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Welcome Note

Our newsletter, published with the support of the United States Agency for International Development (USAID) through Lebanon Business Linkage Initiative (LBLI), is yet another means of communication with our colleagues in the Lebanese food industry and complementary sectors.

Lebanese industry has persevered through the years of war, and today faces a new set of challenges in trying to cope with the regional and international economic climate.

We are meeting these challenges through cooperation agreements, the development of trade exchange between Lebanon, the Arab States, Europe and the United States, and through regulating the industry to procure its main components of sustainability.

This publication serves as a forum for the Lebanese food industrialists' concerns, opinions, and ideas. It conveys the syndicate's activities like the Agro-Food Industries Vocational School and participation in various events and international exhibitions.

We wish all our stakeholders continuous success; it is through their cooperation that the syndicate can succeed in its efforts to support and develop the food industries sector in Lebanon.

Georges Nasraoui
President of the Syndicate



Agro-Food Industries in Lebanon

A Remarkable History and a Promising Future

Doris Saad, Journalist

Lebanon's agro-food production and cuisine are deeply rooted in its history and enjoy a great reputation worldwide. What are the origins of the agro-food industry in Lebanon? Where does it stand today and how is its future perceived?

Mr. Atef Idriss, founder of the Syndicate of Lebanese Food Industrialists, and Mr. Raja Cortas, syndicate treasurer, spoke of the legacy and future of the agro-food industry in Lebanon.

The history of the food industry in Lebanon dates back to ancient civilizations. In the 19th century, with worldwide Lebanese migration, agro-food industries and product exportation grew to adopt consistent patterns and conform to international standards. Although Lebanon is a small country with limited agricultural resources, it has the capacity to be self sufficient through a variety of high value products, given the existence of the proper economic climate.

The syndicate plans to improve the sector through building strong relationships with other industries and economic groups, approaching international donors to fund training programs, participating in regional and international exhibitions and taking an active role within the Agro-Food Industries Vocational School.

The Lebanese food industry occupies a small share of the global and regional investment market, although its products were highly evaluated by European and American consumers. More hard work is needed to improve local products and fulfill the needs of export markets.

With the high cost of production, Lebanese agro food industries are expected to move towards producing high value products. The Syndicate undertakes internal strategic assessments, while striving to keep the external factors, and specifically the governmental decisions, positive.

The cooperation of all stakeholders is needed to drive this historic and distinguished sector forward towards growth and prosperity.



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LBLI

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SLFI and LBLI Collaborate for Sustainable Success

Lebanon Business Linkage Initiative (LBLI) is a three year project, funded by the United States Agency for International Development (USAID), with key objectives to support the Lebanese industrial food sector and create economic opportunities in Lebanon's rural sector.

Based on its assumption that Lebanon's large import of fresh food produce could be replaced by locally grown produce, LBLI has been collaborating with SLFI whose objective is to promote the Food Industry sector in Lebanon.

LBLI has been working on a dual implementation approach: first linking local farmers with local processors through incremental trust-building steps, and second improving the competitiveness of processors through increased production efficiency emphasizing improved product quality.

In 2009, LBLI and SLFI developed a strategy to support interested SLFI members willing to invest time and money to improve their competitiveness in the US market. That strategy was implemented in the last two years through training in marketing approaches to penetrate US specialty markets, training in the preparatory steps to attending US Food Fairs, in addition to LBLI hiring US brokers to facilitate importation procedures and to identify new distribution channels.



Additionally, technical factory visits were arranged by manufacturing engineers that led to equipment up- grading and production recommendations.

Through LBLI and SLFI approximately 15 participating members achieved significant levels of success, measured both in sales increases, and an increase in the amount of Lebanese fresh produce sourced from local producers. One small family-owned company created a new product category under a new brand specifically targeting US consumers instead of the limited ethnic market that Lebanese processors traditionally compete in. This allowed the company to secure orders from *COSTCO*, a major global retailer, and *Kroger* a large US supermarket chain. Another company was able to enter *Safeway Supermarket* a major mainstream food retailer in the US.

SLFI and LBLI collaborated on an agreement in 2011, whereby LBLI provided a grant to SLFI in order to support activities leading to improved services provided to SLFI members. Under this grant, SLFI is upgrading its website (www.slfi.org.lb), publishing the newsletter you are now reading, hired a full time Marketing Advisor trained by LBLI's staff, and supported SLFI's National Food Day held during the HORECA show.

The LBLI/SLFI partnership has led to greater sustainable results underscoring USAID's and SLFI's commitments to supporting the Lebanese food industry. This ongoing collaboration has increased incomes and opened up new horizons and opportunities in the agricultural productive sectors.





Exploring Opportunities in the Food and Beverage Sector

Marwan Mikhael, Economist

The Lebanese Food and Beverages sector has huge opportunities of growth locally and in two major external markets: namely the GCC countries and Europe.

The food service industry in the Middle East was valued at over 32 Billion USD in 2009. The import bill of the GCC countries alone amounts to 12 Billion USD. Lebanon is well positioned to serve these countries for two main reasons: its climate makes it one of the most agriculturally productive markets in the region, and it is in close geographic proximity to the GCC countries.

Years ago, Lebanon signed the Euro-Mediterranean agreement and began to benefit from duty-free entrance of its products into the European Union. There is a quota on the exportation of food products that Lebanon is not fully taking advantage of, as its exports fall below these quotas.

Part of what is hindering Lebanese food exports to the EU is compliance with European standards. Therefore there are great opportunities for industrialists to invest in the food and beverages sector and apply quality standards that fit the conditions of importing countries.

On another front, other international agencies are helping the development of the agribusiness sector in Lebanon. USAID has several projects in the works, including a program to enhance Lebanese agricultural products' quality control and certification.

Compared with the tourism sector, investing in agro-industry for export purposes has the advantage of not relying on domestic political stability but rather on the conditions in the usually more stable destination countries. The agro-industry is also less volatile in relation with economic growth since some of its products are considered basic necessities, and thus less elastic to economic conditions.

The importance of the agro-industry is that it absorbs domestic agriculture production, creates job opportunities, and helps reduce the trade deficit by producing value added products for export or local consumption.



Food Safety Standards Stepping Stones to Globalization

Doris Saad, Journalist

In 2010, The Lebanese Ministry of Agriculture issued a decree requiring the registration of all food factories with a Sanitary Number, and the implementation of technical control on different aspects of production. This decision sparked a wave of objections and raised a series of questions about the mechanism of action to be followed, the rules that will be imposed, and concern about the fate of a number of factories that lack the required standards.

Eng. Mariam Eid, the director in charge of the food industries at the Ministry of Agriculture, explained that the Sanitary Number qualifies food factories to market their products locally and to export them internationally. It also grants non-compliant factories the opportunity to make the necessary changes based on specific rules and regulations.

Field work began on January 15, 2011 with the purpose of publishing lists of compliant factories by the end of this year. The Ministry of Agriculture's control team, after undergoing a training course, has begun working on appropriating a Sanitary Number to most local factories. In parallel scientific research laboratories have activated a unified price for the public sector to facilitate sample testing.

In this context, Mr. Fadi Fayad, an expert in the agro-food industry, stated that "the basic requirements of the Ministry of Agriculture decree are something the industry has demanded for the last 10 years in order to comply with international standards. Decree 65/1 or the Sanitary Number constitutes the legislative aspect of a necessity for the development of the food industry in the 21st century; it can be as realistic as the level of our expectations from its implementation."



Fayad added: "Achieving food safety does not happen as a result of the radical slogans we are witnessing today in Lebanese media. The objective should not be driving Lebanese and foreign consumers to lose confidence in the Lebanese food system, but rather to incite and require food producers to apply good manufacturing and hygiene practices and make them accountable through the right legislation." He concluded that "While seeking to apply the Sanitary Number we cannot ignore the various challenges facing the Lebanese food industry such as high production costs and an inefficient agricultural sector among many other problems that need to be addressed."

The Syndicate of Lebanese Food Industrialists is working with the Ministry of Agriculture and other stakeholders to assist food factories on many levels. It is ensuring that the working procedures are written, clear, and doable, in order to promote achievable and satisfactory solutions. It is also working on a transitional stage that gives time for the necessary reforms and ensures compliance to the minimum food safety conditions.

All this comes within the syndicate's vision to promote the food industry sector in Lebanon and raise it to internationally acceptable standards.

For further information, please contact SLFI.



Food Hygiene: A Growing Tendency in Lebanon

Karen Menassa, Food Safety Specialist

Food safety is one of the main concerns for Lebanese, we often wonder about the quality and safety of what is served on our plates: Are our meals contaminated or infected?

These concerns can be answered through Food Safety practices in industries, a process that ensures the safety of food from farm to fork.



A proper food safety system protects food from the risk of physical (foreign bodies), chemical (pesticides, cleaning agent...), microbiological (bacteria) and allergens (eggs, soya and milk...) contamination hazards.

The implementation of a food safety system may require a budget and initial investment, however the long term benefits are well worth it, and they include:

- Facilitation of exportation.
- Motivation and management tools for human resources.
- Prevention of Food poisoning and outbreaks.
- Effective use of resources (cost effectiveness).
- Ensuring legal compliance during inspection.
- Ensuring customer satisfaction.
- Building a good reputation.
- Ensuring good working conditions and environment.

ISO 22000 and HACCP certifications have become very important in the food industry as a direct response to consumer awareness and demand for better quality products.



E. coli: A Preventable Threat

Karen Menassa, Food Safety Specialist

E. coli growth found in European vegetables has drawn a lot of attention lately. In Germany, cucumbers, tomatoes and lettuce were suspected of contamination with a rare strain: E. coli 0104. Upon further investigation, the culprit infection vehicle was revealed to be sprouted seeds/beans.

Lebanon was not affected by this epidemic and the banning of vegetable import from Europe was activated as a preventive action.

Although some E. coli strains are harmless, 015:H7 and 0104 cause severe infections in humans with symptoms including bloody diarrhoea and kidney failure. It is transferred to food through soiled water putting the vegetable, fruits, raw milk, and raw meat industries at risk.

Prevention of E. coli infection in industry:

- Sanitize your hands before touching food.
- Pasteurize canned food.
- Use treated and potable water at every step of process.
- Sanitize fruits and vegetables.

Libnor recommends a total absence of E. coli in samples since even a small amount of the strand 0157:H7 can be harmful. It can be detected by testing food samples in house (test strips), or sending them to laboratories.





Energy Efficiency, Renewable Energy, and Green Projects Get a Helping Hand

Nader Hajj Shehadeh, Energy Engineer

In order to stimulate the dynamic financing of energy efficiency, renewable energy, and green building projects NEEREA, The National Energy Efficiency and Renewable Energy Account, was launched under the supervision of the Ministry of Energy and Water, following the signing of a memorandum of understanding between the Bank of Lebanon and the UNDP.



This account will offer soft loans through Lebanese banks, with interest rates that do not exceed 0.6% and repayment periods extending up to 10 years, preceded by a grace period of four years without any limitation or condition. Additionally a grant from the European Union totaling 11.9 Million Euros will be awarded to the approved projects.

Companies wishing to invest in such projects can submit applications at any commercial banking facility along with a professionally prepared technical feasibility study. The applications are sent to the Bank of Lebanon who will refer them to the Lebanese Center of Energy Conservation (LCEC), that will in turn provide recommendations after inspecting the technical viability of the projects.

The LCEC expects investments in renewable energy, energy efficiency, and green building projects to be worth 100 Million USD in the next three years. This will help create jobs, lower energy costs, and consequently lower Lebanon's oil consumption reflecting directly on the state treasury and the National Electric Company (EDL). Most importantly, it will have a positive environmental impact.

Agro-Food Industries Vocational School in Lebanon First of its kind in the Middle East

Doris Saad, Journalist

The Agro-Food Industries Vocational School located in Qab Elias is an innovative institution established as a joint venture between the Lebanese Ministry of Higher Education, the Directorate General of Vocational and Technical Education, and the Syndicate of Food Industrialists with funding and support from the European Union.

The need for skilled human resources in the Lebanese Agro-food industry was behind the idea of establishing this school. The educational programs merge theory and practice in accordance with European standards, and make use of a curriculum that covers all aspects of industrial food production in line with the latest industry innovations.

In July 2011, in the presence of Ambassador Angelina Ekhoresh, head of the EU mission in Lebanon, 24 students received the Technical Baccalaureate Certificate in Agro-Food Industry. During the graduation ceremony Mr. Ahmad Diab, General Director of Vocational and Technical Education, announced scholarships for high achieving students, and conveyed the Ministry of Education's strong commitment to Vocational and Technical Education, adding that the Agro-Food Industry curriculum will now be available at several technical schools, and unified textbooks have been completed.

The School's Board of Directors, that oversees policy and curriculum development, also works on establishing strong ties with industrial institutions in order to help students procure training and secure employment upon graduation. The school is looking for a steady rise in the rates of enrollment since this promising new field of study allows students to embark on a solid professional career.





Vine and Wine Museum Culture and History in a Modern Establishment

The Bekaa Valley region in Lebanon, otherwise known as the cradle of vine and wine, is the location of an ambitious project: “The Museum of Vine and Wine” which is scheduled to open its doors in early 2013.



The Johnny R. Saadeh Institution is the creative and executive force behind this project. With a passion for wine and winemaking coupled with a deep knowledge of the industry, the Institution is working on preserving the Lebanese legacy of winemaking through this museum. This is a unique project for Lebanon and the region and it will have multifunctional aspects.

The people behind this project believe that the story of the art of wine making in Lebanon should be documented and preserved for the benefit of future generations. Wine making in this country dates back 5000 years to the time of the Phoenicians, who perfected viticulture and exported their products and know-how to distant shores.

The museum will promote wine heritage and provide information about the art of wine making to all segments of society ranging from citizens to immigrants to tourists, hoping to become a tourist landmark and a destination for culture seekers.

A mix of ancient and modern qualities will distinguish this museum, where the newest technologies are used through multimedia presentations to demonstrate to the visitors the history and stages of wine making. These demonstrations will range from vineyard cultivation and harvesting to wine making, preservation, and aging techniques. Visitors will also be able to familiarize themselves with the different types of wines and their special features, as well as take part in wine tasting.

The museum will be equipped to host seminars and lectures and will become a destination for school field trips, and a center for cultural exchange programs for local and international universities.

The Biggest Wine Glass in the World

October 29, 2010: Lebanon made it into the Guinness World Records for the largest wine glass.

The cup was made from plexi glass and measured 2.4 meters in height and 1.65 meters in width and was filled with the content of 100 bottles of wine. With this accomplishment Lebanon beat Portugal's record which was set in 1998.



Decrees to Regulate Olive Oil Production

The Lebanese Minister of Agriculture has recently signed three decrees pertaining to the production of olive oil in Lebanon.

The decree No. 657/1 states that all olive oil presses in the country should be registered at the Ministry of Agriculture, and are subject to technical inspections to ensure compliance with the current production regulations.

The decree No. 658/1 imposes compliance with the mandatory Lebanese standards for olive oil production, and also imposed labeling that include full information about the producing party, a time and date of production and expiry, and the degree of acidity in the product.

The decree No. 659/1 pertains to prohibiting the use of olive oil extracted from olive husk in any food product meant for human consumption, in addition to the prohibition of its importation unless it has been chemically modified to make it repellant to humans.



The Syndicate of Lebanese Food Industrialists annually organizes a number of conferences, workshops, and seminars for its members. It also participates through special delegations in local, regional, and international exhibitions and conferences.

Opportunities for Growth and Increased competitiveness Seminar

The SLFI organized a seminar on July 26, 2011 entitled "Opportunities for Growth and Increased competitiveness: soft loans for small and medium enterprises to reduce energy consumption and environmental waste". This seminar was part of the syndicate's efforts to encourage environmentally sound policies in the industry.

Gulfood Exhibition Dubai

February 27 - March 2, 2011

30 Lebanese Companies	3,800 Exhibitors
152 Countries	81 Pavilions
	55,000 Visitors

Washington Fancy Food Show

July 10 - 12, 2011

6 Lebanese Companies	2,400 Exhibitors
80 Countries	180,000 Products
	24,000 Visitors

Anuga Fair

October 8 - 12, 2011 in Cologne Germany

16 Lebanese Companies	6,500 Exhibitors	150,000 Visitors
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Enzyme Modified Bran Preserves Bread

At the National Technical University of Athens in Greece, researchers have been testing enzyme-modified Bran in bakery products and have found that it has a two fold effect: it extends shelf life and improves taste.

After comparing cakes made with enzyme-modified bran and cakes made with untreated bran; results showed that enzyme-modified cakes had 50 to 60 percent lower measures of staling and achieved higher scores in taste tests conducted by a panel of 32 volunteers.



Fighting Food-Borne Bacteria with Naturally Occurring Lantibiotics

A chance discovery by a professor of food science at the University of Minnesota may lead to the use of naturally occurring lantibiotics to kill harmful bacteria, such as salmonella, E.coli and listeria, in meats, processed cheeses, egg and dairy products, canned foods, seafood, salad dressing, fermented beverages and many other foods.

Lantibiotics are easy to digest, do not cause allergies, and harmful bacteria find it difficult to develop resistance against them.

Argentina Scientists Determine Histamine Levels in Fish

Determining histamine levels in fish can improve safety in the food industry; at the National Institute of Industrial Technology (INTI) in Argentina scientists have developed a new method that could help prevent histamine poisoning. Histamine poisoning is caused by the intake of fish or foods with high levels of the toxin histamine.

The new method is also able to determine levels of histamine in other foods such as red, white, and sparkling wine, milk, cheese, and fish meal. Fish must be kept at refrigeration temperatures from the time it is first caught until the time it is consumed to control its levels of histamine.

New Brazil Foods Plant in UAE

A new Brazil Foods (BRF) industrial plant, for processed products such as frozen hamburgers, pizzas and pies is set to be built in the UAE. The Brazilian food company plans to improve brand penetration, distribution, and sales through building a 120 Million USD industrial plant that will have a production capacity of 80,000tpa when fully operational in 2012.



In our next issue

- Food Industries – Challenges & Prospects
- Import-Export... Facts & Figures
- IDAL's Strategies supporting Food Industries
- Honey: From the Lebanese Hive to the World