Ten (10) Electrical Cream separators

It is very important to remark that all of these additional items must strictly comply with the original technical and other specifications detailed in the original procurement tenders.

**4. Capacity Building of farmers and MOA extension service people.**

* + 1. During the next period, the project will consolidate the training programs and courses along with extension areas and widening the range of topics and subjects. Training to the farmers and producers is a continuous process that will require in most cases repetition and emphasis on some topics and on some emergency subjects. These training sessions have to be replicated in each dairy coop for each topic or subject and that require adequate time. This program shall include the following important topics:
* Total fertility and reproduction management.
* Milk handling and testing at village milk collection and cooling centers.
* Home dairy processing and production of cheese and yogurt.
* Mastitis and dry cow management.
* Corn Silage: Production, Storage and utilisation
	+ 1. The necessary training material and publications (leaflets, manuals, and posters) will be prepared and printed and distributed to all dairy farmers in Lebanon: 5000 copies for Corn Silage with 1000 Posters and 5000 Copies for Cow fertility and heat detection with 3000 Posters.

**5. Support to artificial insemination services through training skilled inseminators’ and provision AI supplies to VDPA’s**

During its next phase, the project will apply innovative strategy to reinforce artificial insemination servicesbased on conducting intensive training courses on Artificial Insemination to selected people from the farmer’s cooperatives and MOA veterinarians with procurement of the necessary semen and equipment. The LRF project will particularly implement the following activities:

* Procurement of twenty five (25) Complete Insemination Kits to be placed with the VDPA’s, already ordered.

As indicated above the key strategy will be to use the VDPA’s as focal point to give AI services to smallholders through the following: 1) the project will identify 30 young promising farmers from the different VDPA’s capable to acquire the AI technique who will undergo an advanced intensive AI training session., 2) The successful trainees will be given official certificates and supplied with AI kits with frozen semen jars and free proven semen to be used in the respective areas of the cooperatives at low charge (under the supervision of the Dairy Coop). MOA inseminators will attend also the training session and be assigned to the VDPA’s. Private sector will be also involved through agreement. The project will be supported by 4 veterinarians already assigned by MOA to the project.

**6 Support to milk analysis and testing programs to insure health and safety of milk and dairy products.**

During the next period, LRF project will:

* Continue monitoring the hygienic conditions and health situation of the raw milk through Collection of random milk samples from the farm, the milk dealers, and the dairy centers and conducting imperative laboratory tests and analysis for biological, physical, and chemical properties for basic assessment and follow up

 **V. Constrains Faced by the Project during this reporting period
(April ─ June 2012)**

**1. Introduction:**

During the last period of the project starting on April 2012, we have faced many constrains that affected the sustainability of the project interventions. Many of these limitations were innate to the ongoing system that controls the milk sector in Lebanon. We tried our best to invent solutions and overcome these problems and we successful in almost all the technical or administrative maladies. Few cases were related to inherited mentality or conflicts and were not curable. The variety of stake holders involved in our project made it very difficult to coordinate among all the parties especially when conflicting benefits were present. Such conflicting parties are: the dairy farmers, the milk dealers, the dairy processing plant, the milk smugglers, and last but not the least the consumer. With time all of them were convinced that the FAO project is not taking sides and its major concern is the wellbeing of the poor and small farmer and the hygiene of milk consequently the good of the milk sector as a whole.

Finally, we present in the following paragraphs some of the major constrains and lessons learnt during the last period of the project. We hope that this short presentation may add to the wellbeing and advancement of the project in the future stages.

**2. Major Constrains**

|  |  |
| --- | --- |
| **Constrain № 1:** **The fluctuating price of milk.** | Towards the end of 2011 the price of milk started to drop very rapidly and it reached 700 L.L. in many places. During the summer of the same year the price went up to more than 1300 L.L. These serious fluctuations were reflected on the farmer's well being and income. Many sold some of their cows in order to pay for concentrates and TIBN to feed the remaining cows. The situation reached very serious levels and the farmers threatened of spilling their milk on the streets and block the roads. Many small farmers were obliged to close their farms and look for other source of income. The farmers continued to come to the FAO office in Zahle on daily basis to complain about the matter and threaten to block roads and spill the milk in the streets if the prices were not modified. The project team made the necessary studies and surveys and reached a solution that was supported and endorsed by H.E. the Minister of Agriculture Dr. Hussein Hajj Hassan. ***The outcome of the study was that fruitful cooperation among the dairy processing plants and the dairy cooperatives be made under the supervision of the MOA and the price of milk to be stabilized seasonally (quarterly)***  |
| **Constrain № 2:** **Bureaucracy and Very slow budget transfer and release.** | Although we had many good and generous sources for financial support from the MOA and the LRF, we were not able to access some of these funds yet. The LRF has agreed to transfer the remaining money that was not used in the forestry project into the FAO Dairy project. It is very essential to receive the funds as soon as possible as we started the procurement procedures for the equipment and material to be used in El Donneyeh – El Minnieh areas. It is also worth mentioning that the FAO administrative routine and bureaucratic procedures are a major constrain as we are in many cases we are in urgent need of funding to maintain and sustain our activities. |
| **Constrain № 3:** **Failure some beneficiaries to abide by the FAO team instructions.** | In general most of the project beneficiaries are working up to our expectations. However; some are not abiding by the instruction given and the rules set by the project team for good performance. Through the several field visits that we make to the milk collection centers and dairy processing plants and our routine inspection of the milk transportation trucks and the milk analysis that we do on regular basis have shown that some of the farmers or cooperatives or managers are not abiding by the good operating practices that they were taught. In many cases we had to withdraw equipment or vehicles from some place or group to another that we know will take good care and make better use of these assets. For example:* Hermel equipment was retrieved due bad cooperation of farmers.
* Dayer Al Ahmar equipment was removed due to bad maintenance and inefficient utilization.
* Jalala equipment due to great delay in utilization.
* One milk cooler was taken from Haouch El Nabbi due to non efficient utilization.
 |
| **Constrain № 4:** **Lack of effectiveness and efficiency of the MOA employees and shortage of FAO team personnel.** | As H.E. the Minister of Agriculture was aware that the working team in the FAO dairy project is very short of human power, he promised and gave instruction to the regional offices to give us all the man power we need. Unfortunately, these employees did not show up and when we needed any help we have to search and pay for it to these employees. In the last meeting of the steering committee it was decided that the working team should be increased and supported with field workers. The LRF FAO project will hire additional staff during implementation of LRF 26 to complete the objective of follow up and maintaining milk testing and hygiene. A team of the MOA should start with starting of LRF 26 to get trained and to start taking over these activities before the final conclusion of the project. |
| **Constrain № 5:** **Restriction on movement due to security conditions.**  | The current prevailing security conditions in Lebanon as mainly reflected by the situation in Syria have forced the UN security authorities to restrict our movement to the minimum. Furthermore; there are many areas that are prohibited to go under any circumstances such as Al Qaa, Masharee Al Qaa, Akkar, Wadi Khaled etc…. It is also important to mention that these unfavourable conditions have been reflected on the activities and efficiency of work of the cooperatives, milk collection centers, and farmers located in these areas. We can also confirm that these unstable conditions are affecting everything in the country starting from the head of the State to the smallest shepherd in Jroud El Hermel. The impact of the current security situation on the LRF 21 work plan for the remaining 3 months will probably continue to be the same as we are not able to cover all the areas adjacent to the Lebanese ─ Syrian borders in the North and East with less follow up of Hermel, Machariaa Al Quaa and Akkar areas.We are optimistic that the current situation will be solved very soon. We are having direct contacts with farmers in the border areas that come regularly at our office. We continue to follow their conditions and help them with all our power and we ask the help of H.E. the MOA in many cases. However, if the situation is worsening the LRF 26 will adapt its work plan with touching other farmers in safe areas (Mont Lebanon, Chouf & South) |
|  **Constrain № 6:** **Familial and political conflicts in the same village or cooperative.** | In many rural areas the families and clans are centers of power and authority. Unfortunately, these family ties that are supposed to be a good source of security and wellbeing, they are being abused for personal and private benefits. They contradict with normal development programs as each family or clan wants to own everything and have control on all assets. They prefer to deprive their community from all benefits if they were not the people that have control. Some cooperatives were idle and probably will be disintegrated. In one case a milk collection center was established and launched but it has never been used due to the above reasons. After a couple of months it was dismantled and replaced to another place such the case of Hermel cooperative and few others as indicated before |

**3. Lessons Learnt**

|  |  |
| --- | --- |
| **Lesson № 1:** **Always take into consideration the economic translation of the interventions.** | We should not forget that the main objective of our project is to improve the life standard of small dairy farmers and producers through increasing their income. Anything which compromises that goal will render our project useless. This is what actually threatened our project objectives when the milk prices went down drastically. The farmers were producing larger quantities of milk with better quality but were obliged to sell it at a price lower than the cost of production. A red alert was flashed and the FAO team with the support of H.E. Minister Hajj Hassan declared an emergency condition. After intensive surveys and meetings and brain storming an agreement was reached between the dairy processing plants owners and the dairy cooperatives to fix the milk price for a period of three months. A committee that represents all parties was formed to follow the cost of milk production and modify the milk price accordingly. This agreement and committee were endorsed by the MOA. |
| **Lesson № 2:** **Be patient but persistent.**  | This is a lesson that still needs to be learnt at all stages. In dealing with governmental and official organizations one should expect lengthy sufferings of the administrative routine and institutional ordinal. It is very easy to get responses like yes and OK from people, but you should keep in mind that is not a guarantee that the matter is settled. The only way to make a person or employee to fulfil his or her commitment is by exerting enough positive pressure (incentives and rewards) or negative pressure (supervisor’s or high ranking back up). Daily follow up with the correct people can produce better outcomes. |
| **Lesson № 3:** **Unexpected field visits give better idea on how things are going.** | When a scheduled field visit is made the target will make the necessary clean up and updating so that they give a good impression to the visitors. Unexpected visits although surprising and not welcomed by most parties, is the best way to really know what is going on. In one case for example when we visited one milk collection center after making an appointment with the manager we found everything clean and in place. After about two weeks we made another unexpected visit and found the center in a very miserable condition by all what the word miserable means. It is not enough to depend on the reports and records submitted by the beneficiaries because they may not reflect the actual situation and proper operation. For this reason the project will recruit a field officer that will spend most of his/her time in making unexpected field visits to different beneficiaries such as milk collection centers, milk truck operators, small dairy processing facilities, and dairy farmers.The project can appoint a field staff to supervise the centers for a short time (life time of the project). It is a question of willingness to improve from the part of the farmers. If for any reason the cooperative is not abiding by the rules set by the MoA and the project it is better to transfer the equipment to another cooperative or group of farmers that are willing to improve by themselves. True and honest data is very essential for follow up and control over the sustainability of the project interventions.  |
| **Lesson № 4:** **Be friendly but strict with the farmers.** | Most of the farmers and stake holders appreciate and value good relations with the project team and administration. This is usually was reflected as better chances for better implementation of the project interventions. Some farmers or stake holders abuse these relations and wanted to benefit from them unlawfully. They do not meet deadlines or abide by directions and instructions thinking that being in good terms with the FAO team gives them this privilege. In the case of such farmers that misunderstand kindness and good relations, severe reactions and strict measures should be taken in order to correct their attitude towards the project. Some farmers or producers that are in good personal terms with the FAO project team may consider this as a carte blanche to override rules and regulations. Strong stands and sometimes harsh confrontations were necessary to make them understand that friendship is not a pass to abuse the system.  |
| **Lesson № 5:** **Depend on your own assets especially man power.** | Increasing the number of employees in the FAO project team as was directed by the last steering committee will improve our performance and follow up. It should be understood that the coming stage is very critical in the continuity and sustainability of the project. Although most of the interventions have been successfully accomplished, but if they are not followed by direct control and monitoring they can turn out to absurd facilities like many other project interventions. So to depend on ourselves we need more personnel in our team |
| **Lesson № 6:** **Manoeuvre around things and conditions that you cannot change.** | Security conditions are imposing and we have no control over. We receive daily security information reports from the UN SIOC advising and warning about areas and places that we are not allowed or advised to avoid. Many of these areas contain project beneficiaries that we have to follow up with. We made an arrangement with them that they visit our office in Zahle regularly so we can be in touch with what going on at their stations and help them in the hard problems they are facing in their difficult and unsafe localities. Familial contradictions are another problem that we cannot help in solving. We are doing our best trying to find compromises and middle solutions that may be suitable for all parties. We try to use our connection with the local leaders or the MOA officials in doing that.  |

**Annex 1: *Report on Certificates and Prizes to Farmers with Good Milk Results in Bekaa.***

***Date: 26 / May / 2012***

**Introduction:One of the most valuable goals of the FAO project OSRO/LEB/901/UNJ is the general improvement of raw milk quality at the different milk chain levels. The role of the dairy farmer in this issue is decisive and critical. The FAO project has applied many interventions to build capacities and improve the ability of the farmers to produce better quality milk in terms of hygiene, cleanliness, and lower bacterial content. The project technical team has started collecting random milk samples from farmers since August 2010. These samples were tested and analyzed for quality and safety in a regular manner since that date up till now. Gratitude is given to H.E. Minister Dr. Hussein Hajj Hassan for his support at the laboratories of Zahle and Tripoli that belong to the chambers of Agriculture and Commerce in these cities. Each farmer gets a confidential copy of the results with the necessary evaluation, remarks, and recommendation. Progress reports have proven that the milk quality and hygiene have been improved as a result of the above interventions by a remarkable percentage (200 % in some instances).**

**Appraisal and encouragement:**

**FAO project has made use of meetings and ceremonies where H.E. the Minister is present to award the farmers that produced milk of high quality with good performance certificates and material presents when available. The idea behind this appraisal is to encourage the farmers to pay more attention for their farm management and improve their hygiene and cleaning practices. The results of the final patch of milk samples collected in spring 2012 (more than 500 samples) were lately revealed. It was noticed that many farmers have very good results and some have excellent ones. It was decided that in addition to the good performance certificates, prizes must be awarded. The project team contacted several generous friends and partners of our work and collected many donations. These prizes were given to the farmers along with the certificates that were handed to them by H.E Dr. Hussein Al Hajj Hassan personally. Twenty five (25) farmers got half a ton of concentrated feeds each of them. One farmer got a milking machine and all of them got different veterinary medical products and disinfectants. Although a very important and major step has been accomplished in the trip to the ideal milk quality and hygiene situation, there is lot more to be done and continuous control and monitoring and testing should be a never ending task and mission.**

**Table of the Names and Donations**

|  |  |
| --- | --- |
| **Name** | **Amount** |
| **LibanSol** | **Milking Machine** |
| **Al Farid Trading** | **One Ton Concentrate (400$)** |
| **Taanayel Farms Dairy** | **2.5 Tons Concentrate (1000 $)** |
| **LibanVet** | **450 $ Vet medicines** |
| **Skaff Farm** | **One Ton Concentrate (400$)** |
| **Masabki dairy plant** | **500 $))** |
| **Ali El Kurdi** | **2.5 Tons Concentrate (1000 $)** |
| **Centre Jdita** | **One Ton Concentrate (400$)** |
| **Ghazza Cooperative** | **500 $))** |
| **Al Naseryyeh Cooperative** | **One Ton Concentrate (400$)** |
| **FAO Project** | **One Ton Concentrate (400$)** |

**Annex 2: *Translation of an article written in Al Safir Newspaper on activities in Wes Bekaa and Rachayya - Saturday: 26/5/2012***

**Headline:Hajj Hassan and Abo Faaour launched the “Forage Development Program” Agriculture budget 300 Billion L.L.**

***El Bekaa – El Safir Of 28 May 2012, N° 12192***

H.E. Minister of Agriculture Dr. Hussein Hajj Hasan and H.E. Wael Abo Faaour have launched together the development project for “Cultivation and Production of Forage Crops” in a ceremony at the Sugar Beet Cooperative in Zahle.

In this big ceremony that was attended by Dr. Ali Moumen FAO Representative in Lebanon, Mr. George El Herawi president of the Sugar Beet Cooperative, vouchers of subsidized feeds and certificates of clean milk were distributed to farmers that influx from Northern Hermel, Akkar, Donnieh, Rachayya, Hasbayya, Kafar Mechki, and Zahle Caza villages.

After H.E. the Minister of Agriculture presented a short account about the FAO dairy project that started on 2006 and financed by the Lebanon Recovery Fund, he revealed that the share of the Agricultural sector has been raised from only 150 Billion to 300 billion L.L. of the General Budget. He also indicated that the government supports the forage crops to help the farmers and he urged them to fill the necessary application and start cultivation the coming season.

H.E. also explained that the Dairy project has reached all Bekaa, Akkar, and Mennyeh and Donnyeh knowing that the South and Nabattiyeh has been covered earlier and what are left North and Mont Lebanon. He addressed all the Lebanese politicians to separate development and services from politics as all the citizens without any exception have the right in these two issues. He mentioned that the MOA will distribute 80 electric milking machines now and another 80 after sometime and the FAO project will purchase new 340 machines making a total of 500 that will be enough to reach all the needy farmers. Today the last milk transportation truck (No. 10) will be handed over to one of the cooperatives. H.E. renewed his commitment to revive the cultivation of sugar beets subsidised by the government.

H.E. Abou Faaour considered that at last the government has acknowledged the Agriculture and the farmers as the plans and programs that are being launched confirm that the government is convinced of its responsibility not only for the farmers but for the national food security. He stated that the country that does not have food security lacks national sovereignty and is exposed at any moment to be a hostage of other countries.

H.E. Minister of Social Affairs showed that according to a study about “The Living Conditions of the Lebanese Families” in 2004, the highest poverty rates were found to be at three levels: The agricultural workers, the seasonal workers, and the fishermen. When the government talks about Social Advancement it should start with the agricultural sector as her first priority.

H.E. also added that there is a chapter in the budget under the item “Development Projects” that used to be spent on support walls, ditches, and sewers etc.... as special political benefits of that official or this deputy. Now the situation is different as a major portion of this budget has been allocated for supporting the agricultural cooperatives, and honey bee producers, and livestock and poultry producers and other productive small projects. He hoped that very soon he will formulate a mechanism with the Minister of Agriculture to reproduce a list in the names of agricultural cooperatives that the Ministry of Social Affairs may help and support.

It is also to be mentioned that the Forage Project Ceremony included the distribution of good performance certificates to farmers that produced the best milk in terms of hygiene and cleanliness as shown by the laboratory analysis. It also witnessed the inauguration of Village Milk Collection and Cooling Centres in Machgara (Khorbrt Kanafar Cooperative), and in Kafar Michki (Kafar Michki Cooperative), and a medium size dairy processing unit in El Moheydtheh (Nejmet El Sobh Women Cooperative).

**Annex 3: Excerpts from the Speeches given at the official meeting held at the Sugar Beet Cooperative on 26th May 2012.**

1. The collaboration among the two ministers Dr Hajj Hassan and Mr. Abo Faaour and the FAO has filled a big gap in the helping the poorest and neediest segments of the Lebanese population.
2. Helping poor farmers to improve their income and living standards may be considered the only way to make them stay in their villages and continue working in Agriculture.
3. The LRF FAO dairy project (Recovery and Rehabilitation of Dairy Sector in Bekaa Valley and Hermel – Akkar Uplands” (LRF-OSRO/LEB/901/UNJ) has and is still supporting small holder farmers in a very wide geographical area that expands from the southern villages of Rachyya to the northen borders of Akkar including all the Bekaa Mohafazat.
4. The number of farmers that were surveyed and involved in the project was more than 2000 distributed over 241 villages.
5. With the direct support and sponsorship of H.E. Minister of Agriculture, the project has achieved most of its goals especially in terms of improving the quality of milk and stabilizing of the milk price.
6. During this meeting 25 farmers that have shown distinguished results in the quality of their milk were given prizes and certificates of good performance.
7. The FAO project has encouraged the farmers to cultivate and produce forage crops by providing 115 tons of hybrid top quality seeds to about 600 farmers over three consecutive years free of charge.
8. Knowing that the feed price constitute 70 % of the cost of production of milk, and in order to help the farmers reduce their cost production, H.E. passed a project to subsidize Forage Crops Cultivation and Production. This project is of a budget of 125 million USD divided over 5 years where crop and dairy farmers shall benefit.
9. The Forage Project was studied in a mechanism that secures sustainable development of the dairy sector in Lebanon. The extreme transparency and monitoring shall make all the 3000 potential beneficiaries be reached.
10. During the meeting a sample of 50 farmers were granted concentrated feed vouchers in order to experiment the application of this strategy and to detect any drawbacks before the implementation at the large scale.
11. The LRF FAO dairy project will continue in its first phase up to September 2012. More milk cooling tanks and dairy processing equipment shall be provided to the remaining deserving groups and farmers. Follow up with cooperatives and primary milk collection and cooling centers and transportation trucks will continue.
12. In phase one also artificial Insemination workshops and training shall be conducted with procurement of the necessary instruments, containers, and materials.
13. Also in phase one we will be applying the same project activities already performed in Bekaa and Akkar to Mennyeh – Donnyyeh casa. Perform the preliminary survey, identify beneficiaries, prepare technical specifications, make the necessary procurement, and conduct all the regular training sessions and workshops.
14. A phase 2 of the project shall be launched immediately with a budget of 1.2 million USD. Its major title is the implementation of the Ministers promises.
15. Promise № 1 is to purchase 160 milking machines through the MOA budget and to be supplemented with another 400 purchased by the FAO project adding up to 580. These 580 milking machines will satisfy the needs of all farmers that lack milking machines in the areas of the project.
16. Promise № 2 is that no village or area where milk is produced shall be left without a milk cooling facility of some kind including the area of Donnyyeh and the North.
17. Included in today’s activities will be the opening of two milk collection and cooling centers, handing over of one milk transportation truck (truck number 10 – the last one available), and opening of one dairy unit.
18. Phase two of the project shall include the following objectives in addition to the above major ones:
* Protection of the standing achievements through communication and monitoring.
* Carry on the training and extension programs and expanding the subject matters and go into more details.
* Watch closely the work of the cooperatives and guard them from disintegration as it was observed in earlier experiences.
* Supervising the work of the milk collecting and cooling centers and the milk transportation trucks and make sure that all the parties are following the rules and conditions of safety and hygienic procedures along with democratic and fair cooperative and economical relations.
* Carry on the testing and laboratory analysis of milk as a method of controlling and improving the milk quality in general.
* Encourage small farmers to go into home dairy processing and helping them and the others that already have gone into that business in the marketing process. Providing them with the necessary equipment and the professional training and know how.

Annex 4: **PROJECT STEERING COMMITTEE MEETING**

Recovery and Rehabilitation of the Dairy Sector in the Bekaa Valley and Hermel Akkar Uplands

(OSRO/LEB/901/UNJ)

30 May 2012 – Padova Hotel

***Members of the PSC present in the meeting:***

**Ministry of Agriculture of Lebanon**

* Dr. Salah Haj Hassan – Advisor to the Minister of Agriculture

**FAO**

* Mr. Ali Moumen – FAO Representative in Lebanon
* Mr. Andrea Lazzari – FAO-Iraq (Operations Officer TCES)
* Dr. Markos Tibbo – FAO-RNE

**Other attendees**

**LRF**

* Miss Lyn Eid – LRF/M&E Unit
* Mr. George Nahri, FAOR-Assistant (Administration)

Ms. Mirna Slim, Administrative Clerk (FAO Lebanon)

* Dr. Chedli Kayouli, Int’l Consultant (Project Manager)
* Dr. Ziad Jaber, PNC
* Ms Joane Akl, PNC
* Mrs Joyce Trad, PNC

**Opening Session**

Dr Moumen opened the session by a warm welcome to all participants, and particularly those who arrived from Cairo and Amman. He has extended appreciation to the project team and the Ministry, LRF and MoF and MoE for their cooperation and support to the project.

Dr. Salah representing H. E. the Minister of Agriculture has opened the meeting by welcoming the participants, especially those who came from abroad. He emphasized the importance of cooperation and collaboration between the MOA and FAO and applauded the excellent positive impact the project is creating at all levels. He also conveyed special thanks to H.E. the Prime Minister, the Ministry of Finance, and the Ministry of Commerce for their sincere interest and distinguished support to Agriculture in general and to this dairy project in particular. Dr. Salah noted that the very small number of project staff compared to large area and missions required and demanded that the project staff should be increased. He did mention the revolutionary project of Forage Cultivation and Production of the Ministry (a National Project of USD 130 million for 5 years) which is a sister project of the on-going Dairy project. He has indicated that he will prepare a proposal for a new training and cooperation contract between the FAO and the MOA in relation to the forage project.

**Presentation by Dr Tibbo**

Dr. Tibbo has presented results of the assessment on small-scale dairy sector development in Lebanon which was studied by FAO consultant, Dr. Mohammad Farran. He expressed his admiration saying that the project should be replicated in other countries of the region. He appraised the collaboration among the different Ministries in the Government to support for the successful implementation of projects such as this one.

**Presentation of Dr. Kayouli**

Dr. Kayouli gave presentation on the history and achievements and expectations of the dairy project. He has explained the work plan with the proposed budget allocations of the available funds along with a detailed procurement plan for the remaining few (4) months of the on-going project (Phase I) whose NTE date 30 September 2012. He did mention that they are waiting for the leftover funds (about USD 270 000) from the LRF to be transferred from the forestry project.

As all members of the Steering Committee were available it was decided to hold the Steering Committee Meeting for Phase II of the project (LRF-26). Subsequently, Dr. Kayouli gave a detailed presentation of the second phase of the project (the project and the work plan). The areas which the second phase will cover include North Lebanon, Akkar, Hermel and Baalabeck, Bekaa, and some adjacent villages in the South and Koura. The number of direct beneficiaries shall be 2000 and the indirect beneficiaries of 1000.

**Miss Lyn Eid**

Miss Eid indicated that LRF is satisfied with the work and achievements of project in phase I and is looking forward for phase II with great anticipation. She did mention that arrangements for marketing of dairy products should be strengthened.

**Decisions taken**

1. Approved the work plan and budget allocations for the remaining period of the phase I of the project up to September 2012.
2. Approved the work plan and budget allocations for phase II of the project with the immediate launching of the project.
3. Approved to increase the staff of the project by two members one to follow up with administration and organizational matters of the cooperatives and second to follow up the implementation of technical training and issues regarding the forage cultivation and production.
4. Approved and appreciated the intention of preparing a new collaboration contract for capacity building between the MOA and the FAO Dairy project
5. Follow up and accelerate the transfer process of the leftover funds from LRF-14 to LRF-21. These funds shall be exclusively spent to cover and support activities and procurements for Donnyyeh – Mennyyeh Casa in the North.

**Annex 5: Project Budget Revision with Additional Allocation**

1. **Project Number:** LRF-21 (00070696)
2. **Project Title: Recovery and Rehabilitation of Dairy Sector in Bekaa Valley and Hermel-Akkar Uplands**
3. **Duration of Project (from – to): 01/05/2009 to 30/09/2012**
* **As per original approval:**
* **As per revised approval: 4/10/2010 (See LRF Approval)**
1. **Date of Revision:** 06/06/2012
2. **Total Refund of balance from the previous LRF 14 to UNDP New York:**

**US$ 284 908.58 (According to information received from FAO HQ (TCES) on** May 25, 2012)

**Exact amount of remaining balance (without interests) under LRF 14 project: USD 274 023 (TCES) on** May 25, 2012)

**Exact amount of remaining balance (without interests) under LRF 14 project to be transferred to LRF 21: USD 274 023 (TCES) on** May 25, 2012)

1. **Exact amount of Transfer of the remaining balance of funds from the closing LRF-14 project and increase the budget of the on-going LRF-21 project:**

**USD 274 023 (TCES) on** May 25, 2012)

1. **Reason for the Transfer / Revision / Increase of the Budget of the on-going LRF-21 project:**

The budget increase under LRF-21 will be used as follows: expand the number of beneficiaries by 300 poor farmers and increase the number of villages to include the District of Donneyeh in Akkar which is not included in the current geographical coverage. The project will immediately carry out the following activities:

* Conduct a field survey in Donneyeh to identify dairy smallholders meeting the criteria established for beneficiary selection;
* Constitute one or two Village Dairy Producers’ Associations (VDPA)
* Strengthen the capacity and knowledge of good livestock and dairy production techniques through on-farm training and extension programmes;
* Support resource-poor farmers with small equipment, including milking machines, milk cans and mini dairy processing unit to improve milk quality and hygienic dairy production practices;
* Establish primary milk collection and cooling centres.