



PPSA
Philippines Partnership for Sustainable Agriculture



WORLD
ECONOMIC
FORUM



Grow**Asia**

Philippines

**Philippines Partnership for
Sustainable Agriculture**
Supported by Grow Asia
2018





Agriculture plays a vital role in the Philippine economy, contributing approximately an eighth of the national GDP over the years. With over 11 million people engaged in the industry's workforce – more than a quarter of the population – agriculture in the Philippines has huge potential to provide social and economic growth for communities and the country as a whole.

The Philippines remains a significant player in the global market as an exporter of coconut, and a producer of other crops such as rice, corn, banana and sugarcane. However, the sector is also particularly vulnerable to natural calamities, and suffers from low productivity, high production costs and lack of investment in infrastructure and value chains.

Key strategic focuses for the year ahead:

Focus Area 1

Efficient implementation of crop value chain projects and scaling up of successful projects, in alignment with national programs and government priorities.

Focus Area 2

Creation and management of partnerships to engage more companies and Philippine-based stakeholders.

Focus Area 3

Regularization of the Philippines Partnership for Sustainable Agriculture (PPSA) secretariat operations and systems, including addressing strategic targets and thematic areas of cooperation between Working Groups.

GDP (USD\$)

314
million

Official GDP
growth rate

7%

Population living
below poverty line

22%

Total agricultural
land area

124,400
km²

Mobile penetration

122
million

Agricultural
contribution to
GDP

10%

Population

107
million

Population living
in rural areas

56
million

Agriculture sector
employment share
in the labor force

25%

Females in
agriculture

24%

Philippines Partnership for Sustainable Agriculture

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, vegetables, and fisheries are currently in place and are developing ways to transform their sectors beyond individual value chain projects. In addition, partners are also collaborating on cross-cutting themes of agricultural finance and knowledge sharing. Grow Asia will continue to provide overall strategic direction and support to PPSA locally and regionally.

“ The collaboration between Grow Asia and PBSP will enable us to co-develop and scale initiatives which address key issues in agriculture by creating multi-stakeholder, locally-driven value chains focused on increasing business opportunities in underserved markets. Most importantly, the initiatives will enable the inclusion of marginalized smallholder farmers and promote a more sustainable source of income, which will eventually contribute to improved quality of life. ”

Reynaldo Antonio D. Laguda
Executive Director of the Philippines
Business for Social Progress (PBSP)

“ We recognize that substantial improvements in the agricultural sector can only be realized when the private sector sustainably engages with farmers. Our involvement in PPSA enables us to pursue shared goals that benefit farmers, communities, and society at large. There is a pressing need for a sustainable economic model, one that takes a long-term and comprehensive approach to addressing issues. ”

Benjie Yap
Chairman and Chief Executive Officer,
Unilever Philippines



Republic of the Philippines
Office of the Secretary
DEPARTMENT OF AGRICULTURE
Elliptical Road, Diliman, Quezon City



Responding to the poverty issues of the Philippines will address many other societal problems of the country. Grow Asia's partnership platform for sustainable agriculture presents a great opportunity to help our Filipino farmers produce and earn more through judicious use of vital resources with the hope that, in the near future, their lives will be substantially and sustainably uplifted.

I firmly believe that given proper investments and support, agriculture will spur a new wave of agricultural productivity and higher rural incomes. Indeed, with our President's call for transparent and out-of-the-box approaches to governance, this is the time to renew our trust in our farmers, address their needs and build up their capacities to significantly contribute and share it in the country's growth.

We in the Department of Agriculture will therefore continue to work with Grow Asia and support PPSA towards achieving food security and self-sufficiency, sustainable livelihood generation, and significant poverty reduction in the countryside.

A handwritten signature in black ink, appearing to be "E. Piñol", written in a cursive style.

Emmanuel F. Piñol
Secretary

PPSA Governance and Structure

Co-Chairs

- Department of Agriculture
- Unilever Philippines

Core Committee

- Co-Chairs
- Leaders of Working Groups
- Grow Asia
- Philippine Business for Social Progress

Secretariat

- Grow Asia
- Philippine Business for Social Progress

Working Groups

Coconut



Corn



Coffee



Fisheries



Vegetables



Agricultural Finance



Learning Alliance



Coconut



Activities

Companies and organizations in the Coconut Working Group are working on projects aimed at improving coconut productivity and increasing economic returns for farmers.

Unilever is leading the development of a value chain project for coconut sugar for export. The group is currently looking into two tracks: (1) Identifying existing suppliers to develop expansion areas, and (2) Identifying new partner organizations, new locations, and financing to support this initiative.

Radical Kitchen currently supplies to Unilever and is looking into expanding their areas in Visayas and Mindanao to reach more smallholder farmers through this initiative. Aumento Eterno, a start-up organization, has developed a Sustainable Coconut Sugar Blocks Plan, which aims to develop an initial 10-hectare model farm in Visayas to serve as the foundation of expansion towards their 2025 goals.

Friends of Hope is leading a program in partnership with domestic processors and international brands to reinvigorate the coconut water value chain. This includes sourcing from smallholders and reinvesting in farming communities to improve the productivity, profitability, and sustainability of coconut farming in the Philippines.

Impact

4,183 farmers reached

5,192 seedlings distributed

3 model farms established



Corn



Activities

The Corn Working Group has identified specific issues in the corn value chain, including smallholders' lack of access to farm credit and production technologies, the lack of modern post-harvest facilities and processing plants and high transportation costs. The Working Group is mapping the operations of the private sector and NGO partners to develop value chain projects and models for replication.

A local Corn Working Group was also established in south-central Mindanao, and is currently being led by Biotech Farms, Inc. The group is working on a Farmers Development Program that aims to reach 10,000 smallholder farmers by 2020 and increase farmers' yield to at least 4.8 metric tons per hectare.

Impact

1,583 farmers reached



11 farmer organizations engaged with marketing agreements



Coffee

Activities

The Coffee Working Group has aligned itself with the Technical Working Group, implementing the Philippine Coffee Industry Roadmap 2017–2022. The Roadmap was finalized in 2017 by the Technical Working Group composed of government agencies and private sector representatives including Nestlé Philippines, and approved by the President of the Philippines in May of the same year. Guided by the Roadmap, the Coffee Working Group is tasked to ensure and monitor the development of the coffee industry and the attainment of the following goals:

- Increasing the average yield of green coffee beans from 0.3 metric ton/hectare to 1 metric ton/hectare by 2022, and production by 5% per annum
- Increasing total planting area from 140,522 ha to 213,788 ha by 2022
- Improving farmers' standard of living from poverty level by 15% per annum through diversified sustainable agribusiness farming systems
- Increasing employment in the coffee industry by 3% by 2022





In addition, Nestlé Philippines and GIZ are launching Project Coffee+ from 2018-2020 to increase the yield of coffee farmers to one metric ton per hectare, thereby increasing incomes and improving the economic viability of their farming systems. The initial focus is on training farmers in Bukidnon and Sultan Kudarat in agronomic practices such as grafting, pruning, rejuvenation and organic and inorganic fertilization, as well as entrepreneurial skills.

Project Coffee+ builds on Project Coffee which was started in 2013 as a pilot project that benefited 150 farmers in Tagbina, Surigao del Sur.



Impact

140%

increase in farmer household net profit



52%

increase in volumes sold



39

percentage point increase in inputs application



68%

of farmers regularly rehabilitating their trees



Fisheries



Activities

The Fisheries Working Group is in its early stages of formation. It is exploring existing aquaculture projects, and looking at expanding them to include the development of smallholder out-grower arrangements, as well as bringing in more members of the value chain, such as aggregators, processors, and exporters. These firms can also be assurers of quality as well as socio-economic and environmental practices in the value chain. The project anticipates a growth in demand for responsible practices in the fisheries' value chains.



Vegetables



Activities

The Vegetables Working Group has identified priority areas of collaboration around increasing the per capita consumption of vegetables in the country through information and education campaigns, as well as developing more efficient distribution channels. Members are also interested in knowledge management around digital solutions and building up shared databases of farmers by area and types of vegetables grown.

Under the leadership of East-West Seed, the Working Group is also aligning itself with the Philippine Seed Industry Association's mission of providing high-quality seeds and relevant technologies to farmers, to raise their capacities and develop Philippine agriculture.



Agricultural Finance



Activities

The Inclusive Agricultural Value Chain Consortium (IAVCC) was formed as a follow-up to the AgriFinancing Summit 2016, bringing together agricultural finance and value chain stakeholders to collaborate and co-create ways of investing and supporting rural enterprise development.

To encourage compliance with the Agri-Agra Law, which mandates banks to lend 25% of their portfolio to agriculture and agrarian credit, the Consortium researched and published successful value chain financing models. Future research on the agenda includes a guidebook/toolkit on value chain finance, which will contain practical guidelines, policies, and templates for replication and scaling.

At the same time, the IAVCC is working with PPSA Working Groups to promote a national value chain development program around specific commodities. This would involve creating an ecosystem of commercial actors, farmer capacity building providers, financial institutions, government and similar support agencies.



Learning Alliance



Activities

There is significant research being led and conducted in ASEAN. Additionally, there are both resident expertise and global stakeholders working in sustainable agriculture that have significant findings to share. However, maneuvering through the complex web of universities, research institutes, think tanks, development practitioners, and consultants is difficult.

Grow Asia is working with PPSA (and other Country Partnerships in the Grow Asia network) to promote a more systematic approach to knowledge sharing through the creation of Learning Alliances. By linking existing members to the leading research institutes and think tanks in the region, the Learning Alliance aims to create a collaborative, multi-sectoral ecosystem in the Philippines where action research on agriculture & sustainable development is market-driven, evidence-based and contributes towards lifting smallholder livelihoods at scale.

The Learning Alliance currently has 10 knowledge producer members, including representatives from state universities, research institutes and think tanks who focus on agriculture, economics, entrepreneurship and development studies.



Philippines' Coffee

Harmonizing stakeholder initiatives in support of Philippine smallholder coffee farmers

Public and private sector partners are working together to implement the Philippine Coffee Industry Roadmap, which envisions a national coffee industry that is cost-competitive, aligned with global quality standards, environment-friendly, and provides sustainable benefits to farmers, processors, traders and exporters.

The Philippine Coffee Industry Roadmap is the detailed plan to guide key players and government agencies in the progress of coffee industry towards their goal. It is crafted based on the coffee industry stakeholders' pursuit of inclusive growth models through value chain approach and to sustain increases in yields, incomes, improved farm productivity and to enhance farmers' technical capability and skills, and also to create avenues for food security and poverty alleviation.*

*Extracted from the Philippine Coffee Industry Roadmap 2017-2022



Multi-stakeholder partnership platform

With the leadership of the Department of Agriculture - Office of High Value Crops and Rural Credit and the Department of Trade and Industry's National Priority Industry Cluster for Coffee, Grow Asia supported the Working Group in driving the Roadmap forward

- Encouraged the Working Group to adopt the Roadmap as a sector transformation strategy under Nestlé Philippines leadership as the Coffee Working Group Lead
- Committed Secretariat support to organizing activities, documenting initiatives, and providing administrative, logistics, and communications support in collaboration with the Department of Trade and Industry - National Priority Industry Cluster for Coffee
- Brought in a consultant to help design the logical framework and a 4-year work and financial plan for its key priority interventions (2017-2022)
- Shared knowledge and best practices from regional partners, highlighting Vietnam's experience with the Vietnam Coffee Coordinating Board during the 2018 Philippine Coffee Congress



The Philippines Partnership for Sustainable Agriculture (PPSA)

Serving as a coordinating body for the Working Group's action programs under the Roadmap

- Convene Executive Committee meetings, Working Group Meetings and ad hoc consultation meetings as required
- Communications, outreach and engagement with the coffee industry and its stakeholders



National tri-sector behavior and collaboration

Supporting Working Groups in contributing to the country's goal of attaining food security and alleviating poverty

- Interdepartmental coordination spearheaded by the Department of Agriculture, Department of Trade & Industry, and Department of Science & Technology
- Localization at the regional and sub-regional level with respect to activities per strategic objective, targets of regions per roadmap indicator, and financial requirement and sourcing
- Implementation of various interventions, including improved quality and availability of planting materials, enhanced farm efficiency and investments, competitive market pricing, and setting coffee standards
- Uplift national coffee production, from farming to manufacturing, to observe the best and most sustainable practices that conform to food safety, quality control and environmental requirements



Smallholder Impact

The Roadmap aims to achieve the following over the next 5 years:

Increase the average yield of green coffee beans from 0.3 MT/ha to **1 metric ton/hectare** by 2022



Increase total planting area from 140,522 ha to **213,788 hectare** by 2022



Lessen dependence on the **importation** of coffee beans and coffee products



Improve farmers' standard of living from poverty level of

15% per annum

through diversified sustainable agribusiness farming systems



Increase employment in the coffee industry by

3% by 2022



About Philippines' Coffee Industry

The Philippines lies within the so-called "bean belt" in the equatorial zone, where most coffee is grown. Due to this advantageous location and favorable tropical climate, the country produces four varieties of coffee: Robusta, Arabica, Excelsa and Liberica.

Despite a steady increase in the number of coffee consumers, production has been declining. In 2017, the Philippines produced 28.5 million kg of coffee. However, the output represented just 6.8% of the 417 million kg of coffee consumed in the same year.

In fact, Filipinos are the fifth highest consumers of coffee globally behind EU, US, Brazil, and Japan. This thirst for coffee has made the country the world's top importer of soluble or instant coffee (360 million kg), and the fourth biggest coffee importer (soluble and green coffee beans). The Philippines imports mainly from Vietnam and Indonesia.

The partnership of the private sector and the government is more evident now because of the birth of the first-ever Philippine Coffee Roadmap. The Roadmap will chart the progress of the coffee industry over the next five years. The benefits to the farmer in having this coffee venture is prime in all our considerations. The more we are able to work together – the private sector and the government – the better for the industry.

Ruth Novales

Vice President and Corporate Affairs Executive, Nestlé Philippines

Farmer cooperatives will benefit under the guidelines as improved planting materials, farming techniques, equipment and financial support enhances the production of quality coffee beans. Organizing and capacitating small farmer organizations like cooperatives is important in facilitating the provision of technology transfer, establishment of service facilities and linkage of farmers with consolidators, processors and other interventions.

Gina Mangalindan

Talaorani Multipurpose Cooperative

The Philippine Coffee Roadmap was crafted through a long process involving multi-stakeholders, with the end-view of making coffee farming profitable for small farmers, Philippine coffee globally competitive, and productivity improved to acceptable levels, with a menu of calculated interventions.

Evelyn Laviña

Undersecretary for High Value Crops and Rural Credit, Department of Agriculture

DTI provides shared services such as pulpers, hullers, roasters and grinders to improve the quality of processed beans. We want the farmers to share in the value-adding, resulting in bigger incomes for our farmers and encouraging more people to engage in the coffee business and employ more Filipinos.

Myrna Pablo

National Industry Cluster Coordinator for Coffee & Regional Director-CAR, Department of Trade & Industry

Working Group Members

Coconut

- Aumento Eterno
- Friends of Hope
- PAKISAMA
- Philippine Coconut Authority
- PinoyME Foundation Inc.
- Radical Kitchen
- Unilever

Coffee

- Bote Central
- Bureau of Plant Industry (BPI) - High Value Crops Development Program
- De La Salle University
- Department of Agriculture - Agricultural Credit Policy Council
- Department of Agriculture - Office of High Value Crops and Rural Credit
- Department of Agriculture - Philippine Council for Agriculture and Fisheries
- Department of Trade and Industry
- Department of Trade and Industry - Cordillera Administrative Region
- Department of Science and Technology
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Foodlink Advocacy Cooperative
- Macnuto Philippines
- Nestle Philippines
- Philippine Coffee Alliance
- University of Asia and the Pacific

Corn

- ADM
- Biotech Farms, Inc.
- East-West Seed
- Japan International Co-operation Agency
- Leads Agri
- Monsanto
- PAKISAMA
- Pioneer Dupont
- PinoyME Foundation Inc.
- Ploughshares Inc.
- Sinochem
- Sustansiya
- Syngenta
- YARA Fertilizers Phils., Inc.
- Zamboanga Grains Corp.

Fisheries

- Bureau of Fisheries and Aquatic Resources
- Feedmix Specialist Inc.
- Foodlink Advocacy Co-operative
- KCCDFI
- WWF - Philippines

Vegetables

- East-West Seed
- Food and Agriculture Organization of the United Nations
- Foodlink Advocacy Co-operative
- Inavet Nutrition Technologies
- Jollibee Group Foundation
- PAKISAMA
- Sinochem
- Sustansiya
- WWF - Philippines

Agricultural Finance

- Agricultural Guarantee Fund Program
- Banko Sentral ng Pilipinas
- Bank of the Philippine Islands
- Bayer CropScience
- BDO Unibank
- Department of Agriculture - Agricultural Credit Policy Council
- Department of Trade and Industry - Board of Investments
- Development Bank of the Philippines
- Jollibee Group Foundation
- Land Bank of the Philippines
- Mynt
- Nestle Philippines
- Peace and Equity Foundation
- Unilever
- WWF - Philippines

Learning Alliance

- Ateneo De Cagayan (ADCU)
- De La Salle University (DLSU)
- Institute for Social Entrepreneurship in Asia (ISEA)
- Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA)
- Philippine Rural Reconstruction Movement (PRRM)
- Rice Watch and Action Network (R1)
- Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA)
- University of the Philippines – Center for Integrative and Development Studies (UP CIDS) EMIT:C4C Program
- University of Philippines, Los Baños (UPLB)
- Visayas State University (VSU)

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