



PPSA
Philippines Partnership for Sustainable Agriculture



PPSA Practitioners' Workshop 2019

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GrowAsia



Australian Government
Department of Foreign Affairs and Trade



IDRC | CRDI

International Development Research Centre
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SUMMARY

The Philippines Partnership for Sustainable Agriculture (PPSA) gathered different stakeholders in the agriculture sector through the annual Practitioners' Workshop and Learning Event. The PPSA Practitioners' Workshop and Learning Event 2019 centered the discussion on three cross-cutting issues, namely agricultural finance, digital solution, and public-private partnership.

More than 120 PPSA partners and other stakeholders from the private sector, civil society organizations, non-government organizations, farmers' associations, academe, and other organizations attended the workshop.

The program opened with a direction setting by the Secretariat and Co-Chairs of PPSA, and Grow Asia. The Philippine Business for Social Progress (PBSP) delivered the opening remarks and introduced PPSA as one of the key programs in its collective engagement initiative. Grow Asia, on the other hand, shared updates across the Southeast Asian region with the participants and the performance of each of the Country Partnerships under its initiative in terms of effecting change to the sector. The Department of Agriculture (DA), as Co-Chair, presented the agency's programs and projects focused on three major topics of the event, and expressed the intensified support of the government. Unilever Philippines, as the private sector Co-Chair, shared the promise of strengthening private sector involvement, and enumerated the program details of the event.

In the Knowledge Marketplace, participants were informed of different knowledge products and projects of select organizations in helping smallholder farmers. The organizations who participated were the South East Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA), Agriculture Credit Policy Council (ACPC), Jollibee Group Foundation together with the Escaping the Middle-Income Trap Chains for Change (EMIT – C4C), and Covestro. Participants were introduced to a calamansi value chain project, the

government's agricultural loan program, a direct sourcing business model with the smallholder farmers by a large institutional buyer, and a technology reinforcement that ensures safety on food processing.

There was also a special lecture on Inclusive Value Chains that outlined the experience of International Cocoa Organization (ICCO) Cooperation in supporting inclusive value chain projects across the world.

In the afternoon, participants took part in different interactive Breakout Sessions. The Agricultural Finance session presented different financial schemes and opportunities that companies and smallholder farmers could explore into including the loan programs of the government. Discussion during the Digital Solution segment focused on how data gathered by technology and modern farming equipment can be turned into actionable information by end users to address certain issues. On Public-Private Partnership, a private company, a local government unit, and a government arm tasked to strengthen private sector involvement, shared their best practices and challenges in delivering successful agricultural programs and projects supported by public and private entities.

PPSA also gave different organizations that have on-going projects an opportunity to share their initiatives and enjoin the audience's participation in any of these undertakings.

BACKGROUND

There are high hopes for the Philippine agriculture sector to drive the economy and bring back the country's glory as a major producer of goods. The government, as the main driver to keep the agriculture sector going, banks on the strong involvement of the private sector in pushing forward its plans, based on the Philippine Development Plan (PDP) 2017-2022 and the United Nations Sustainable Development Goals (SDGs), which encourage the participation of different sectors in achieving at least nine agendas that are directly related to agriculture by 2030.

The Philippines Partnership for Sustainable Agriculture (PPSA), a multi-stakeholder partnership platform, positions itself as the bridge that provides different organizations: -- the government, the private sector, farmers and fisherfolks organizations, and other sectors, a space in developing scalable solutions to help the country achieve inclusive and sustainable agriculture, while ensuring that these solutions contribute to the PDP and SDGs.

PPSA conducts an annual event called the Practitioners' Workshop and Learning Event that aims to gather all the sectors in agriculture to share new knowledge and learning experiences in addressing certain issues. This is part of PPSA's knowledge creation that can be used as a reference, especially in creating policy suggestions through the Working Groups' sectoral agenda.

The PPSA Practitioners' Workshop and Learning Event 2019 focused on three main issues: agricultural finance, digital solution, and public-private partnership. PPSA thought to prioritize these topics due to its timeliness and importance to the partners. The event also highlighted the Knowledge Marketplace as the newest addition to the agenda. The Knowledge Marketplace called on selected organizations to present in a marketplace-like venue their initiatives in helping smallholder farmers. There was also the Call for Partnership that allowed organizations discuss their needs with regards to partnership.

INTRODUCTION AND PROGRAM SETTING



Philippine Business for Social Progress

Jerome Daclison, Director for Corporate Affairs who represented Reynaldo Antonio Laguda, Executive Director of PBSP, discussed PPSA as a multi-stakeholder partnership platform for collective engagement that helps the agriculture sector by developing value chain projects and pushing sectoral agenda through the Working Groups. Jerome shared that there have been 13 value chain projects currently managed by Working Groups across the country and have reached more than 100,000 smallholder farmers and fisherfolk through these projects, among other initiatives of the Secretariat.



Grow Asia

Grahame Dixie, Executive Director of Grow Asia, shared updates in the Grow Asia network, particularly the efforts of Country Partnerships (CPs) such as the PPSA in helping countries achieve sustainable agriculture. He presented comparative data on the performance of each CP in developing value chain projects and reaching smallholder farmers as part of creating scale and impact. Grahame challenged the audience to intensify agricultural initiatives, especially through strengthening engagement between the government and the private sector. Grahame then discussed the initiatives of Grow Asia in terms of supporting the development of policies, citing the [ASEAN Guidelines for Responsible Investment in Food and Agriculture and Forestry](#) as an example, and promoting digitalization in agriculture through the use of hackathons, learning series, a community of practice, and the Grow Asia Digital Directory.



Department of Agriculture

Bernadette San Juan, Director of Agribusiness and Marketing Assistance Service (AMAS) and Special Area for Agricultural Development (SAAD), represented Undersecretary Ariel Cayanán to deliver the keynote speech. She shared different initiatives of the Department of Agriculture in agricultural finance, digital innovation and government engagement. For agricultural finance, Bernadette informed the audience about the Agriculture and Fisheries Machinery Equipment (AFME) Loan and the Working Capital Loan Easy Access (CLEA) to finance expansion plans. On digital solutions, Bernadette also talked about the newly-launched Fisheries and Agriculture Response Management (FARM) Citizens Application, an initiative that will help digitize Philippine agriculture. For government engagement, she shared the partnerships done by the Department of Agriculture with the Philippine Rubber Farmers Agriculture Cooperative and Leo Tires Manufacturing to produce quality Philippine-made vehicle tires.



Unilever Philippines

May Rigor Arancon, Senior Procurement Manager of Unilever Philippines, represented Benjie Yap, Chairman/CEO of Unilever Philippines. She discussed the involvement of the private sector, particularly Unilever Philippines as Co-Chair, in leveraging the initiatives of PPSA. She shared information on the Working Groups and the possible creation of new workstreams on Food Safety and Rice. May also shared plans by Unilever Philippines as part of its sustainability initiative, sourcing 100% of raw materials from smallholder farmers, and taking on a demand-driven approach, while ensuring food safety and delivering good manufacturing practices.

KNOWLEDGE MARKETPLACE

The Knowledge Marketplace gave selected organizations the opportunity to inform participants about their products and projects.



Agricultural Credit Policy Council (ACPC)

The Agricultural Credit Policy Council of the Department of Agriculture elaborated the Production Loan Easy Access (PLEA), and Survival and Recovery (SURE) Loan Assistance programs of the agency. [PLEA](#) is a non-collateralized loans for agri-fishery production that aims to finance production of crops, poultry, livestock and fisheries projects of marginal and smallholder farmers. [SURE](#) is a loan assistance program for smallholder farmers and fisherfolk affected by calamities with no interest charged against the borrowers.



Covestro

Covestro, a material science company, introduced its breakthrough technology that helps farmers produce quality dried goods. The Green House Solar Dryer, a dome-shaped dryer, provides a greenhouse-like shelter for farmers to dry goods safely, away from pests and insects. Covestro initially targeted both the national and local government when it introduced the product in the Philippines.



Jollibee Group Foundation-Escaping the Middle-Income Trap: Chains for Change (EMIT-C4C)

The Jollibee Group Foundation is a prominent organization known for directly sourcing its vegetable demand from smallholder farmers through its Farmer Entrepreneurship Program (FEP). The FEP was in partnership with the EMIT C4C, a think tank that helps the private sector to become more inclusive. JGF and EMIT C4C shared how they were able to source directly from the farmers despite challenges, and the achievements of the program, allowing participants to learn how an institutional buyer was able to do direct sourcing. The FEP was included as a case study in a [paper](#) published by EMIT C4C for UP Center for Integrative and Development Studies (UP CIDS).



Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA)

The Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) shared its [Upgrading the Calamansi Value Chain towards Improving the Calamansi Industry of Oriental Mindoro project](#) which aims to increase the viability and marketability of calamansi from Oriental Mindoro. The project was funded by different organizations locally and globally.

BREAKOUT SESSIONS

PPSA invited representatives of different companies and organizations that continue to uplift the lives of smallholder farmers and create impact in achieving sustainable agriculture in the Philippine to share their experience and perspective on the specific topics. The three succeeding pages briefly enumerate the key discussions on each of the breakout session.

Agricultural Finance

This Agricultural Finance session talked about the government initiatives through the Bangko Sentral ng Pilipinas (BSP), and financial organizations which include Bridge, C4D and Cropital, in giving access to financial opportunities for smallholder farmers, farmer groups, and companies to scale-up their operations. Danilo Venida of Infarmco Management Corporation moderated the session.



BSP, at least for the Center for Learning and Inclusion Advocacy, strives to achieve financial inclusion to give access to financial services for all. Pia Roman-Tayag, the Managing Director of the Center, also stated that BSP aims to prioritize those who are excluded and the program is focused on agriculture and MSMEs to achieve broad-based growth. Pia also shared the launching of the National Strategy for Financial Inclusion, an inter-agency effort, to forward a financial inclusion system in the country. The program will prioritize the digitization of financial systems in all aspects and strengthening the agri-financing, particularly value chain financing. BSP is also pushing for reforms in the Agri-Agra Law where they want banks to shift their thinking beyond compliance and understand that agriculture is a viable market to serve.



C4D, on the other hand, explained that the projects they support are those that are inclusive and have strong links with the smallholder farmers to include them in the value chain. C4D encouraged participants to explore other ways of financing, which include impact investment and hybrid financing. Toto Camba, Investment Manager of C4D, promoted hybrid financing, a scheme with a combination of equity and loan, and to make this type of financial opportunity available because of a fixed interest rate. Toto also shared that while impact investors, like C4D, are in the business of lending, they also position themselves as partners by giving advice, assuming the position as a CFO, and giving risk management strategies. Thus, he concluded that C4D is not in the business of taking over a company but, rather, in the business of growing.

CROPITAL

Cropital introduced its company as a crowd-sourced financial institution that is digitally based. While Cropital was started by a group of idealistic students, Ruel Amparo, their CEO, said that the mission of the company has evolved into becoming a promising step in helping the farmers grow. Cropital wants to shift the farmers' practice from loaning in two different schemes: very accessible but very expensive (e.g. neighbors, loan sharks) and a bit inaccessible but could be very affordable (e.g. banks, established financial institutions). Ruel shared that to address this gap, Cropital has also immersed itself in the communities to understand the needs and the best ways to finance the farmers. They added more value to their work from just being a crowd-funding platform to becoming a partner for the farmers. This is especially true when Cropital provides connections to those farmer groups or cooperatives that have passed their application process with the technicians and crop insurance providers, provision for trainings, and market access (e.g. contract growing, databasing).



Bridge is a banking institution that supports rural banks. Gus Poston, Founding Principal of Bridge, started his introduction by providing some key facts about agri-financing in the country. He shared that 83% of the farmers do not obtain loans or borrow from informal sectors. Rural banks which supposedly offer loans to farmers only support 2% of the demand. With these facts, Bridge stepped up to help the sector through rural banks. In the Philippines, Bridge chose the 1st Valley Bank from Cagayan de Oro. Gus shared that Bridge saw in this specific bank the character they were seeking for: an understanding of the nature of the clients, designing products around the clients, and flexibility in finding opportunities in the market. Aside from pointing this out, Gus also shared that the problem faced in agri-financing is with the banks, not with the farmers. Banks, he said, usually blacklist someone on a basis of one bad record. There was also a problem with banks sharing bad data instead of reliable data. Banks should also rely on assessing the cost of risks around secured loan because they will realize that there lies a good opportunity to expand secured loans. Gus believes that, for agri-financing to flourish more, there must be an improved rule on land holding, and banks must change their behavior towards collateral.

Digital Innovation

The Digital Innovation session enumerated the challenges in developing digital solutions and approaches in making sense of data produced by new technology for smallholder farmers. Anton Palo, General Manager of Foodlink Advocacy Cooperative, moderated the session by weaving in the experience of the panelists from Grow Asia, Smart Communications and Pessl Instruments as one digital framework.



Grow Asia, as represented by Paul Voutier, Director for Knowledge and Innovation, gave the participants an overview of the regional situation regarding digital innovation. Paul shared that the most-used platforms are still Facebook and WhatsApp. Farmers, he said, primarily use these applications to share and get farming practices, and to compare farming operations among their groups. Popular as well, as far as the [Grow Asia Digital Directory](#) is concerned, are digital financing platforms. However, while there are some existing digital solutions, Paul stated that the 63 solutions listed in the directory cannot support the 73 million farmers in the ASEAN. But Paul believes that digital tools are the most promising way of transforming smallholder farmers in the value chain in the next 10 years, as these tools will support the access of farmers to finance and markets. There is a lot to be done in the network, he said, and pushed for digital literacy.

Pessl Instrument, a technology equipment company that produces cutting-edge technology, represented by Vishnu Nair, Regional Director for Asia and the Pacific, is in the business of aiding farmers with decision-making and take action. Vishnu believes that the only way to improve agriculture beyond infrastructure is data. There should be someone who will enable the data, translate it for farmers and deliver it to the farmers. Thus, Pessl Instrument exists in order to provide farmers with technology. He pointed out that while the technology is available, it still needs more human interface. He made the point that the primary failure in digital solutions is the assumption that smallholder farmers are going to take initiatives themselves. Vishnu shared the benefit of Pessl's product that it primarily does everything from collecting data to giving instructions to the farmers. Instructions must arrive to the farmers, even in far-flung areas, which Smart is trying to solve through the building of cell sites. Vishnu also shared Pessl's project in Benguet and Bohol where his company deployed instruments to get data in the field. The project, however, failed when Pessl found out that there was no culture of using data in the Department of Agriculture because they were not equipped with the language of data skills.

For Smart Communications, one of the countries' largest telecommunications networks, future digital solutions should be focused on the 19 million subscribers who have no data. Darwin Flores, Vice President of Smart, shared some facts from his company: Of the 64 million subscribers, 75% have smartphones, and 70% are using data, including farmers. He also pointed out that Filipino farmers are old and use their smartphones for basic calls, and not to text. He also raised the issue of farmers not maximizing the information available and farmers not encouraging their children to follow in their footsteps. To address the gap, Smart had a program with the Agricultural Training Institute, which connects old farmers from five sites in Batangas, Cavite and Rizal to the youth, to learn to use Facebook and other applications. The objective of Smart's project was to build fundamental acceptance among the farmers and the adoption of the device. The session also raised the issue of signal strength in the country which is crucial in using the technology available. Darwin revealed that Smart and other companies were challenged to build 50,000 cell sites across the country. There are already 20,000 cell sites but these were only built for 30 years. The problem lies with the government's ease in doing business and the ancestral domains where the future sites will have to be built.

Public-Private Partnership

The session on Public-Private Partnership discussed the experiences of the local government unit of Dinalupihan, Bataan, and Nestlé Philippines in engaging with the private and public entities respectively. While these initiatives are taking place between the public and the private sectors, the Philippine Council for Agriculture and Fisheries (PCAF) is supporting them by pushing for policies to be created through its different councils. Jerome Daclison of PBSP moderated the session.



The Philippine Council for Agriculture and Fisheries (PCAF) was introduced by Estrella Tulay, Chief of Planning, Monitoring and Knowledge Management Division. She started by sharing the history of how PCAF evolved into what it is now, with the merging of different offices, including the National Agriculture and Fishery Council (NAFC) and Livestock Development Council (LD), as mandated by EO 116 during the Arroyo Administration. She clarified that PCAF is not involved in projects but they can be trusted with creating and pushing for policies that would enable certain public-private engagement in agriculture. PCAF also hears everybody in the process of negotiation and considers everyone's input. Estelle also encouraged the individuals and companies present to participate in the different councils of the agency and read on the Manual of Operations for rules of engagement in joining these councils.



Gila Garcia, Mayor of Dinalupihan, Bataan, shared that Bataan is the first local government unit that has institutionalized public-private partnership, following the enactment of an ordinance passed in 2013. Now, the province has PPP centers from city-level to barangay-level to process any investments driven by private efforts. During the creation of the ordinance, the Local Government Unit of Bataan recognized that they cannot do it alone. They need the private sector to help them out in any projects they plan for the province. The PPP Center, she shared, is a joint-venture type that gives autonomy to the LGU to approve investments in the locality and only check by the National Economic Development Authority (NEDA) for its competitiveness. While some of the projects that have been realized with the help of the private sector are not yet agriculture-related, Gila shared some examples such as the Bataan Transport Terminal which now connects Bataan and SM Mall of Asia in Manila, and the renovation of the Bataan Provincial Capitol where the LGU did not spend any single cent for its building. She then continued by sharing that there is a current discussion with an Israeli company which plans to build a state-of-the-art agriphonics facility in the province. This was started when Bataan learned that the agriculture scholars partaking in internships in Israel do not return to venture into their chosen field because of a gap in technology that they have used and practiced in Israel and the available technology in the Philippines. To address this issue, Bataan LGU has had a talk with an Israeli company to bring the advanced technology to the country.



Nestlé Philippines shared how a public-private partnership has changed the lives of smallholder farmers, mostly in Mindanao. Ruth Novales, Vice President and Corporate Affairs Executive of Nestlé Philippines, established first that the country needs PPP to harmonize the resources of the government and the private sector. Everyone should work with the government because it has the infrastructure and access to the farmers. She shared the Nescafé Plan that settled non-contract growing where farmers can still supply regardless of the quantity while giving them assistance to continue supplying. Because of that project, Nestlé was able to train 10,000 farmers, buy coffee directly from farmers, 70% of which are coming from Mindanao, and plant more than 16 million coffee trees. Nestlé, she revealed, also challenges farmers by increasing the required yield per hectare to keep up with the demand of the private sector. Nestlé has also worked with PCAF in crafting the coffee roadmap, of which the funding has yet to be released, along with a law that will establish a council on coffee. Ruth also shared the achievements of the private sector with PCAF, such as preventing locally-produced coffee from being taxed under the new taxation bills, and taxing those coming from abroad. She also enumerated some characteristics of a successful PPP, including (1) a clear definition of roles and responsibilities, (2) definite key performance indicators and time tables, (3) an end-to-end value chain approach to the project, and (4) continuous monitoring and evaluation of the projects.

CALL FOR PARTNERSHIP

Calls for Partnership gave several organizations an opportunity to share the projects that they are carrying out and call everyone in the room to participate in their undertakings.



DTI for Rapid Growth Project

The Department of Trade and Industry was the main implementer of a Php4.7 billion Rural Agro-Industrial Partnership for Inclusive Development (RAPID Growth) program of the International Fund for Agricultural Development (IFAD). Based on her presentation, the DTI representative said that the program aims to scale-up the agri-based MSMEs on cacao, coffee, processed fruits and nuts, and coconut, for them to become more sustainable and inclusive. DTI calls on submissions and proposals to be funded under the project. Some of the benefits include technical assistance, capacity-building, and provision of working capital. For further information on the project, coverage and submissions, coordination shall be done by contacting the Department of Trade and Industry (DTI).



AgriCOOPh

The Philippine Family Farmers Agriculture, Fishery, Forestry Cooperative Federation (AgriCOOPh) is an association of cooperatives across the country that introduced itself as a full value chain service provider. Their representative Socrates enumerated five calls for partnership that AgriCOOPh needs: (1) Partnership for Organizational and Business Capacity Development, (2) Partnership for Resilient Agriculture, (3) Increase farmers' competitiveness, (4) Coop-to-Coop Cooperation, and (5) Partnership for an enabling environment. Companies or individuals willing to response to this call may connect with PPSA Secretariat.



Pessl Instrument

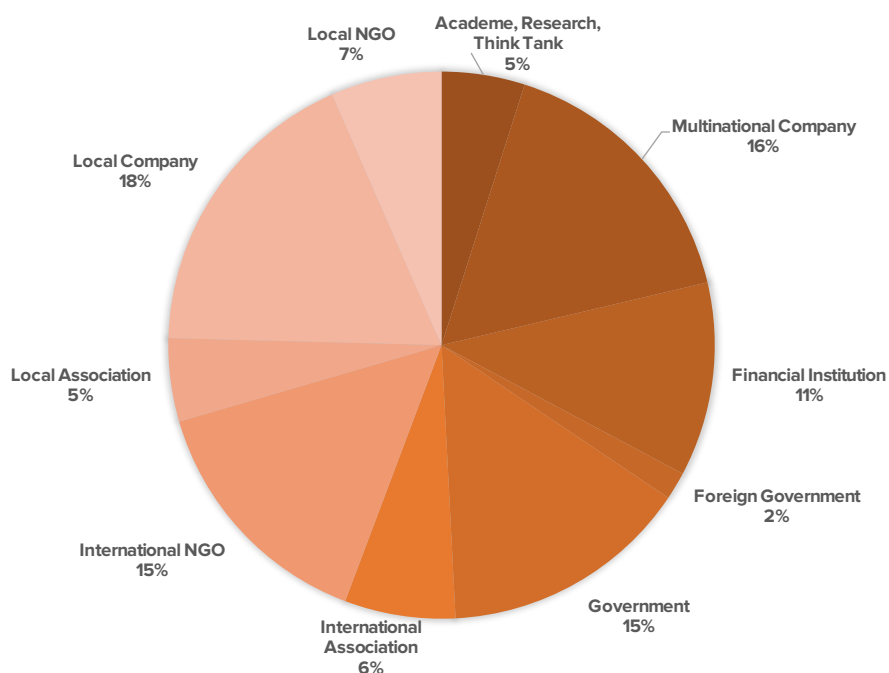
Pessl Instrument called on partners in the room to help the company identify local government units and farmer groups to try out its technology. The company is willing to set up their instruments to share the technology and prove its worth in helping farmers decide, based on the data that it will produce. Companies or individuals interested in this call may contact the PPSA Secretariat to connect with Pessl Instrument.



EVENT PARTICIPATION AND REPRESENTATIONS

The PPSA Practitioners' Workshop and Learning Event 2019 was well-attended with 120 participants who joined the discussion. The event also had representatives from 11 different sectors.

Below is a chart showing the percentage distribution of participants' representation from the different sectors.





A majority of the participants represented mid to top-level positions, as shown in the chart.

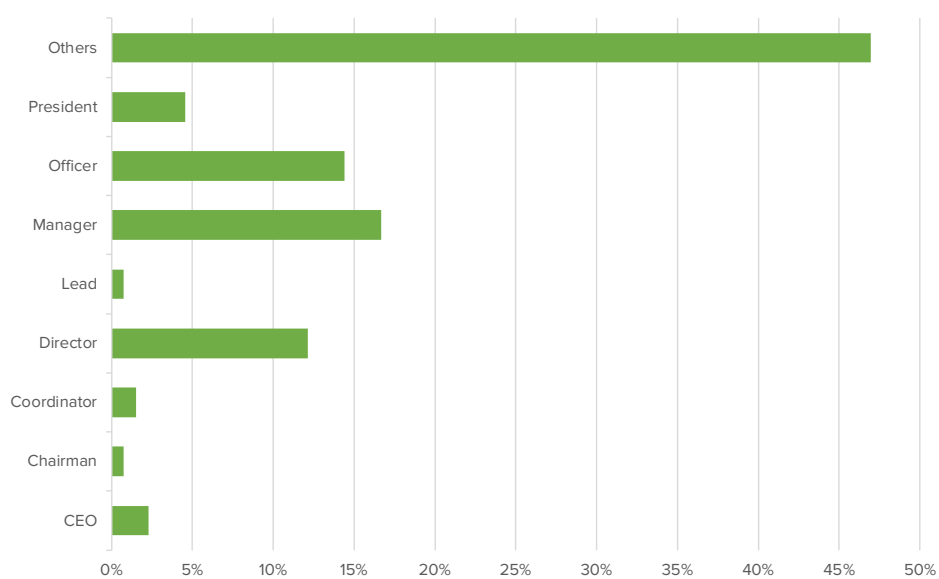


PHOTO GALLERY

Below are some of the photos taken during the event. For complete gallery and to download, visit bit.ly/PPSA2019.



From top to bottom, left to right: Darwin Flores of Smart and Paul Voutier of Grow Asia answered some questions from the participants of the Digital Innovation session; SEARCA shared its Calamansi Project in Mindoro during the Knowledge Marketplace session; More than 100 participants were updated with the happenings across the region and the Grow Asia network by Grahame Dixie; Augusto Camba of C4D Partners and Pia Roman-Tayag of BSP discussed different financing initiatives of their organizations; ACPC informed the participants of the easy loan programs of the government; Jollibee Group Foundation and EMIT-C4C shared their experience in engaging directly with the smallholder farmers and its successes.



From top to bottom, left to right: Moderator and panelists of the Agrifinance session posed for a group; Representatives of Covestro promoted their breakthrough product on food drying; Bernadette San Juan of DA-AMAS enumerated the programs and projects of Department of Agriculture on different initiatives; Panelists of the Public-Private Partnerships shared their experience in engaging with private and public entities for agriculture-related projects; Some local and international companies were present in the event and got the chance to network with each other. May Arancon of Unilever Philippines discussed the program and the future direction of her company as it aims to sustain its operation and help the agriculture sector.

ABOUT PPSA

The Philippines Partnership for Sustainable Agriculture (PPSA) was formally launched in 2015 by the Philippines' Department of Agriculture and Grow Asia. Grow Asia was established by the World Economic Forum, in collaboration with the ASEAN Secretariat, to convene, facilitate, and help scale action-focused partnerships aligned with national agriculture agendas.

PPSA serves as a multi-stakeholder platform to engage smallholder farmers and market players towards socio-economic growth and competitive advantage. In 2017, Grow Asia collaborated with the Philippine Business for Social Progress (PBSP), a business-led social development organization committed to poverty reduction, to establish the PPSA Secretariat as an in-country coordinating body.

Five Working Groups organized around coffee, corn, coconut, fisheries and vegetables are currently in place and are developing ways to transform their sectors beyond individual value chain projects. In addition, partners are also collaborating on sectoral initiatives on agricultural finance and knowledge sharing. Grow Asia continues to provide overall strategic direction and support to PPSA locally and regionally.

Proudly supported by



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