Food and Agriculture Organization of the United Nations

Advancing rural advisory services to promote market orientation in Lebanon

Making rural services work for small-scale farmers

Policy brief

Executive summary

Rural advisory services play a crucial role in improving smallholders' livelihoods and reducing rural poverty by equipping farmers with the information, knowledge and skills needed to increase their productivity and profitability, to manage risks, and to engage effectively with markets. This entails diverse services that empower farmers to make informed decisions, manage their farms as sustainable businesses, and act collectively to improve economic operations. This wide range of rural advisory services that address agricultural productivity, as well as producers' organizational, management and marketing capacities, are recognized as market-oriented services. Such diverse services are often provided by multiple service providers from public, private and civil society organizations who engage in the delivery of services in different forms and capacities. Recognizing and leveraging this plurality of service providers has the potential to enhance the quality of services and inclusivity of the service system, ensuring that effective services are accessible to small-scale farmers and responsive to their diverse needs.

This policy brief highlights key considerations and recommendations for strengthening rural advisory services in Lebanon from a pluralistic and market-oriented system perspective. The brief draws on the insights garnered from an assessment carried out by FAO in 2021, in synergy with the Ministry of Agriculture (MoA) of Lebanon, as part of a broader regional study on advancing rural advisory services in Arab countries. The study contributes to regional processes aiming to leverage the role of extension and rural advisory services in better responding to the livelihood needs of small-scale producers and family farmers.

Background

Lebanon has a total land area of 10 452 square kilometres. Despite its small land area, the country is endowed with a wide range of bioclimatic zones and a high variety of vegetative distribution due to its topographic diversity. Agriculture and agri-food industries contribute about 10 per cent of the country's gross domestic product (GDP), with around 20–25 percent of the economically active population involved in the agri-food sector (ILO Regional Office for Arab States, 2014). Furthermore, agriculture accounts for up to 80 percent of economic activity in rural areas, providing employment for some of the poorest workers and a significant number of refugees. Syrian workers constitute the majority of farm labour, with an estimated workforce of 460 000 agricultural workers, up from about 260 000 before 2011 and the ensuing refugee influx (ESCWA, 2016).

Permanent crops such as fruits and olives cover 55.1 percent of agricultural land, while seasonal crops cover the remaining 44.9 percent, with 20 percent of land area dedicated to cereal production. According to McKinsey and Company (2019) crop production represents about 60 percent of agricultural output. Lebanon's major agricultural products by volume include fruits (citrus, apples, grapes, bananas), vegetables (tomatoes) and roots and tubers (potatoes). Livestock accounts for 40 percent of total production.

Small-scale and family farming represents the backbone of Lebanese agriculture, with 70 percent of farmers operating agricultural land of less than one hectare (Ministry of Agriculture and FAO, 2010). The majority of smallholder and family farmers operate in the realm of informality. Notably, out of the 212 000 people engaged in agriculture, only 8 percent are formally employed (Ministry of Industry, 2010). Women represent 9 percent of total agricultural holders. Generally, small-scale farmers engage in the production of fruits, vegetables, roots and tubers. Animal husbandry and dairy production provide the main source of income as well for smallholders in the rural and poorest areas of the country.

While small-scale farming concerns value chains with export potential such as cherry, citrus, olive oil, potato, and fresh fruit (FAO, 2020), farmers' effective participation in and benefits from value chains are constrained by several interrelated challenges. These include land fragmentation, limited access to resources, services and productive infrastructure, excessive costs of production, and low quality and volumes of production, leading to poor marketability and profitability. Inadequate infrastructure in both urban and rural areas (i.e. roads, ports, air transport, electricity, and postharvest facilities) further hamper farm business and marketing activities. Notably, farmers lose around 30 percent of their perishable produce due to lack of adequate post-harvest infrastructure (ESCWA, 2020). Quality control laboratories and certification facilities for import and export and early warning systems are insufficiently available. In addition, the costs of mobile subscriptions are prohibitive and network quality is limited. Management of water sources is inadequate, with large quantities of water being lost through leakages due to the derelict distribution network and with high costs of irrigation systems.

The demographic, economic and infrastructural challenges deriving from the protracted crisis in neighbouring Syria, the financial crisis that has been affecting Lebanon since 2018, and the repercussions of the COVID-19 pandemic, have further intensified smallholders' vulnerability, compromising their livelihoods and resilience. The financial crisis affected farmers' ability to cover their farming expenses in advance, while input supply companies have been facing a 50 percent reduction in their turnover (FAO, 2020). With the depreciation of the Lebanese Pound (LBP) by 83 percent, and cash flow problems, imports of some products were discontinued. For producers, the cost of production has increased by more than 50 percent across various agricultural systems, while the cost of basic agricultural inputs has risen by 400 percent (ESCWA, 2020).

This policy brief highlights key considerations and recommendations for strengthening rural advisory services in Lebanon from a pluralistic and market-oriented system perspective. [1] The brief draws on the insights garnered from an assessment carried out by FAO, in synergy with the Ministry of Agriculture (MoA) in Lebanon, as part of a broader regional study on advancing rural advisory services in Arab countries. The study contributes to regional processes aiming to leverage the role of extension and rural advisory services in better responding to the livelihood needs of small-scale producers and family farmers.

The study was conducted in line with FAO's framework for pluralistic and market-oriented service systems (FAO, 2017) and related guidelines for analysis and programming (FAO, forthcoming). It reviewed the main policies and broader contextual factors affecting the access to and provision of rural advisory services; explored the main challenges affecting small-scale and family farmers engaged in the horticulture and livestock sector focusing on all governorates of Lebanon, except Beirut. It probed the complexity of the service system, looking at the experiences of a number of service providers from the public sector, the private sector, the civil society, and producer organizations and cooperatives, considering aspects related to inclusive outreach, service relevance, coordination, funding and capacities. Two stakeholder consultations were organized to engage with key actors and seek their insights and feedback at different stages of the study (FAO, n.d.).


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1 A pluralistic service system is one where services are provided by different actors (public, private, NGOs, POs and cooperatives including informal providers) and funded from different sources.

Rural advisory services in Lebanon

In Lebanon, pluralism in service provision is prevalent, with a multitude of service providers from different sectors offering diverse services, according to their capacities, expertise and mandate. Main actors in service provision include the Ministry of Agriculture at the central and decentralized level; the Lebanese Agricultural Research Institute (LARI); private agricultural input supply and agribusiness companies; international cooperation projects, implemented by United Nations agencies, international and national non-governmental organizations (NGOs) and community-based organizations (CBOs), along with private sector companies; chambers of commerce, industry and agriculture; agricultural research and higher education institutions; municipalities; well-established farmers' associations and cooperatives; and to a limited extent, paid individual experts and advisors, albeit mostly for large-scale producers. Notwithstanding some successful cases, these actors often do not operate within a well-coordinated and regulated system. As such, their efforts are often fragmented, duplicated or inadequate. Persistent gaps remain in geographic or service coverage in some sectors, or for certain categories of farmers, mostly affecting small-scale producers.

Several policies and strategies of different line ministries concern the agricultural and rural development sector, bearing direct or indirect connections to rural advisory services and to market-oriented farming of relevance to small-scale producers. However, coordination among line ministries in the implementation of the above policies has been inadequate, leading to missed opportunities for leveraging complementarities towards wider impact. The National Agricultural Strategy (NAS) 2022-2025, developed by the Ministry of Agriculture, recognizes the need for effective coordination, and envisages the establishment of multi-stakeholder and inter-ministerial mechanisms to foster well-coordinated and harmonized policy formulation. NAS addresses modernizing extension services and strengthening capacities for delivering farmer-focused services while fostering digital technologies. In this respect, the strategy recognizes pluralism in service delivery and the need for improved coordination as a priority for advancing service provision. Still, coordination mechanisms at the territorial and regional level are yet to be defined, especially in relation to the plurality of actors and their specific roles.

In terms of capacities, a number of interrelated challenges have contributed to the public sector's reduced ability to provide adequate extension services, including: (i) limited human and operational resources, logistics and proper tools or technologies affecting outreach and coverage; (ii) lack of political and financial support; and (iii) pressure to take on additional tasks without adequate resources. As of 2021, there were about 100 extension agents (31 percent are women) under the MoA in the 34 agricultural centres operating across the country. The public budget to support the sector has been largely insufficient or unpredictable, with budgetary cuts hampering the delivery of strategies in some cases. The MoA's budget has remained well below 1 percent of total government expenditure since 1994. This limited budget is mostly allocated to recurrent expenditures and salaries, with little funding left for operations and services addressing farmers' needs (e.g. advisory services, training, transportation, information, communication and education materials). Notably, public extension services lack an effective monitoring and evaluation mechanism to support learning and to inform results-based management and decision-making.

National and international NGOs deliver a wide variety of extension and rural advisory services to farmers and rural communities, often filling some shortage of public services. Particular support is provided to the formation and strengthening the capacities of cooperatives and organizations among rural communities. However, the work of NGOs is often fragmented, lacking in coordination, continuity, and mechanisms for sharing of good practices and lessons learned. Addressing issues of sustainability and coordination to avoid duplication is therefore needed.

Small-scale farmers value cooperative work and peer learnings; they appreciate the support of producer organizations (POs) particularly for marketing purposes. However, POs and cooperatives are generally weak, with limited participation of women. They often lack the capacity to elevate farmers' voice, and fall short of providing services and advancing collective economic operations and market access. Also, the perception that some cooperatives do not enforce collective decision-making and equitable distribution of profits compromises farmers' trust in these vital institutions. An outdated legislative framework for cooperatives limiting their establishment has further challenged efforts towards capturing the economic benefits of collective operations and capitalizing on their role in service provision.

The private sector actors providing services to smallholders include mostly input suppliers and market traders. Traders in wholesale markets and input suppliers also represent the most accessible source of credit for small-scale farmers, often coupled with advice on crop varieties and agrochemicals. The dependency relationship with input suppliers as both technical advisors and creditors has led to a disproportional use of agrochemical products, affecting the quality and marketability of produce. This calls for adequate quality assurance and accountability measures that secure farmers' interests and ensure impartiality of advice. Bundled services combining provision of technology with advice and marketing support are also common, and considered effective by smallholders, along with field-based demonstrations and farmer field schools. The COVID-19 pandemic has accelerated the adoption of digital advisory tools and social media platforms, particularly by providers from the private sector and NGOs, for disseminating technical and market information and facilitating collective marketing. Despite the potential of these tools, issues of accessibility and credibility of information exchanged remain as obstacles.

In its current setup, the service system inadequately responds to the main challenges that have been affecting farmers' activity in recent years regardless of location, gender, and landholding size. This includes: (I) the national financial crisis and the devaluing of Lebanese currency; (ii) high input costs and their limited availability; and (iii) the COVID-19 pandemic and the consequences of its containment measures on production and marketing activities.

Despite the notable presence of multiple service providers from different sectors, a large number of farmers, irrespective of gender, lack access to extension and rural advisory services, ultimately resorting to their own knowledge and peer farmer advice or media sources. Often services are considered not relevant and hardly accessible due to transportation costs. The COVID-19 pandemic has further constrained farmers' access to markets and advisory services. Thus, adding to the above overarching challenges confronting smallholder women and men farmers, who already experience low profitability, due to low selling prices, price fluctuations, dependence on wholesale traders and limited access to markets. Low productivity is an added factor, connected to the prohibitive costs of inputs such as quality seeds and fertilizers and their limited availability, coupled with poor infrastructure, and inadequate services and advice related to production practices, farm business management and marketing support. Furthermore, limited access to credit services and finance prevents smallholders from deploying capital-intensive technologies, employing specialized labour, and investing in skills development.

To effectively respond to the above challenges, a wide range of market-oriented rural advisory services is required, involving a broader scope of content and competences of service providers. Extension and rural advisory services need to mobilize both technical capacities and farm business management skills to support farmers in enhancing their farm productivity and profitability. This, in turn, requires engaging multiple service providers, as well as education and research institutions both public and private in developing relevant capacities to support market-orientation and ensure responsive, age- and gender-sensitive service provision.

Moreover, conducive policies, regulatory measures and coordination mechanisms are needed to enable effective collaboration among the pluralistic providers of diverse services (e.g. market information, marketing, mechanization, business and finance) and from different sectors. This includes innovative partnerships that pool together various skills and resources from different actors for an effective and inclusive delivery of market-oriented services from a territorial perspective.

Going forward

Extension and rural advisory services play a central role in empowering farmers with the knowledge and skills to overcome various production, management and marketing constraints that affect their productivity, profitability and livelihood. Addressing challenges facing the agricultural sector and achieving inclusive growth in rural areas therefore calls for ensuring effective rural services that are responsive to the needs of all men and women farmers, especially the small-scale and most vulnerable ones. To this effect, the following recommendations are proposed for advancing rural advisory services in Lebanon to play its conducive role in agri-food system and rural transformation.

1. **Promoting a conducive policy environment:** this includes ensuring policy coherence and improving governance of the service system, putting in place policies that:
   i. promote inclusivity, equality and effectiveness in service provision;
   ii. incentivize private sector and civil society engagement in the provision of pro-poor market-oriented services;
   iii. allow targeted investments in services and market infrastructure for smallholders;
   iv. mitigate or prevent ecological and social risks (do no harm);
   v. identify clear roles and responsibilities for actors in the service system at the central and territorial level, with the public sector taking the lead in regulating service provision and promoting accountability and quality assurance; and
   vi. leverage institutional coordination for more effective support, ensuring complementarity of services, effectiveness of delivery and increasing service coverage and inclusivity.
2. **Amplifying farmers' voice and ensuring inclusive policy and programming.** This includes:
   i. recognizing that different categories of farmers require diverse types of services at various points in time;
   ii. supporting effective demand articulation to enable farmers and their organizations to engage in policy dialogue;
   iii. creating space for stakeholders to contribute to decision-making and formulation of programmes, and monitoring and evaluation of service delivery;
   iv. establishing feedback channels and grievance mechanisms to increase responsiveness and accountability; and
   v. reinforcing the role of POs and cooperatives as service providers, developing organizational capacities, including management and business skills, negotiation, and advocacy skills (agency, voice, lobbying and policy-dialogue), as well as partnership and networking skills (to take on effective partnership and/or coordination roles).
3. **Enhancing capacities for effective, coordinated and responsive service delivery.** This entails:
   i. establishing networks to link different actors, promote knowledge exchange, and access to reliable information sources, building on lessons learned from existing platforms;
   ii. creating coordination mechanisms to leverage complementarities amongst different actors to increase accessibility and responsiveness of services;
   iii. mobilizing investments across the service system, including in human capital, information systems, service provider registries, innovative digital solutions, and participatory monitoring, evaluation, and learning;

iv. sensitizing service providers to the diverse needs, constraints and realities experienced by different farmers and population groups, including gender- and age-related differences; and
v. designing integrated capacity development programmes, strengthening formal and informal training and education for service providers on the diversity of technical, vocational, business, organizational and social skills, and competencies.[2]

A final word, for a country facing critical financial and economic crises, sustainable funding and staffing will continue to be a major challenge. Innovative and practical financing mechanisms and service arrangements need to be implemented, incentivising private investments in pro-poor services and social responsibility initiatives. Having in place appropriate and well-managed coordination mechanisms and service arrangements would go a long way towards enhancing the complementarity of services, effectiveness of delivery and increasing service coverage and inclusivity of the service system.

2 This may include technical content, gender- and age-based analysis, participatory approaches, networking, communication, business management, organizational development, linking producers to markets and/or to financial services.

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