

Philippines Partnership for
Sustainable Agriculture

2016-2017

Supported by Grow Asia



Grow**Asia**

Philippines

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

The Philippines remains a significant player in the global market as an exporter of coconut, and producer of other staple crops such as corn, coffee, banana and cassava. 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.

| | | | |
|---|--|---|--|
| Statistics | GDP 2016 US\$ Billions | Official GDP growth rate 2016 | Population living below poverty line |
| | US\$292 billion | 6.8% | 21.6% |
| Total agricultural land area | Agricultural contribution to GDP | Population | Population living in rural areas |
| 124,400 km ² | 11.3% | 101.6 million | 55.6% |
| Agriculture Sector Employment share in the labor force | Mobile Penetration | Females in Agriculture | |
| 27.9% | 112 million | 24% | |

Philippines Partnership for Sustainable Agriculture

The Philippines Partnership for Sustainable Agriculture (PPSA) was formally launched in 2015 by the Philippines' Department of Agriculture in partnership with local and global companies. To date, PPSA has brought together more than 70 organizations and is developing projects based on detailed analysis of value chains aligned with the national government's Philippine Rural Development Project (PRDP).

In early 2017, Grow Asia launched its collaboration with Philippine Business for Social Progress (PBSP), a business-led social development organization committed to poverty reduction.

The collaboration established a PPSA Secretariat which will serve as an in-country coordinating body. It will provide on-the-ground support to Working Groups in the areas of performance measurement, resource mobilization, research and technical assistance as well as communications. Four Working Groups organized around coffee, corn, coconut, and fisheries are currently in place and are developing their value chain projects. Grow Asia will continue to provide overall strategic direction and support to PPSA locally and regionally.

An aerial photograph of terraced rice fields in the Philippines, showing a mix of vibrant green and silvery-grey water-filled terraces. A white text box is overlaid on the center of the image.

“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 Philippine
Business for Social Progress (PBSP)

Message



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 partnerships 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 in the country's growth.

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

A handwritten signature in black ink, appearing to be "E. Piñol". The signature is stylized and written in a cursive-like font.

Emmanuel F. Piñol
Secretary

PPSA Governance and Structure

Co-Chairs

- > Department of Agriculture
- > Unilever Philippines

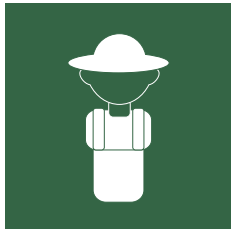
Core Committee

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

Secretariat

- > Grow Asia
- > Philippine Business for Social Progress

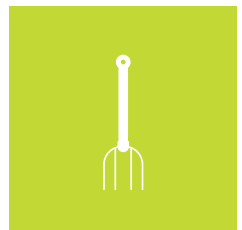
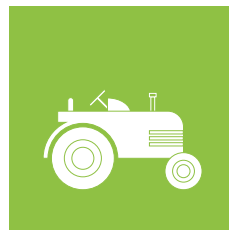
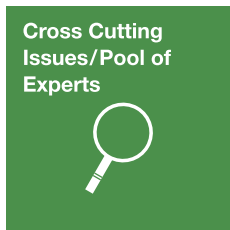
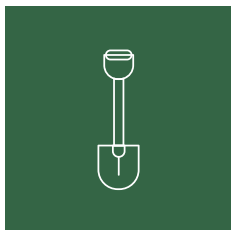
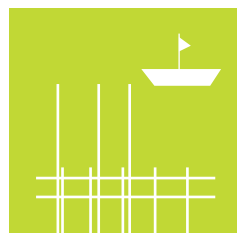
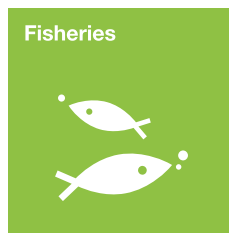
Working Groups



Coconut



Coffee



Corn

Activities

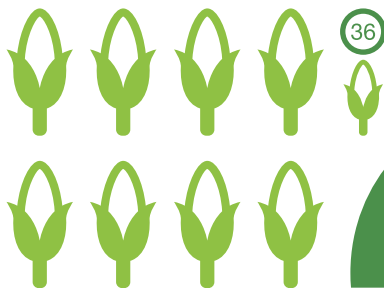
The Working Group has piloted the Yellow Corn Supply Chain Project, connecting corn farmers in Zamboanga del Norte to a cooperative of hog raisers in Batangas with approximately 24,000 members.

The Working Group provides farm credit, training, and post-harvest technologies to help increase the productivity of the farmers, while ensuring the cooperative is provided with high quality and affordable yellow corn feedstock.

Impact

836 ha
Area planted

 Legend
1 X 100

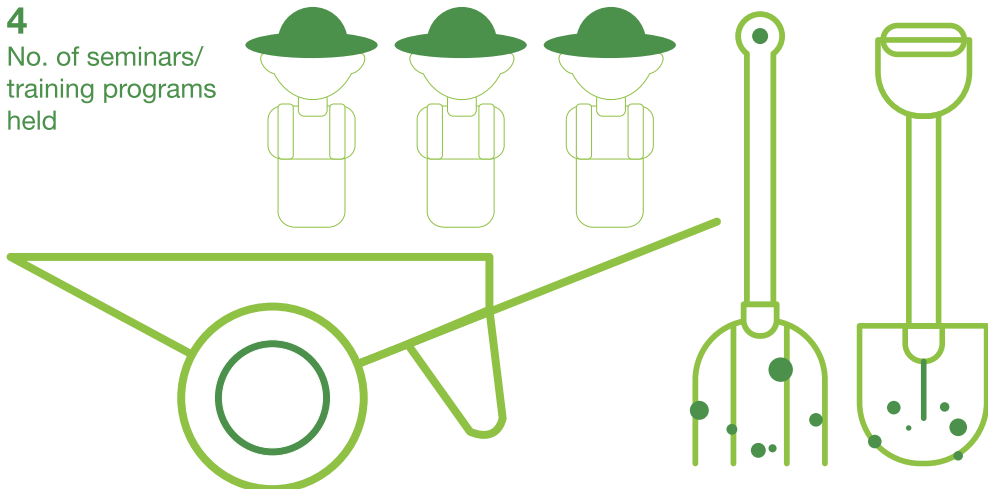


300
No. of farmers trained

 Legend
1 X 100



4
No. of seminars/
training programs held



Coffee

Activities

The Working Group is rolling out programs in at least ten cooperatives nationwide, based on a pilot initiative conducted in Tagbina, Surigao del Sur. The project, led by Nestlé Philippines, Inc. works end-to-end in the Robusta coffee value chain providing superior quality planting materials, technical assistance, and 4C (Common Code for the Coffee Community) training. It also establishes stations to enable direct buying. Inter-cropping

while the main coffee crop gestates is strongly being encouraged.

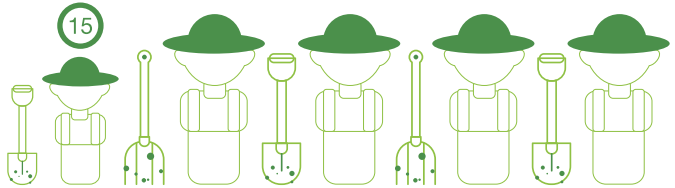
Macnut Philippines Inc. is leading a value chain project for Arabica coffee engaging in contract growing and buy-back scheme of coffee beans. It aims to increase the income and support sustainable food security of farmers and indigenous people by adopting organic farming technologies.



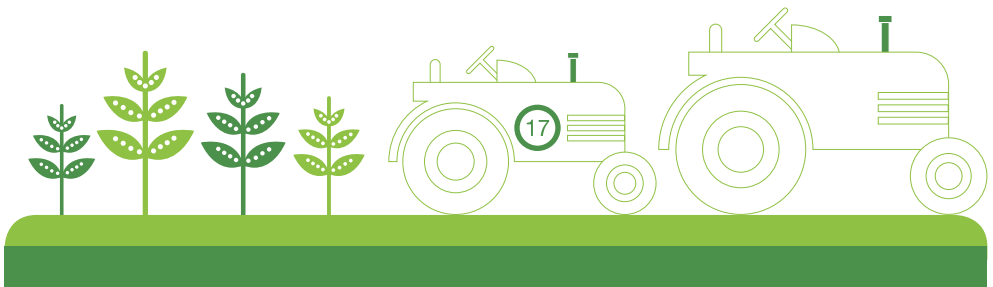
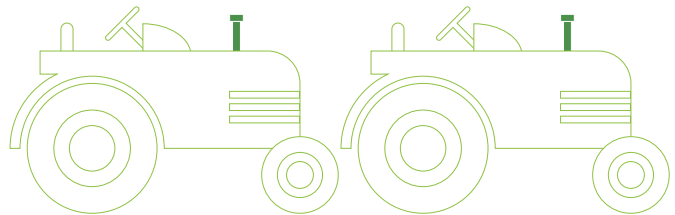
544
farmers reached



95
farmers participating in training



77
farmers adopting new technology



Coconut



Activities

The coconut industry provides a livelihood for one-third of the country's population, according to the Philippine Coconut Authority. However, an aging tree population and damage from natural disasters are challenging the industry as it tries to keep up with the growing demand. Companies and organizations in the coconut working group are working on projects aimed at improving coconut productivity and increased economic return to farmers – particularly in areas that were badly affected by Typhoons Haiyan and Yolanda, which are among the biggest producers of coconut.

Unilever is leading the development of a value chain project for coconut sugar blocks for export specifically to Indonesia for use in its

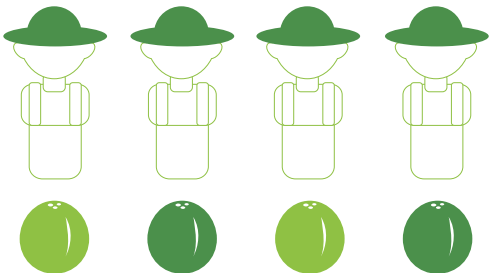
sauce production. The supply gap is estimated at 40,000 metric tons per annum or an export potential of PHP2 billion per annum. This renders a huge potential for coconut farmers to have a substantial increase in their income. Coco sugar provides at least four times higher yield and income generation than copra. Interventions needed include the identification of new and best planting locations, provision for seedlings for dwarf coconut varieties, farmer training and organization, technology development and financing. Pilots are being tested in Quezon and Zamboanga to establish best practices in increasing productivity and efficiencies. Once scaled up, the project is expected to impact 10,000 farmers.



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. This Mindanao-based program will include multiple interventions such as replanting, trainings, introduction of intercrops, and market access.

Impact

1,410
farmers reached



Fisheries (Mudcrabs)



Activities

With support from the Bureau of Fisheries and Aquatic Resources (BFAR), the Working Group is constructing a hatchery that is expected to be completed by the second half of 2017, and the conduct of trainings on mud crab production. The project is expected to support approximately 1,000 farmers to increase their production of mud crabs for local and export markets.

There are ongoing discussions on the possibility of a working capital credit or an 'Aquapreneur' loan product for the mud crab growers. A study was undertaken to provide inputs in developing loan products and business development model, set data gathering instruments and database, draft a comprehensive plan for KCCDFI

micro-aqua loan engagement, and develop the Zamboanga Peninsula-wide baseline and performance indicators system.

This resulted in the Micro-Aquapreneur loan product and the KCCDFI Aquaculture Business Development Plan that support, enhance, and develop small fishpond operators' household livelihoods. Components of this loan products are financial assistance, access to technical and market assistance in mud crab production and fishpond operations, capability building in business management, and development of environmentally-sound mud crab production technology that support small fisherfolks and fishpond operators' livelihoods.

Cross-Cutting Issues/Pool of Experts



Activities

The Cross-Cutting Working Group is comprised of organizations and individuals who have comprehensive and authoritative subject matter knowledge in various areas relating to agriculture in the Philippines. The members support the PPSA Working Groups by providing insight and expertise.

The group, through BPI Foundation, recently organized the first Agri-financing Summit. This event brought together agricultural value chain key players to collaborate and co-create ways on improving the situation of smallholder farmers

by looking into investing and supporting rural enterprise development and value chain financing as viable solutions. The offshoot of this summit is the creation of an agriculture value chain consortium of institutions that will collaborate to help provide opportunities for small farmers to access affordable loans from commercial banks. Specifically, the consortium aims to develop working models of how farmers can be successfully and sustainably connected to corporate buyers.



Highlight Project Coffee



Overview

Nestlé strongly believes that creating value that is shared by both the company and the communities is essential for a more sustainable and inclusive growth. In the Philippines, Nestlé commits to provide Robusta coffee-farming communities with sustainable livelihood and income as this also serves as a way to strengthen the country's coffee industry, leading to the creation of more jobs in areas dependent on agriculture.

As part of its strategies to achieve this vision, Nestlé Philippines, Inc. implemented Project CoFFEE (Coffee Technologies and Funds to Fuel Economic Empowerment) of a Community in Mindanao under its NESCAFÉ Plan, which is a global initiative on responsible coffee farming.

Established in 2013, Project CoFFEE was able to realize its goals of creating a business case for sustainable small-scale coffee farming in the Philippines, has introduced new Robusta

coffee technologies to coffee farmers, and was able to develop, train, and benefit over 140 farming entrepreneurs or FARMtrepreneurs in the Municipality of Tagbina, Surigao del Sur all of which are members of Mabuhay Kahayagan Coffee Growers Cooperative (MKOGC).

Project CoFFEE was co-financed by Germany-based Deutsche Investitions- und Entwicklungsgesellschaft or DEG, with public funds of the Ministry for Economic Cooperation and Development. For this project, Nestlé Philippines partnered with Asia Society for Social Improvement and Sustainable Transformation (ASSIST), a non-profit capacity building organization, that provided expertise and services towards increased multi-stakeholder awareness in the coffee community, set up of a pilot coffee community, and developed a replicable model and set of activities.



Through this project, MKCGC farmers were able to increase their revenues and venture into other income streams. They now earn from plantlets produced from their BPI (Bureau of Plant Industry) accredited nursery, from cuttings harvested from their Mother Plant Garden (MPG), and from dehulling, among others. But most importantly, the sales of MKCGC's and Tagbina's green coffee beans to Nestlé continue to increase significantly since the first year of project implementation.

Project CoFFEE has been turned over to MKCGC on June 2015 so that the responsibility for sustaining the project gains is now lodged with the cooperative.

With the successes of this project, Nestlé will launch Project CoFFEE +, which will extend Project CoFFEE to more communities in Mindanao, particularly in Bukidnon and Sultan Kudarat, with farmer nutrition interventions in the latter.

Farmers:

"I am deeply grateful toward Nestlé. When I look at the coffee here, it feels like all of this is the fruit of their efforts. They taught us how to use fertilizers, and trained a lot of workers, and that's what we are grateful for."

Eustacio Arabejo,
Member, MKCGC

"At first, things were difficult because we didn't have the ways to sustainably farm coffee, till the time came, when this project began, and a group came in that gave us insights and technology for farming, that group was Nestlé."

Robinson Maquilang,
Brgy. Captain, Brgy. Kahayagan

MKCGC head:

"It's our hope that we continue to grow and improve on our practices for the production of coffee as it has become a means of livelihood for the people of our barangay."

Leonardo Evangelista,
Chairman, Mabuhay Kahayagan Coffee Growers Cooperative (MKCGC)

Nestlé:

"This Project CoFFEE is a CSV (creating shared value) project. CSV means you make an impact to the community where you operate. This being the case for Tagbina, we were able to help the community which is already an existing coffee community improve their coffee production, in terms of quality and quantity. We were also able to source more coffee beans locally. I think with the existing coffee trees that they had before Nestlé, plus with the interventions of Nestlé, if they really focus on their vision and goal of becoming the top coffee producer in the CARAGA region, they will be able to achieve the objective."

Angel Wassmer,
Corporate Affairs Executive, Nestlé Philippines, Inc.

ASSIST:

"ASSIST being a capacity building organization can draw visitors, researchers, students, where they can learn from the technologies that Nestlé demonstrated and taught to the beneficiaries of Project CoFFEE. We look forward to the sustainability component of this project and how it can help uplift not only the current condition of coffee production here in Tagbina, but serve as a model for the whole country for coffee production."

Arnel Go,
Group COO, ASSIST Asia

Partners

**Corn**

- Pioneer Hi-Bred Philippines (lead)
- Agricultural Credit Policy Council (ACPC)
- Biotech Farms
- BPI Foundation
- East-West Seed
- KFI Center for Community Development Foundation, Inc. (KCCDFI)
- Leads Agri
- Monsanto
- National Corn Board
- National Development Corp
- Planters Products
- Ploughshares
- Postal Bank
- Philmaize
- Philippine Council for Agriculture and Fisheries (PCAF)
- Sinochem Crop Protection
- Soro-Soro Ibaba Development Cooperative
- Sustansiya
- Syngenta
- Yara International
- ZDMC Grains, Inc (ZGI)

Partners

Coffee

- Nestlé Philippines, Inc. (lead)
- Agricultural Credit Policy Council (ACPC)
- Agricultural Training Institute (ATI)
- ASKI Global
- BPI Foundation
- Bote Central
- Catholic Relief Services (CRS)
- Cooperative Development Authority (CDA)
- De La Salle University (DLSU)
- East-West Seed
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Department of Agrarian Reform (DAR)
- Department of Agriculture (DA)
- Department of Environment and Natural Resources (DENR)
- Department of Trade and Industry (DTI)
- High Value Crops Development Program (HVCDP)
- Ka Tribu Ug Ang Lasang Foundation Inc.
- Land Bank of the Philippines
- Macnut Philippines Inc.
- Microfinance Council of the Philippines, Inc. (MCPI)
- National Convergence Initiative (NCI)
- Office of the President - Office of the Cabinet Secretary
- Philippine Business for Social Progress (PBSP)
- Philippine Center for Postharvest Development and Mechanization (PhilMech)
- Philippine Council for Agriculture and Fisheries (PCAF)
- Philippine Coffee Alliance (PCA)
- Philippine Crop Insurance Corporation (PCIC)
- Philippine Statistics Authority-Bureau of Agricultural Statistics (PSA-BAS)
- Sustansiya
- Universal Robina Corporation (URC)
- University of Asia and the Pacific (UA&P)
- WWF Philippines
- Yara International

Coconut

- Unilever (lead on coconut sugar project)
- Friends of HOPE (lead on coconut water project)
- Century Pacific Agricultural Ventures Inc
- Department of Trade and Industry (DTI)
- Franklin Baker
- Global Mindanaw Agri-Ventures
- Global Organic and Wellness
- KFI Center for Community Development Foundation, Inc. (KCCDFI)
- Philippine Business for Social Progress (PBSP)
- Philippine Coconut Authority (PCA)
- Treegen
- Vita Coco

Fisheries (Mud Crabs)

- KFI Center for Community Development Foundation, Inc. (KCCDFI) (lead)
- Association of Pond Owners and Operators
- Bureau of Fisheries and Aquatic Resources (BFAR)
- BFAR – Inland Fisheries and Aquatic Division (BFAR – IFAD)
- BPI Foundation
- Dapitan Local Government Unit
- Dapitan Marine Enterprise
- Dipolog School of Fisheries
- KFI Network of Small Pond Growers
- TATEH Marine Feeds
- Technical Education and Skills Development Authority (TESDA)
- World Wide Fund for Nature (WWF)

Cross Cutting Issues/Pool of Experts

- Jollibee Group Foundation
- Bayer
- BPI Foundation
- Mynt
- Banco de Oro
- PinoyME Foundation
- Philippine Business for Social Progress (PBSP)
- Villar SIPAG Foundation

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Philippines Partnership for Sustainable Agriculture 2017-2018

Key strategic focuses for the year ahead:

Focus 1

Efficient implementation of crop value chain projects and scaling up of successful projects, in alignment with the Philippines' SDG targets and the PRDP Framework

Focus 2

Management and creation of partnerships to engage more companies and Philippine-based stakeholders

Focus 3

Regularization of the PPSA Secretariat operations and systems, including formalization of governance and working bodies to ensure leadership and strategic direction setting

Focus 4

Agreement on strategic targets for the PPSA Secretariat and for the Working Groups

Engage

www.growasia.org/philippines

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