

The Lebanese Terroir: a challenge of quality

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I. Introduction: Traditional Lebanese products can contribute to rural development and to the preservation of culture and landscape

Nearly half of the population of the Arab World lives in rural area where it suffers from endemic poverty (Christensen et al, 2007). According to a recent UNDP study, 30% of the Lebanese can be categorized as poor, with around 8% living in extreme poverty (Laithy et al, 2008). About 10% of the people are rural, but in the poor districts like the Akkar in the north of the country, this can climb up to 70%. Agriculture's share of the GNP is 6-8% and declining. This decline is negatively affecting the rural poor who still rely on farming as an important component of their livelihoods. It is also contributing to the breakdown of the traditional food production systems and to the loss of precious indigenous knowledge and to the degradation of agro-biodiversity. There is an urgent need for rural development centered on the preservation of local food production systems and of rural culture.

While Lebanese agriculture is in decline, Lebanese cuisine is in full growth. There are Lebanese restaurants in most major cities in the world, all offering a wide variety of Levantine dishes. The Lebanese terroir is rich in traditional food products¹ which are essential components of its reputed cuisine. Examples include rose water and orange blossom water, which are widely used in the manufacture of sweets; as well as pomegranate molasses which is used to impart a sour, fruity taste to foods.

While many of these products are still locally made in individual households for people's own consumption, they have also become mass-produced by the local agro-food industry. Many rural cooperatives specialized in traditional foods have also sprouted over the past ten years, and have flooded the market with products of varying quality. In the absence of any quality control system or of unified "cahier des charges", consumers are left in the dark as to the origin, ingredient and quality of what they decide to purchase and consume. This lack of trust and reliability seriously limits the potential of the terroir to serve as a catalyst for sustainable rural development.

Traditional food products have gained recognitions as significant contributors to rural development through value adding and economic diversification. They constitute more than 10% of the total foodstuff market in France and Italy, a share that is in constant growth. Terroir products are perceived by the EU as a component of the shift from quantity-based production to quality-based production. Bruce and Clemens (2004) attribute to traditional products the potential to "revitalize rural areas by improving returns to small and medium-sized enterprises", due to the more equitable sharing of power and control of production and promotion, and to the equitable distribution of

¹ In this paper, we will use the term "traditional" or "terroir" synonymously to mean local products with a strong association to a territory and the quality and reputation is attributed to its geographic origin and to a specific production method. (adapted from Barjolle et Sylvander, 2005)

profits. Interest in the use of traditional foods to enhance rural development is spreading from its birthplace, Europe, to countries in other continents such as China and India.

However, it must be noted that the benefits of the commercialization of traditional products go far beyond the simple economic benefit. There are also social, environmental and cultural gains to be made, including the reduction of rural to urban migration, the protection of the landscape, the conservation of precious know-how and of culture, heritage and traditions (Barjolle, D., Chappuis, J-M., and Dufour M., 2004).

II. Marketing is the main problem of traditional products. For marketing to work, a good traceability and good quality control system is needed.

The potential contribution of traditional products to rural development in Lebanon is significantly curtailed by a number of limiting factors which include:

- A weak legislative framework for regulating the production aspects.
- Difficulties in establishing collaborative work arrangements such as coops.
- Poor marketing channels and broken supply chains.
- Limited "modern" know how which could help improving quality and productivity.
- A wide quality information gap between producers and consumers.

These limitations are similar to those reported from international experience. Producers of traditional products are often small firms that are more product-oriented than market-oriented, and they usually lack a good sales strategy (Albisu, L.M., 2002). However, a sound marketing strategy is precisely what is needed, as these products are usually manufactured in remote rural areas, away from the location of the urban customers.

In recent years, conventional market channels have started to show interest in marketing regional and traditional products. Supermarkets in Europe now routinely stock and promote these products (Van de Kop et al, 2006). However, accessing high-end consumers and selling through the major retail channels requires providing a strict guarantee of quality. The behavior of the consumers of terroir foods has been undergoing gradual change lately. They now require not only much higher dietary, hygienic and health standards in the products they buy, but also look for certification and reassurance of the product's origin and production methods (EC, 2004).

It is the realization of these requirements that has pushed the Lebanese wine producers, for example, to lobby for a Law on Wine, which was promulgated on May 29, 2000. This law regulated the identification of wines according to their origin. However, the institutional framework for the implementation of the law is still imperfect, and in the absence of a body vested with the responsibility of controlling the respect of the geographic indications, it may remain of minimal use.

While some advances have been made in the case of the Lebanese wine industry, which is well organized and capitalized, none have been made at the level of the other traditional food products. This is in great part due to the absence of a central policy that emphasizes quality as an essential component of a food and farming strategy, and to the small size of the local food production enterprises. A study by the Lebanese Ministry of Industry (MOI, 1998) indicates that 95.2% of the enterprises in Lebanon are small enterprises, 4.2 % are medium enterprises and 0.6% are large. The large enterprises and some medium enterprises are conscious of quality control measures and certification. However, the small farmers and most of the medium enterprises have not adapted their manufacturing process to the higher sanitary requirements necessary to penetrate the high-end market. According to experts from the Ministry of Economy and Trade (MOET), it appears that there is practically no traceability in Small and Medium Enterprises (SME) in Lebanon. Some large food industries, which have a significant export market, have voluntarily adopted sanitary quality control standards such as HACCP, which imposes a degree of traceability. In the local market, quality control is absent and the consumers' protection office is paralyzed by under-staffing and unclear mandates. The Ministry of Agriculture practices some quality control of fresh agricultural produce, but this is often limited to bureaucratic procedures. Although there is a Lebanese governmental office specifically dedicated to publishing norms and standards (LIBNOR), it is unclear if abidance by these norms is controlled, except for some key products such as flour which is controlled for ash content, moisture and acidity but not for sanitary or taste quality attributes. Traceability is very mediocre in dairy products and absent in the olive oil sector especially in the traditional semi-industrial pressing. Fruits and vegetables, cereals and grains, herbs and medicinal plants have to abide by international quality standards only when they are destined for export. Local wholesale markets are often the dumpster of products of undetermined quality which cannot satisfy the export quality requirements.

International experience shows that large firms (not necessarily specialized in GIs) are generally more able to meet those requirements than the smaller ones (often specialized) (Sylvander, 2007). In Lebanon, the implementation of quality standards for terroir products is curtailed by the limited education level of most producers and by the difficulty of engaging into western-type certification processes. Poverty plays a negative role here: small producers can rarely afford the cost of certification of a quality assurance system, even if they are able to adopt it. This is why the main mission of development projects aiming at valorizing the Lebanese terroir has been to address issues of quality control and traceability.

III. Many projects in Lebanon are involved in the promotion of traditional products.

Lebanon is a country where development aid is a prime mover of rural development. A large number of NGOs are engaged in the process, usually receiving funds from Western donors. In the past 5 years, a large number of projects have been initiated with the aim to enhance rural economic opportunity through the improvement of the production of traditional foods. Among these one can list the following projects:

1. Support to local agricultural markets as a mean to promote the development of agricultural production in Lebanon. This project is funded by the Italian Cooperation program (ROSS) which followed the Israeli aggression on Lebanon in July 2006. It is implemented by the Italian NGO UCODEP in collaboration with Slow Food Italy and Slow Food Beirut. The project involved carrying out a detailed inventory of the most renowned traditional foods of Lebanon and the establishment of 3 producers markets in the cities of Beirut, Saida and Tripoli. These markets are part of the international network of farmer's markets "Earth Markets" (Zurayk, 2008). They promote direct sales and short supply chains and local foods, produced according to the Slow Food principles: Good, Clean and Fair. The markets count today more than 30 producers who expose their products. Some of these are individuals and others are cooperatives.

In addition to the Earth Markets, the project includes a component dedicated to the exploration and documentation of local Lebanese foods, of the terroir from which they emerged, and of the people who produce them. A book in English, "From `Akkar to `Amel" has been published on the subject (Zurayk and Abdel Rahman, 2008).

2. Activation of Mechanisms to sustain rural territories and communities in Lebanon (TERCOM). This project is also financed by the ROSS program and implemented by CIHEAM-IAM Bari in collaboration with the Lebanese Ministry of Agriculture and the Lebanese National Center for Scientific Research. It includes a number of components, among them **The National Observatory for Women in Agriculture and Rural Areas (NOWARA)** which was initiated in 2007, with the technical support of ONILFA (National Observatory for Female Enterprise and Labor in Agriculture) of the Italian Ministry of Agriculture (MIPAF). The principal goal of NOWARA is "the promotion of territorial development through the valorization of women entrepreneurship and the creation of innovative dynamics related to the work and employment of Lebanese women in the agricultural, agro food and rural sectors." NOWARA has not yet become fully functional, but its importance lies in the fact that it is a governmental body rather than a local NGO, which implies that once initiated, the program will become more sustainable and will have a larger degree of independence from foreign funding.

The TERCOM project also published the first complete "Atlas of the Lebanese Traditional Products" which was co-funded by the Apulia Region. This document documents most of the artisanal products of Lebanon, including traditional foods and handicrafts.

3. The Women Economic Empowerment Program (WEEP) and the "Namlieh" project. This a project of the Collective for Research and Training on Development-Action (CRTDA), a Lebanese NGO that focuses principally on women's issues. The project is funded by the Canadian International Development Agency (CIDA) and Oxfam Great Britain. Namlieh is a store located in a central area of Beirut where products from rural women's food production cooperatives and individual producers, mainly from South Lebanon and the Bekaa, are marketed. The goal is to support "rural women

cooperatives and producers in identifying, accessing and developing new market outlets for their products.”

4. Projects associated with the USAID program on Expanding Economic Opportunities. This program was developed in the late 1990’s-early 2000s in order to enhance the livelihood of rural people. A number of US-based NGOs have been involved in its implementation, including SRI (Stanford Research Institute), YMCA (Young Men’s Christian Association, Mercy Corps and ACDI-VOCA. The improvement and marketing of traditional foods was an overarching theme of the program, in which the US poured tens of millions USD. For example, ACDI/VOCA’s Action for Sustainable Agro-Industry in Lebanon (ASAIL) project was implemented between 2005 and 2008, for a total cost of \$6.9 million program. The project aimed to develop the niche products of Lebanon including traditional foodstuff. It relied principally on increasing the efficiency of input, production, processing and marketing in Small and Medium Enterprises (SMEs). YMCA implemented a similar project “From Local-Level Cottage Industry to Sustainable Economic Development Venture” which offered support to women’s cooperatives throughout Lebanon. The project sought to introduce standardized food processing techniques into the production of traditional food products. The products were branded and marketed in Lebanon and abroad.

5. The Geographic Indication Project of the Ministry of Economy and Trade (MOET). The project was funded by the Swiss Ministry of Foreign Affairs in the context of the Free Trade Agreement between the European Free Trade Association (EFTA) states and Lebanon, and implemented by Agridea. It aimed at defining an adequate system for the protection of Geographical Indication (GI) in Lebanon. The project objectives included the identification of products that could potentially obtain a GI appellation, developing the legislative framework that can ensure an effective protection of GI products, support technically the group of producers in drafting the legal documents for the registration of GIs at the Ministry of Economy and Trade (MOET) and provide the necessary information to and work with the supply chain actors on agricultural, organizational and economical aspects of geographical Indications.

IV. Focus on Quality. Case studies: How did the GI project and the Earth Markets address issues of quality control and traceability?

The Earth Markets and GI project describes above (III.1. and III.5.) provide interesting cases to study how two projects which are premised on quality assurance and traceability can operate in a country where traceability and quality control are practically inexistent.

1. The Earth Market: building trust through individual commitment.

The Earth Market is primarily a quality fresh or processed food market. Earth Market’s unique selling proposition is a Good, Clean and Fair product, which reflects its influence by the Slow Food movement. Products must taste good because the right to pleasure is a fundamental human right, and eating should be a pleasurable activity. They should be clean because food should be safe to eat and it should be produced with minimal

environmental impacts. They should be fair in order to promote social justice by helping food producers to receive fair compensation for their work.

In order to hold the promise of Good, Clean and Fair, the Earth Markets, which are managed by Slow Food Beirut in collaboration with the producers, have opted to engage in a contractual relationship with the vendors. All producers must sign a contract that includes an “autocertification” clause in which they accept to adopt the “Good, Clean and Fair” principle. Examples of conditions include the exclusion of GMOs from any product sold in the market (also called Souk el Ard, Arabic for Earth Market).

Both parties to the contract agree on the following:

- 1) Prior to participation in the market, the producer will be briefed on the Market concept.
- 2) The producer will need to fill the *autocertification* form and sign it.
- 3) All the information contained in the form has to be current.
- 4) The agreement is based on mutual trust.
- 5) The project staff can make a field visit to the producer at any stage to verify that information contained in the *autocertification* is correct.

The implementation of the rules and conditions laid out in the contract are left to peer to peer observations as well as to a self imposed honor code.

Both the peer and the honor systems require excellent group cohesion and good internal dynamics. The Earth Markets have strived to achieve this feeling of belonging using a number of approaches: 1) regular meetings 2) fostering a feeling of shared responsibility by involving the producers in activities and events 3) nurturing mutually beneficial rapports between different producers and 4) group participation in international events and fairs.

The GI project: developing a vision for a certifying organism.

In order to fully benefit from the reputation of Lebanon’s traditional food products, the Lebanese Government has taken the initiative to develop a strategy to protect the Lebanese Geographical Indications. This was achieved by defining an adequate framework for GIs and proposing the required regulatory framework for implementation. Detailed inventories were carried out on 39 agro-food products to determine their potentiality to be protected as GI products. Several aspects of these products were studied: method of production, quality control aspects, social aspect, economical aspects and legal aspects. A GI law and a regulatory framework were developed to address the various aspects of GI registration, including quality control.

Control among diverse actors in the supply chain of a GI appellation requires measures to be taken at each level. There are various approaches that may be involved in the process. They include:

- Individual operator practicing auto-control.
- Internal control conducted by the consortium managing the sign of origin.

- External control entrusted to a third party control organism.

A review of current international experience indicates that there are at least 3 types of organizational arrangements that conduct quality control of the GI appellations. These are 1) private, 2) public or 3) multi- integrated certifying bodies including public and private representatives. To be successful, any strategy for an appropriate quality control system for GIs must meet the farmers/producers' needs. The farmers/producers must also show readiness for this system which should fit with their educational, production, social, economical, and political characteristic. The initiation of a certification body for GI products, whether private, public or semi-private, should take into consideration the ability of those producers to interact with the quality control measures needed to maintain the product's typicity and authenticity along the production process.

A review of the literature indicates that the countries of Southern Europe have given great importance and have allocated material support to the certification of GI products (France, Italy, Spain and to a lesser extent Portugal). Northern European countries have simply acted as administrative intermediaries between the concerned professions and the European Community. In Greece and Spain the control body for GIs is done effectively by a public authority, whereas in Italy, the control is carried out by the public authority for the small volume enterprises. In Switzerland, control is implemented by a private and public body (Barjolle and Sylvander, 2000). However, it appears from the analysis of Boisseaux and Barjolle (2004) that traditional producers may find it difficult to adapt to modern quality control requirements, and that small enterprises, in Europe as elsewhere, require support in meeting the certification costs.

It appears, therefore, that developing a national regulation for the quality control system for the GI system and identifying the most appropriate type of quality control organism requires a good situation analysis and a systematic examination of factors that may impinge upon the objectives and performance of the system throughout the entire supply chain. The GI project addressed this issue by:

- 1- Evaluating the readiness of the Lebanese farmers to adopt a quality control system.
- 2- Identifying the most appropriate form of quality control for Lebanon
- 3- Validating the findings with a case study. This case study took a dairy product (Ambarees Baalback) as its subject, and studied the readiness of producers to meet the quality requirements in order to ensure the typicity of the product.

The findings of the study were aligned with the reports of the literature: it showed that the large enterprises have greater potentiality to be certified by a private and semi- private certifying organism than the medium and small enterprises. This is due to their ability to interact with this type of certifying body, and their preparedness to meet standards, control and regulations in addition to their ability to withstand the cost of the certification.

A few of the medium enterprises showed readiness and preparedness for control by the private and semi- private certifying organisms. However, small enterprises and rural

producers may need a public certifying organism, as few can bear the cost of private certification. Moreover, the need for financial and technical support in meeting the certification requirements create a demand for a public certifying body who could follow the producers' development and help them establish their own quality control and auto-control system.

Conclusion and the way forward: draw parallels with the evolution of the Lebanese Organic sector.

Richness and diversity of the terroir is an essential but insufficient requirement for enhancing the contribution of traditional food products to the local rural economy. Issues of certification, quality control and traceability are vital to the establishment of sustainable value chains. In Lebanon, this element remains one of the most important, but possibly least addressed.

There have been, in the past few years, a number of initiatives aiming at localizing products and at valorizing the terroir. Most, if not all, have a strong quality control and certification component. However, projects, especially when funded by foreign aid, have a short implementation span. It is common that most of the advances made in the certification and quality control fields end with the end of the donor funds.

The recent experience of a similar sector, the organic sector, may offer some inspiration. The organic agriculture (OA) movement started in Lebanon in the late 90's through private initiatives (environmental NGOs and universities). In absence of any regulatory framework, those initiatives adopted the EU regulations on OA (EEC No. 2092/91) and hired the services of European inspection and certification bodies. This was needed in order to offer a guarantee to consumers who were confused by the proliferation of products carrying a label with no certification to show. It was not until 2003 that the "national Lebanese standards on OA" were drafted by a technical committee composed from representatives of the main stakeholders in the sector and representatives from governmental institution. While the standards are still awaiting legislation, the first Lebanese certification body "LibanCert" was established in December 2005, and currently offers certification to more than 100 Lebanese small and medium organic farmers. These certifications are often subsidized by development projects (Zurayk and Touma, 2006).

The GI law has been adopted by the Council of Ministers in 21 May 2007 and is now awaiting ratification by the parliament. The rules laid down by the Lebanese GI law have created the need for the creation of a third party certification body that can carry out inspections. While private sector certifiers remain a relatively easy and attractive option, it must be remembered that the vast majority of Lebanese operators are small and medium enterprises who may not be able to afford the cost of certification. Here, a system of subsidies similar to that adopted by LibanCert might prove to be useful.

While the experience of the Earth Market shows that it is possible to adopt a consensual system with a large degree of success, our observations indicate that such systems operate

best within a small, tight-knit community that is bound together with a quasi-ideological commitment to a clear vision. It is unlikely, however, that this may be up-scaled to the level of a whole country. The need for a fair and supportive certification mechanism to help in the development of the terroir economy is prominent. It is our recommendation that the Government of Lebanon engages without delay in the creation of a public or semi public body that can help turn the terroir into an effective development tool.

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