



IDAL

INVEST IN LEBANON

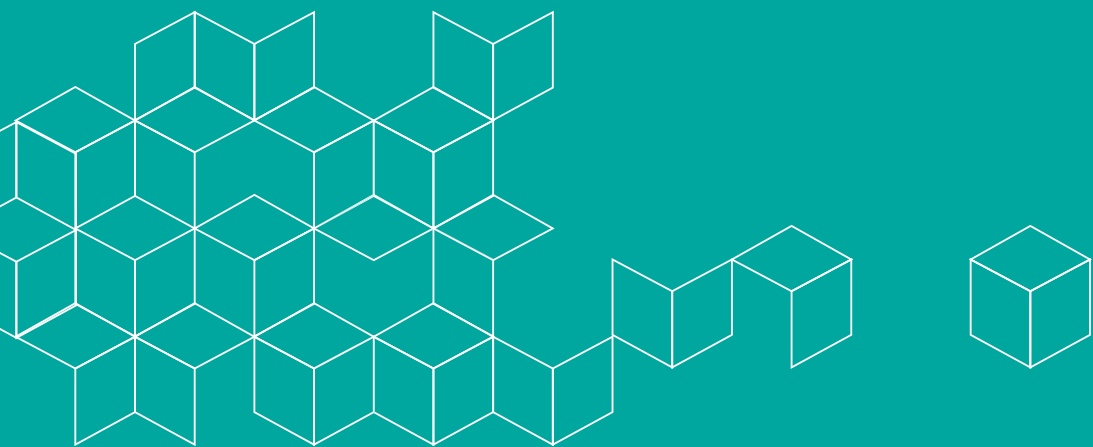
OLIVE OIL FACT BOOK



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SECTOR OVERVIEW



SECTOR OVERVIEW

Main Geographical Features

Olive oil is amongst the most prominent Lebanese signature agro-industrial products, and a proud part of the country's history and culinary tradition. Lebanon's diverse topography, fertile soil, microclimates, and olive varieties allow farmers to produce uniquely flavored products.

Lebanese olive trees are on average

150 years old



and are mostly rain fed.

563 km²

is occupied by olive trees.



This represents

5.4%

of the Lebanese territory.

Or

8%

of total agricultural lands in Lebanon.

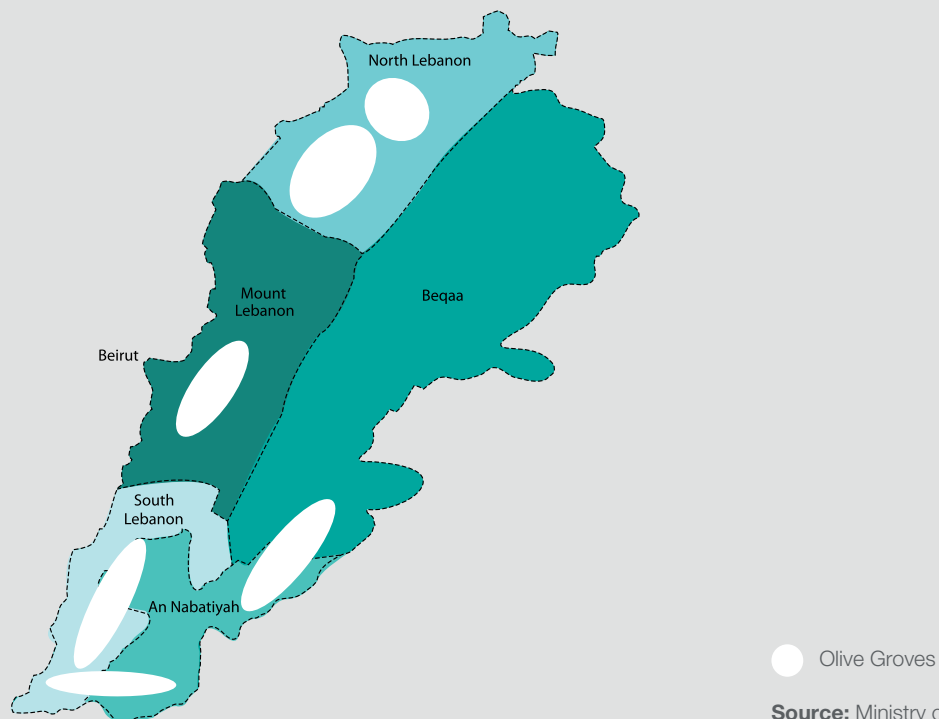


- Around **563 km² of land or 56300 ha¹** is occupied by olive trees, which accounts for **5.4%** of the Lebanese territory, or **8%** of total agricultural lands in Lebanon.

- **Olive groves are grown in six major regions** extending from North to South: Batroun, Koura, Zgharta, Akkar, Rashaya El Foukhar, and Hasbaya, in addition to several other subordinate areas (Figure 1). Each region offers its produce a special taste, native to the specifics of its land.

- Lebanese olive trees are on average 150 years old, and are mostly rain fed (Only 8% of the olives cultivated area is irrigated, the rest is rain fed). Rainfall is relatively abundant in the country at an average of **2.2 billion m³ per year**, significantly higher than the regional average, and greatly beneficial for the growth of olive trees.

Figure 1: Mapping of Olive Groves in Lebanon

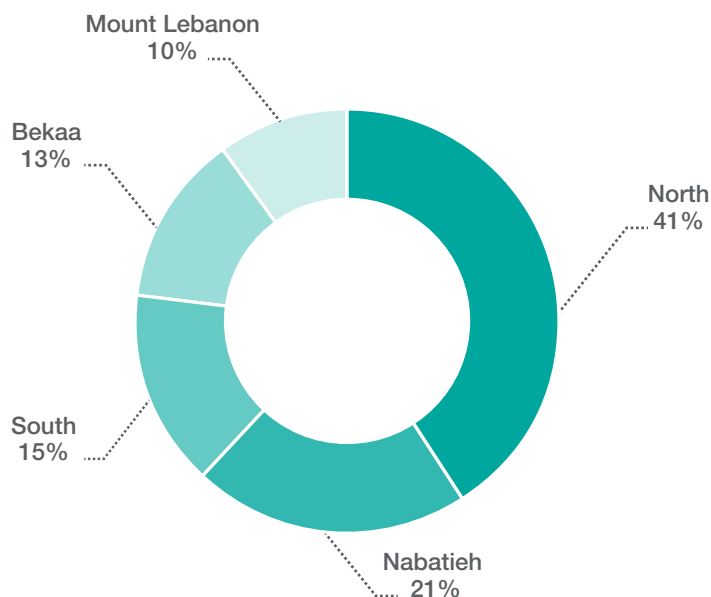


Source: Ministry of Agriculture

¹ Based on latest FAO Statistics

More specifically, around 41% of olive oil production takes place in the North of which 18% in Akkar, followed by Nabatiyeh where 21% of the production is located, 15% in the South, 13% in the Bekaa with more than 9% in the caza of Sour, and 10% in the Mount Lebanon (Figure 2).

Figure 2: Distribution of Olive Oil Trees in Lebanon by harvested area | 2010



Source: Ministry of Agriculture

Olive Oil Production

Olive oil production varies from one year to another, due to the variability of the productivity by nature of the crop, as well as the current practices of the farmers (Table 1). The productivity average varies from 3 to 3.5 tons per hectare in high production years, to 1.3 to 1.5 tons in low production years. It is to note that around 16% of all olive orchards are less than 10 years old, and that 36% are more than 50 years old.

Around 70% of the olive trees are destined to the production of olive oil, and the remaining ones are destined to the production of table olives. The oil productivity of the olives in Lebanon ranges from 18-25%.

Table1: Olives harvested area and yield

	2008	2009	2010	2011	2012
Area Harvested (Ha)	56,000	57,800	53,647	56,529	56,529
Yield (Hg /Ha) Fc	14,521	15,000	15,099	15,975	15,975

Source: FAO

In 2011, olive production was estimated at 90,307 tons, while olive oil production reached 11,300 tons, growing consistently by a CAGR of 6.5% since 2000. Around 30 % of total production consisted of extra virgin olive oil, the most refined type of olive oil, while the remaining served as regular virgin olive oil (Table 2). Based on figures released by the Ministry of Agriculture, there are some 170,000 olive farmers and growers in Lebanon.

It is important to note here that this number does not necessarily encompass full-time farmers. Many families, in fact, own a small piece of land of at least 1,000 sqm, and use it to cultivate olives for extra revenues.

Table 2: Olive & Olive Oil Production in Lebanon Net Weight Tons | 2007-2011

	2007	2008	2009	2010	2011
Olives	76,200	83,000	86,700	81,000	90,307
Olive Oil	7,500	11,000	11,000	10,000	11,300
Virgin Olive Oil*	5,250	7,700	7,700	7,000	7,910
Extra Virgin Olive Oil*	2,250	3,300	3,300	3,000	3,390

* Based on IDAL's estimate that 30% of total production is destined for extra virgin olive oil.

Source: FAO

Around

30%

of total production consisted of extra virgin olive oil, the most refined type of olive oil



there are some

170,000

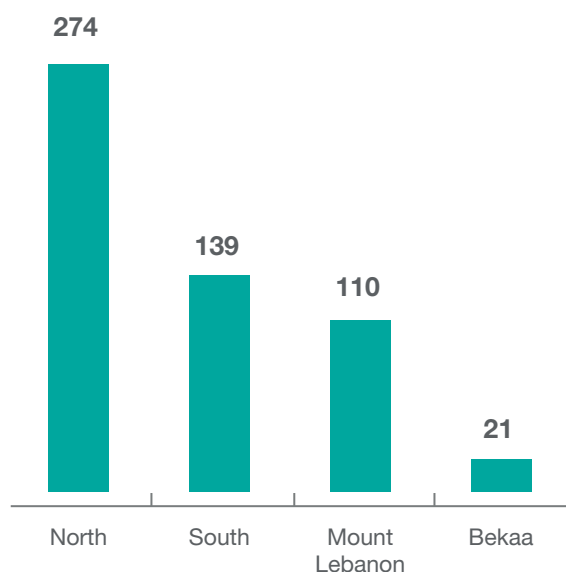
olive farmers and growers in Lebanon.



Olive Oil Mills

Lebanon has about 544 registered oil mills distributed throughout its regions as follows:

Figure 3: Existing Mills by Region | 2010



Source: Ministry of Environment

TRADE STATISTICS



TRADE STATISTICS

EXPORT PERFORMANCE

Exports of olive oil have been on an upward trend over the last four of years, growing at a CAGR of 14%, and reaching 4,162 tons in 2012, more than a third of domestic production (Table 3). Equally noticeable was the predominance of extra virgin olive oil amongst total exports. Indeed, this high-end product is increasingly being used by Lebanese

export partners for its exceptional quality. Despite the export orientation of olive oil, Lebanon remains import dependent, with national consumption estimated at 20,000 tons per year by the Ministry of Agriculture.

Table 3: Lebanese Olive Oil Exports Net Weight Tons | 2009-2012

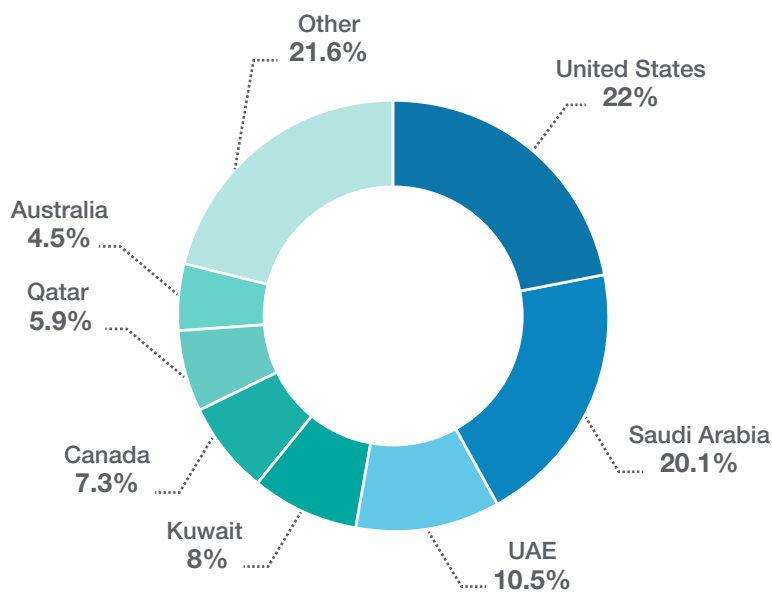
Product	2009	2010	2011	2012
Virgin Olive Oil	580	914	1,053	1,756
Extra Virgin Olive Oil & Others	2,199	2,470	2,185	2,406
TOTAL	2,779	3,384	3,238	4,162

Source: Lebanese Customs

Lebanese olive oil exports are mainly destined to North America and the Gulf. More specifically, 22% of total exports of the equivalent of 915 tons are exported to the United States, 835 tons to Saudi Arabia or 20% of the total. Interestingly, there is a number of **growing export partners** such as Australia, New Zealand, and Latin

American countries. In fact, olive oil exports to these parts of the globe have been on the rise in recent years due to the presence of a large Lebanese diaspora.

Figure 4: Lebanese Olive Oil Export Partners | 2012



Source: Lebanese Customs

EXPORT PARTNERS

Main Export Partners

Arab Countries with

53%

of total (2.224tons)



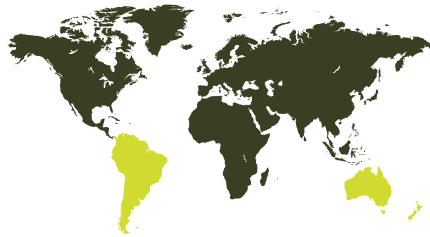
North America

29%

of total (1.221tons)

Growing Export Partners

Latin America



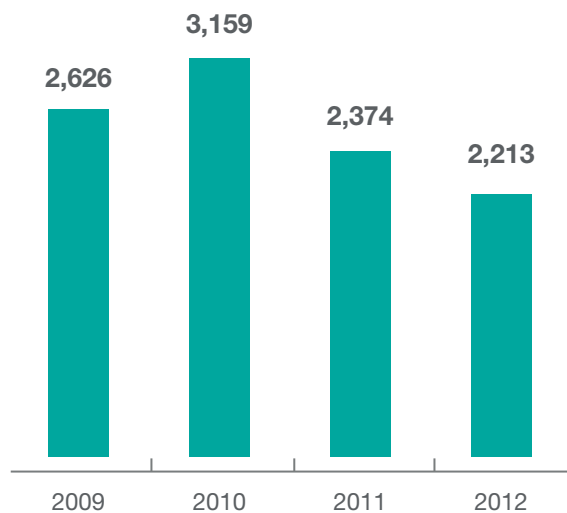
Australia & New Zealand



IMPORTS TRENDS

Imports of olive oil to Lebanon have been greatly impacted by the civil unrest in Syria, who is still to this date Lebanon's leading importer with 1,594 tons of imported olive oil. However, slightly higher prices have allowed this sector to survive, according to experts. In fact, the average selling price of the 500 mL bottle of extra virgin oil in the Lebanese market is USD 4.5, while the 750 mL is sold for USD 6.5.

Figure 5: Evolution of Olive Oil Imports Tons | 2009 - 2012



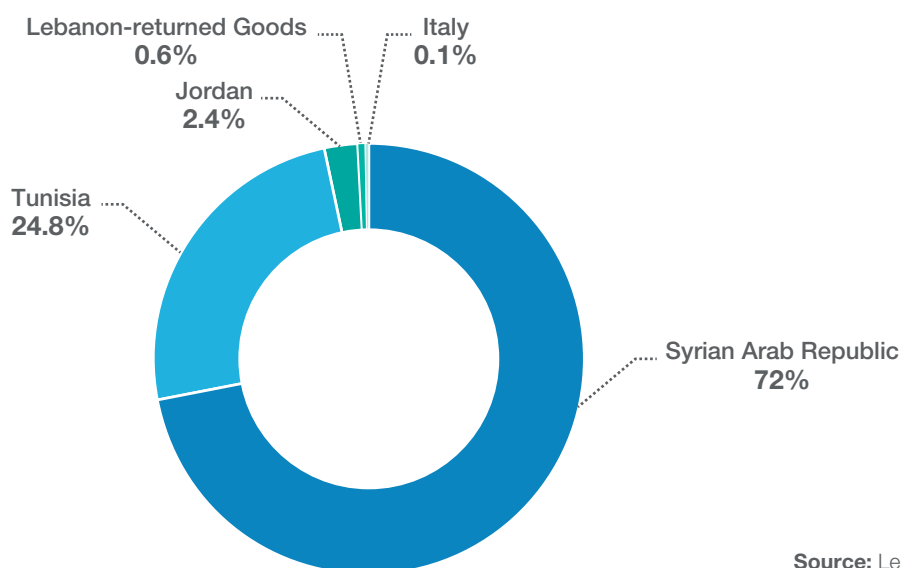
Source: Lebanese Customs



IMPORTS PARTNERS

Lebanon's main import partners are from the MENA region representing more than 99% of total olive oil imports to Lebanon with Italy and Germany contributing to minimal yearly shares.

Figure 6: Main Olive Oil Partners % share | 2012



Source: Lebanese Customs

PACKAGING HOUSES

Here below is a list of the packaging houses operating in Lebanon and registered at IDAL. It would be interesting to note that owners of packaging houses are also producers, but not all producers have their packaging houses.

Table 4: List of packaging houses registered at IDAL

Contact person	Location	Email
Ibrahim El Maalouf	North Lebanon	info@mitindustry.com
Sami Saifan	North Lebanon	s-saifan@inco.com.lb
Youssef Fares	North Lebanon	youssef.fares@olivetrade.com
Boulos Olive Oil, ATYAB	Mount Lebanon	atyab@atyab-lb.com
Kobayter Brothers	North Lebanon	kobayter@destination.com.lb
Antoine Halim el Lakkis	North Lebanon	-

INVESTMENTS IN THE SECTOR



INVESTMENTS IN THE SECTOR

INVESTMENT TRENDS

As Lebanese olive oil gains more ground and recognition in both domestic and international markets, a number of local producers have sought to specialize specifically in the production of extra virgin olive oil, which has a growing export potential. While competition with more prominent countries remains fierce, Lebanese producers are working on strengthening the packaging and labeling of their bottles, perfecting the quality of their oil through rigorous testing, and diversifying the flavors of their products. These efforts have generated very positive results in recent years. On another level, organic olive oil is becoming more popular, with some 300 ha of land currently dedicated to this field.

Furthermore, a program led by the Ministry of Agriculture of an olive oil marketing plan, is designed to provide assistance to producers by encouraging them to work together in specific cooperatives as well as the creation of cooperative unions through which contracts will be established with the presses, in line with the standards and the specifications that are established beforehand by MOA. Thereafter, the oil is pressed marketed by the Cooperative Union. The purpose of this program is to reduce production costs and therefore the price of olive oil. It should be noted that the project Olio del Libano performed several activities in this area.

INVESTMENT OPPORTUNITIES

Overall, the olive oil market in Lebanon is a very promising one, whose full potential hasn't yet been reached. Presently, demand far exceeds supply in the country, and Lebanese consumers are sometimes forced to rely on imported products. This leaves room for various investment opportunities. As mentioned, production of extra virgin olive oil, flavored or not, and organic olive oil, both hold favorable prospects. At the same time, exporters can benefit from government support, part of IDAL's Agri Plus program. The program provides support for packaging, and assists Lebanese producers in tapping foreign markets by organizing training sessions, and participating in food fairs around the world. Finally, other factors such as skilled labor, devoted research (eight agricultural colleges and various laboratories for testing across Lebanon), and a number of public and private support initiatives, also make investments in olive oil highly attractive.



SUPPORT AVAILABLE TO THE SECTOR



SUPPORT AVAILABLE TO THE SECTOR

FINANCING

IDAL

IDAL provides local and foreign investors in the sector with a set of financial incentives that can range up to 100% exemption on paying corporate income tax for a period of 10 years if certain criteria are met. To learn more about the incentives you can obtain from IDAL please check our [website](#).

Kafalat

Kafalat is a loan guarantee financial institutions that provides guarantees to loans in productive sector including agriculture and agro food. Kafalat Agriculture is a scheme implemented in the framework of the ARDP (Agricultural and Rural Development Programme) funded by the European Union which finances activities related to the agriculture business in all its aspects. Other schemes can be found on Kafalat's [website](#).

TECHNICAL ASSISTANCE

IDAL

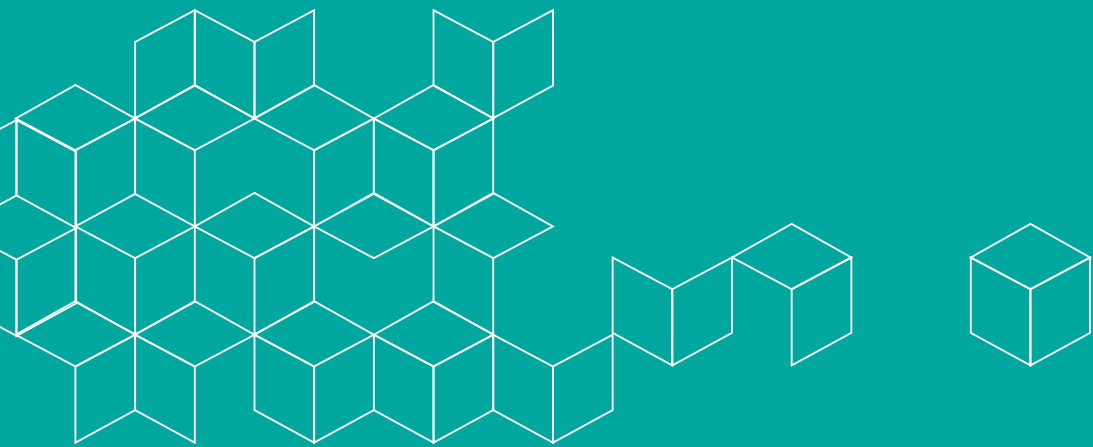
IDAL is mandated as per Investment Law No. 360 to assist in the support, promotion and marketing of Lebanese products, especially agricultural and agro-industrial products including olive oil. As a result, IDAL has signed a protocol of cooperation in 2004 with the Syndicate of Agro Food industries (the AGROMAP protocol), whereby it committed to actively promote the export of agro-food products, mainly through its co-sponsorship of Lebanese pavilions in international food fairs. As of today, IDAL has managed to subsidize the organization of 9 regional and international fairs, disbursing an estimated value of USD 414,000 and enabling the showcase of Lebanese products of at least 30 producers.

MINISTRY OF AGRICULTURE

The Ministry of Agriculture created a national committee in 2010 for olive and olive oil in order to engaged all sector stakeholders to develop the olive and olive oils value chain. The Ministry issued a number of decisions to improve the quality of olive oil, including that the registration of olive oil mills take place at the Ministry of Agriculture needs to comply with health and hygiene requirements and performing official controls (MoA decision 657 July 20 2011) The Ministry is equally working on establishing a union of marketing cooperatives and the establishment of a national laboratory for the certification of high quality olive oil.



USEFUL CONTACTS



USEFUL CONTACTS

Ministry of Agriculture
www.agriculture.gov.lb

Ministry of Economy and Trade
www.economy.gov.lb

Investment Development Authority
of Lebanon (IDAL)
www.investinlebanon.gov.lb

The Federation of the Chambers
of Commerce Industry and
Agriculture in Lebanon
www.cci-fed.org.lb

▶ Beirut and Mount Lebanon
www.ccib.org.lb

▶ Tripoli and North Lebanon
www.cciat.org.lb

▶ Saida and South Lebanon
www.ccias.org.lb

▶ Zahleh and the Bekaa
www.cciaz.org.lb

Industrial Research Institute-IRI
www.iri.org.lb

Quality Programme-QUALEB
www.qualeb.org

Lebanese Standards
Institution-LIBNOR
www.libnor.org

Lebanese Agricultural
Research Institute (LARI)
www.lari.gov.lb

National Council for Scientific
Research Lebanon
www.cnrs.edu.lb

KAFALAT s.a./Loan guarantee
company
www.kafalat.com.lb

APPENDIX LISTS



List of Main Olive Oil Brands & Sellers in Lebanon

Firm Name	Contact Person	Address	Phone Number	E-mail	Website
Al Dayaa Products	Mr. Fadi Tannous	Amioun, Al Koura Kfarakka	T: 06 952 838 M: 03 303 862 F: 06 952 828 P.O.Box: 12 Amioun	aldayaa@hotmail.com	www.aldayaa.com
Al Rabih	Mr. Samir Nasraoui	Dbayeh	T: 04 541 207 M: 03 543 737 F: 04 541 209 P.O.Box 70070 Dbayeh	sonaco@alrabih.com.lb	www.alrabih.com.lb
Al Wadi Al Akhdar	Mr. Georges Obaji Mrs. Angela KARAM	Amaret Chalhoub, Zalka	T: 09 920 361 T: 01 892 035 F: 01 898 974 P.O.Box: 11-2652, Beirut, Lebanon	angela.karam@ocph.com info@alwadi-alakhdar.com	www.alwadi-alakhdar.com
Boulos Olive Oil ATYAB	Mr. Tony Maroun	Mount Lebanon	T: 09 918 525 F: 09 910 090 P.O.Box 1646 Jounieh	atyab@atyab-lb.com	www.zeitboulos.com
Boutros Msallem for General Trade	Mr. Wissam Msallem	Bziza, Al Koura North Lebanon	M: 70 799 799	wmsallem@hotmail.com	www.msallem.net
Cortas	Mr. Raja Cortas	Cortas Building, Tripoli Road, Dora, Beirut	T: 01 257 171 M: 03 342 811 F: 01 257 272 P.O.Box: 11-2652, Beirut, Lebanon	sales@cortas.com.lb rcortas@cortas.net	www.cortasfood.com
Daher Foods	Mr. Andre El Hajj	Bourj Al Moulouk South of Lebanon	M: 03 716 939		www.daherfoods.com
Ahmed M.S Al Dirani & Bro	Mr. Samir Al Dirani	Ksarnaba, Bekaa, Lebanon	M: 03 276 534		www.ahmaddirani.com
Gardenia	Mr. Nicolas Bou Khater	Gardenia Center, GF, Ksara, Zahleh, Bekaa	T: 08 814 897 M: 03 322 550 F: 08 818 661	info@gardeniaspices.com export@gardeniaspices.com	www.gardeniaspices.com
Industrial Kingdom	Mr. Basel Rafii	Al Baddawi, Industrial Area Tripoli	T/F: 06 384 389 M: 03 832 200 F: 08 818 661	info@industrialkingdom.com	www.industrialkingdom.com
Khater Brothers	Mr. Bahij Khater Mr. Jamil Khater	Hamad Bldg., Mama Str., Tallat el Khayyat, Beirut	T: 01 815 136 M: 03 828 562 F: 01 815 137	info@industrialkingdom.com	www.industrialkingdom.com
Kobayter Brothers	Mr. Hossam Kobayter	North Lebanon	T: 06 400 550 F: 06 400 785	kobayter@destination.com.lb	
Lakkis	Mr. Antoine Halim El Lakkis	Kfarzina, Zgharta North Lebanon	T: 06 555 777 M: 03 686 644		
LEBOLIVE	Cheikh Farouk Al Khalil Mr. Joseph Al Gharib	Beirut, Lebanon	T: 01 739 895 T: 01 340 800 M: 03 486 417 F: 01 340 800	joseghar@hotmail.com joseph@time-ltd.com	
Local International Company	Mr. Jean Saad	Beirut, Lebanon	T: 07 555 678 T: 04 542 144 M: 03 611 706 F: 04 542 144	jeansaad@hotmail.com	

Firm Name	Contact Person	Address	Phone Number	E-mail	Website
Maalouf Industry For Trading S.A.L	Mr. Ibrahim Maalouf	Koura North Lebanon	M: 03 341 970 F: 06 651 009	info@mitindustry.com	www.maaloufoliveoil.com
Nafez FARAH	Mr. Nafez Farah	Kfar-akka, Koura North Lebanon	M: 03 702 792		
Olive Harvest	Mr. Chafic Maalouf	North Lebanon		chafic@oliveharvest.com	www.oliveharvest.com
Olive Trade	Mr. Youssef Fares	Mount Lebanon	T: 09 936 265 M: 03 283 724 F: 09 936 265	youssef.fares@olivetrade.com info@olivetrade.com	www.olivetrade.com
Said Saifan Est.	Mr. Sami Saifan	Kfarsaroun, Amioun, North Lebanon	T: 06 950 258	s-saifan@inco.com.lb	www.saifanest.com
Second House Products	Mr. François Rizk	Mazraat Yachouh, Industrial Zone, E Street, Maten	T: 04 915 391 M: 03 660 350 F: 04 922 350	shp@secondhouseprod.com shp@cyberia.net.lb	www.secondhouseprod.com
Wadi el Kheir Foods	Mr. Fadi Jamal	Al Mouhaidatha, Bekaa	T: 08 591 383 T: 08 231 951 F: 08 561 555	fadi-jamal@wadielkheirfoods.com info@wadielkheirfoods.com	www.wadielkheirfoods.com
Yamama	Mr. Adnan Ataya	Mazraa, Beirut	T: 05 600 006 F: 05 600 346 P.O.Box 14-5445	adnanataya@yamama-lb.com	www.yamama-lb.com
Zeytouna Mouawad Foundation	Mr. Nabil Mouawad Mr. Roland Andari	Zgharta North Lebanon	T: 06 720 078 T: 06 666 093 M: 03 270 137 M: 03 590 920	can.rmf@hotmail.com roland_and@hotmail.com	www.yamama-lb.com

List of Main Coop of Olive Oil in Lebanon

Firm Name	Contact Person	Address	Phone Number	E-mail
Cooperative of olive farmers in Chouf	Mr. Ziad Abou Ajram Mr. Hassib Haydar	Chouf, Mount Lebanon	T: 05 300 988 M: 03 726 780 F: 05 303 304	amine_bou_mattar@yahoo.com
Cooperative of olive farmers in Nabatiyeh	Mr. Hassan Salameh	Nabatiyeh, South Lebanon	T: 07 435 366	
Cooperative of olive producers in Zgharta	Mr. Sleiman Daher	Zgharta, North Lebanon	T: 06 550 122 F: 06 550 252	dahersc@hotmail.com
General Cooperative of Hasbaya	Mr. Rashid Zowayhed	Hasbaya, South Lebanon	M: 03 499 361	

List of Main Organic Olive Oil Sellers in Lebanon

Firm Name	Contact Person	Address	Phone Number	E-mail	Website
Bio Gourmet	Mr. Guy Khoury	Zouk, Keserwan Mount Lebanon	M: 03 559 911 M: 70 597 053 F: 09 225 125	guykhoury@gmail.com	
Green Pack	Mr. Serge Fadel	Barti, East Saida, South Lebanon	T: 03 538 837	info@greenpacklb.com sergefadel@hotmail.com	www.greenpacklb.com



CONTACT US

If you require any further information on investing in Lebanon or on the services IDAL can offer you, please do not hesitate to contact us at the following:

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