

LOCALIZING AGRICULTURE DEVELOPMENT TOWARDS EQUITABLE GROWTH IN NORTHERN MINDANAO

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Economic Policy Reform and Advocacy (EPRA)

and

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Executive Summary

Northern Mindanao posted the highest economic growth among the Mindanao economies in 2006 but growth rates over the years did not translate into significant strides in poverty reduction. The region, despite its modest growth in agriculture, continues to be plagued with high poverty incidence in the rural areas.

In this study, the Economic Policy Reform and Advocacy (EPRA) worked with the Regional Field Unit of the Department of Agriculture in Northern Mindanao and the College of Agriculture of Xavier University to assess the regional agriculture development and review the service delivery mechanism at the local and regional level. They conducted a regional participatory process that brought together NGOs, academe, agri-industry leaders, financial institutions, peoples' organizations and government agencies.

The study reveals a highly fragmented Northern Mindanao agricultural economy, particularly in the areas of research and development, local governance, agricultural marketing and distribution system, and access to credit.

The study recommends that agriculture development in Northern Mindanao should be directed towards greater integration where services are coordinated and products are consolidated. Integration, especially in planning, can provide common direction thereby enhancing synergy. Coordination of the different support services can avoid duplication and reduce transaction costs. Also, by consolidating their products, farmers can attain a certain level of scale to satisfy market requirements and enhance their bargaining power.

The process of integration, coordination and consolidation of local agriculture development should be directed towards improving the quality of life of farmers, especially the poor and the marginalized. It should strive to improve farmers' productivity and profitability.

The needs of the small farmers, however, are many and varied. No lone unit or line agency of the government can single-handedly respond to their needs effectively. There is therefore the need for collaboration of all support organizations and stakeholders, both public and private.

It is with this perspective that the participation of the private sector and civil society organizations should be encouraged, supported and institutionalized.

For those farmers who have already satisfied their food needs and have surplus products, the provision of marketing support especially infrastructure, information and logistics to effectively reach the consumers, both local and international, should be facilitated. While enhancing support services, the receiving mechanism, that is, the farmer organizations would have to be strengthened as well.

Knowledge generation and utilization should be localized. Academic and research institutions should address local needs of the farmers. LGUs, government agencies and the academe should invest in these endeavors. Towards this objective, local government executives may envision a culture of science and development in the region.

Specific recommendations for the Department of Agriculture, local government units, financial institutions, the academe and civil society organizations (including farmer associations, cooperatives and NGOs) have been included in the study.

List of Acronyms

ACEF	Agricultural Competitiveness Enhancement Fund
AFC	Agriculture and Fishery Council
AFMA	Agriculture and Fisheries Modernization Act
AMAD	Agribusiness and Marketing Assistance Division
AMCFP	Agro Industry Modernization Credit and Financing Program
AO	Administrative Order
AOTP	Agriculture of the Poor
ATI	Agricultural Training Institute
BAR	Bureau of Agricultural Research
BLES	Bureau of Labor and Employment Statistics
CERDAF	Council for Extension, Research and Development for Agriculture and Fisheries
CLOA	Certificate of Land Ownership Agreement
CODE-NGO	Caucus of Development NGO Networks
CSF	Common Service Facilities
CSO	Civil Society Organization
DA RFU 10	Department of Agriculture Regional Field Unit 10
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DBP	Development Bank of the Philippines
DENR	Department of Environment and Natural Resources
DOST	Department of Science and Technology
DOT	Department of Tourism
DTI	Department of Trade and Industry
EO	Executive Order
EPRA	Economic Policy Reform and Advocacy
FITS	Farmers' Information and Technology Services
FMD	Foot-and-Mouth Disease
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GEM	Growth with Equity in Mindanao
GFI	Government Financial Institution
HVCC	High Value Commodity Crops
ICT	Information and Communications Technology
IP	Indigenous People
LBP	Land Bank of the Philippines
LCE	Local Chief Executive
LEAD	Livelihood Enhancement for Agriculture Development
LGU	Local Government Unit
LSB	Local Special Bodies
MAO	Municipal Agriculture Office
MCT	Mindanao Container Terminal
MRDP	Mindanao Rural Development Project

NaRDSAF	National Research and Development System for Agriculture and Fisheries
NARRDN	National Agriculture and Resources Research and Development Network
NARS	National Agricultural Research System
NEDA	National Economic Development Authority
NESAF	National Extension System for Agriculture and Fisheries
NGO	Non Government Organization
NOMCARRD	Northern Mindanao Consortium for Agriculture and Resources Research and Development
NSCB	National Statistics Coordination Board
OTOP	One Town One Product
PAO	Provincial Agriculture Office
PCARRD	Philippine Council for Agriculture, Forestry and Natural Resources Research and Development
PDAF	Priority Development Assistance Fund
PHES	Potentially Harmful and Exotic Species
PIE-MO	PHIVIDEDEC Industrial Estate in Misamis Oriental
PNP	Philippine National Police
QUEDANCOR	QUEDAN and Rural Credit Guarantee Corporation
R&D	Research and Development
RA	Republic Act
RAFC	Regional Agriculture and Fishery Council
RDE	Research, Development and Extension
SUC	State Universities and Colleges
TESDA	Technical Education and Skills Development Authority
VAT	Value Added Tax
WCIADP	Mindanao West Coast Integrated Area Development Plan
WTO	World Trade Organization
XUCA	Xavier University College of Agriculture
YFP	Young Farmers' Program

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TABLE OF CONTENTS

Chapter	Page
Executive Summary	
List of Acronyms	
I Introduction	1
A. Background	1
B. Objectives	2
C. Methodology	2
II Agriculture in Northern Mindanao	3
A. Agriculture growth and rural poverty incidence	3
B. Constraints in local agriculture development	5
1. Research and Development	5
2. Extension Services	7
3. Marketing and Distribution	8
4. Rural Credit	9
C. Need for collaboration	10
III Towards Developing a Local Agricultural Development Framework	11
A. Rationalizing Agriculture Support Services	12
B. Integrating Research and Extension	14
C. Linking Farmers to Market	15
D. Facilitating Access to Agricultural Credit	18
IV Action Points	19
V References	25
VI Appendices	27

LOCALIZING AGRICULTURE TOWARDS EQUITABLE GROWTH in Northern Mindanao

A. Background

Although agriculture's contribution to GDP has declined from 24 percent during 1985 to 1990 to 20 percent during the 1995 to 2000 period, it still plays a vital role in the economy. The sector contributed 40 percent to total employment (www.fao.org) as the country's population is predominantly rural (70%), and two-thirds of this population depends on farming for their livelihood (www.da.gov.ph).

The decline can be partly explained by the slow growth in agricultural productivity. While agriculture performance has grown at a relatively modest rate of 4.1% per year from 1999-2004, the growth in agricultural productivity, however, grew only by 1.3% per year in 1999-2002. This lagged behind other Asian countries. In 1999-2002, Philippine growth was only a third of Thailand, a fourth of Vietnam and a little over a fifth of Malaysia (AFMA Review, 2006).

It was projected that some of these problems would be addressed with the signing of the General Agreement on Tariffs and Trade (GATT) by the Philippine Government and its subsequent membership to the World Trade Organization (WTO) in 1995. It was estimated that 600,000 new jobs will be generated with the integration of agriculture in international trade.

Towards this objective, Congress passed into law the Agriculture and Fisheries Modernization Act (AFMA) to enhance, among others, global competitiveness of the agriculture sector. AFMA is a well-crafted legislation and grounded on the following principles: 1) poverty alleviation and social equity; 2) food security; 3) rational use of resources; 4) global competitiveness; 5) sustainable development; 6) people empowerment; and 7) protection from competition.

Unfortunately, the grand vision of AFMA was not supported with the necessary budget. The proposed additional resources did not materialize. And as may be expected, agricultural exports dropped while imports grew during that period. The Philippines was a net exporter of agricultural products until 1995 when the country, for the first time, posted a deficit of US\$41 million. This deficit has ballooned to US\$827 million in 2004 (AFMA Review, 2006).

The growth has also been uneven benefiting selected sectors and concentrated on good performance by selected crops, poultry and fishery. This has excluded a substantial number of the agriculture constituency resulting to massive poverty in rural areas. In 2004, the number of the rural poor is recorded at 31.2 million, around 50.7% of the rural population (World Bank).

In addition to these policy and budgeting problems, agriculture is further challenged with finding the appropriate mechanisms to implement programs and projects. RA 7160, also known as the Local Government Code, devolved the delivery of agriculture services to local government units. Unfortunately, the 16-year experience of devolution showed inadequacies in budget, weak

linkage with relevant institutions and low technical capacities on the part of the local government units (LGUs).

B. Objectives of the Study

Given this policy environment and institutional constraints of the agriculture sector, the Economic Policy Reform and Advocacy (EPRA), a consortium led by Ateneo de Manila University and composed of civil society organizations under the Caucus of Development NGO Networks (CODE-NGO), proposed to conduct a study in Northern Mindanao. EPRA, in the last two years, had been working with the Department of Agriculture (DA) on rationalizing the bureaucracy. In recognition of the significant role of LGUs in the delivery of services, it was envisioned that the formulation of a local framework can provide substantial inputs to their reform agenda.

The study is intended to formulate a local agriculture development framework that would contribute to the enhancement of the performance of the agriculture sector thereby improving the quality of life of its constituencies especially the small and marginal farmers.

Specifically, the formulation of the local agriculture development framework should:

1. Provide an assessment of the agriculture sector in Northern Mindanao;
2. Articulate the goal and general direction of agricultural development; and
3. Formulate strategies, proposals or recommendations to attain the desired goal.

C. Methodology

Given the outstanding performance of its Regional Field Unit (RFU-10) and its willingness to undertake the study, DA chose Northern Mindanao or Region 10 as the pilot region. The College of Agriculture of Xavier University (XUCA) was tapped to assist RFU-10 in facilitating the consultations and in writing the report.

The project adopted a participatory process in conducting the study. Sectoral consultations were conducted: farmers/fishers, agri-industries, civil society organizations (CSOs), academe, financial institutions and LGUs. The research team visited selected municipalities in Misamis Occidental, Bukidnon and Camiguin. In addition, two multi-stakeholder consultations were convened: first, at the start of the study and second to validate the final output. A total of 158 participants partook in the study as respondents.

Attached to this report are the proceedings of the six consultations and some data on the five provinces of Northern Mindanao.

To facilitate the process, XUCA formed a four-person Research Team composed of a Team Leader and specialists in agriculture research, governance and agribusiness. Administrative support was provided by XUCA and the Xavier Science Foundation.

The study was conducted in five months from May to September 2007.

Agriculture in Northern Mindanao

A. Agriculture Growth and Rural Poverty Incidence

Northern Mindanao posted the highest economic growth among the Mindanao economies in 2006 (NSCB, 2007). Agriculture and fishery, one of the three major contributors to the region's robust economy, posted a 5.2% growth in 2006, compared to 3.2% in 2005. The National Statistics Coordination Board-Region 10 (2007) attributed this growth to the significant increase in the value of production of banana and poultry.

Growth rates in Region 10 agriculture, however, did not translate into significant strides in poverty reduction. Figure 1 shows the growth rates in agriculture, in terms of the gross value added at constant 1985 prices, and the poverty incidence of population over the years.

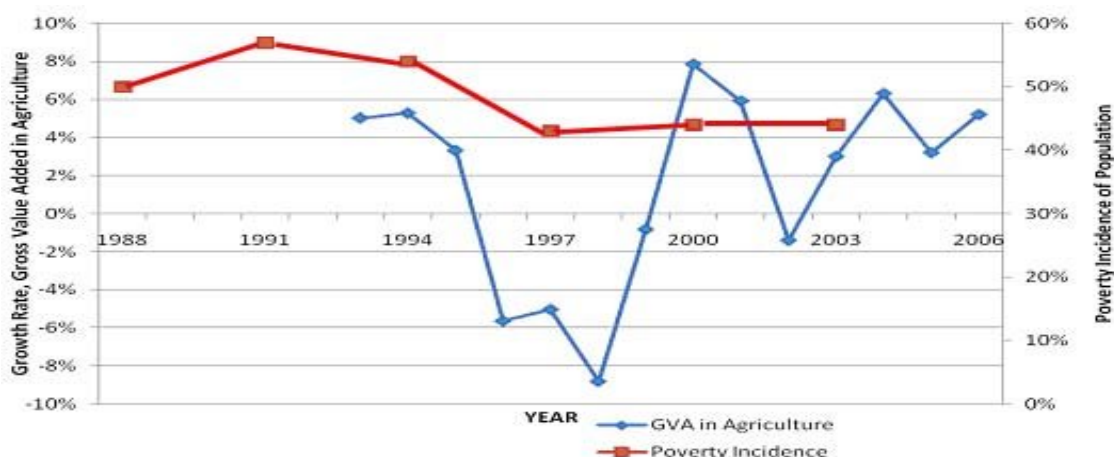


Figure 1. Gross Value Added in Agriculture (at constant 1985 prices) and Poverty Incidence for Northern Mindanao, Selected Years. Source: NSCB and BLES, various years

The region, despite modest growth rates in agriculture, continues to be plagued with high poverty incidence. In 2000, over 60% of its rural population, primarily dependent on agriculture, was considered poor (Figure 2). Figure 3 un masks these regional averages and shows the poverty incidence of families in the 5 provinces of Northern Mindanao.

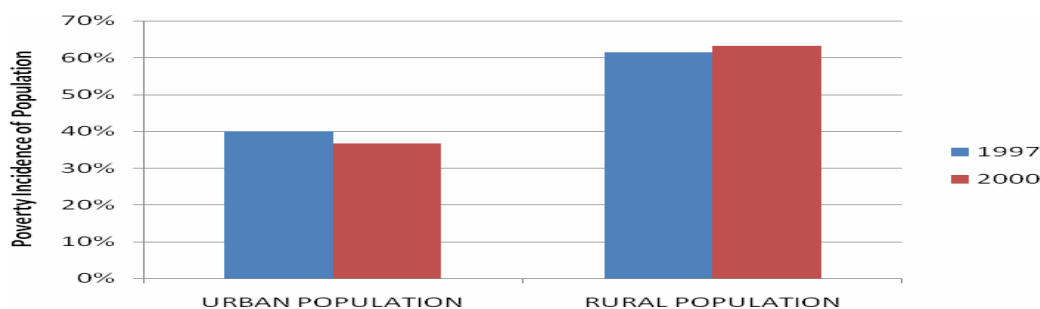


Figure 2. Poverty Incidences of Population in Region 10, Urban-Rural: 1997 & 2000. Source: National Statistics Office, 2000

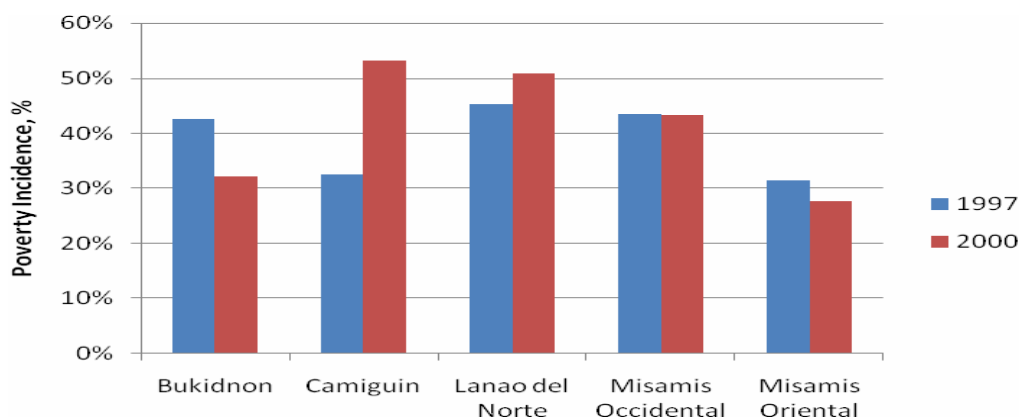


Figure 3. Poverty Incidence of Families in 1997 and in 2000, by Province in Region 10.
Source: NSCB, 2007

High food prices are also perennial concerns. In 2000, food accounted about 47% of the total annual expenditure of Region 10 families. Historical national figures also reflect similar trends, with food comprising a little over 50% of the total annual expenditures among rural families and about 45% among urban families (Figure 4).

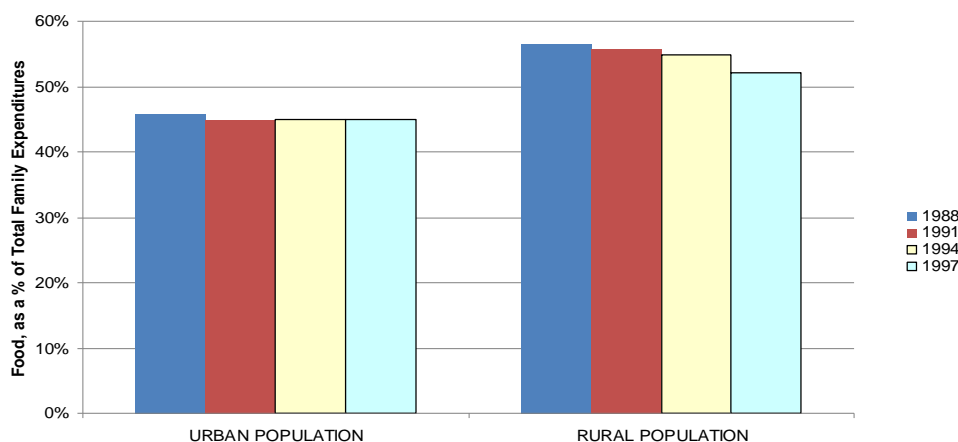


Figure 4. Food Expenses as a % of Total Family Expenditures in the Philippines, Urban-Rural, Selected Years.
Source: NSCB, 2007

The region's agriculture is also characterized by the presence of numerous farms with very small areas (Figure 5). This highlights the multifarious needs of these producers as well as the importance of collaborative initiatives to respond to their varied needs. Clearly, more creative interventions are needed to enhance their productivity and profitability.

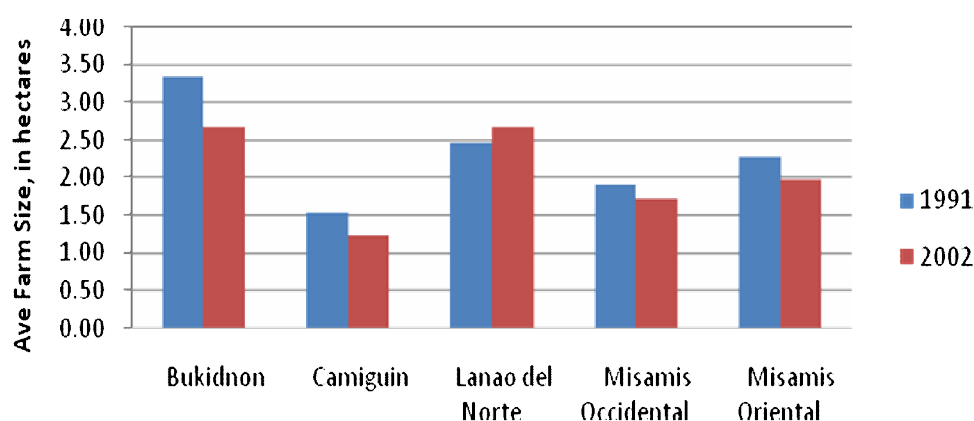


Figure 5 Average Farm Size by Province, 1991 and 2002.
Source: National Statistics Office, 2004

B. Constraints in Local Agriculture Development

The regional consultations and the visits of the research team to some municipalities in Misamis Occidental, Bukidnon and Camiguin revealed a highly fragmented Northern Mindanao agriculture sector. Survey of available literature also reflected similar observations. This section presents four major areas that highlight this fragmentation: research and development, extension services, marketing and rural credit.

1. Research and Development

1.1. Divided Philippine Agricultural R&D System

There are two primary agencies coordinating the agricultural research and development (R&D) efforts in the Philippines: the Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD) of the Department of Science and Technology (DOST) and the Bureau of Agricultural Research (BAR) of the Department of Agriculture (DA). Each, however, seem to pursue separate agenda and maintain separate networks.

Under DOST, PCARRD is the central coordinating body of agricultural research activities of the Philippines. It provides support to 132 R&D institutions which collectively make up the National Agriculture and Resources Research and Development Network (NARRDN). It also provides support to 14 regional R & D consortia, which coordinate research, development and extension priorities so the institutions can better respond to the needs of the region. PCARRD, the NARRDN and the regional R&D consortia form the national agricultural research system (NARS) of the Philippines.

Under DA, BAR is the central body for agriculture and fisheries R&D system, mandated to “coordinate and fund agricultural research and development activities, strengthen institutional capabilities, manages knowledge and advocate policies towards improved governance and

progressive agricultural and fishery sector” (BAR, 2007). It has the national mandate to “orchestrate, consolidate and strengthen the National Research and Development System for Agriculture and Fisheries (NaRDSAF)” under AFMA (BAR, 2007). It also created national and regional Research, Development and Extension (RDE) networks to promote linkage and partnerships between DA, the state colleges and universities, and the private agribusiness firms which have research laboratories.

This non-coordination is replicated at the regional level. The PCARRD-supported Northern Mindanao Consortium on Agriculture and Resources Research and Development (NOMCARRD), for example, was “conceived on the premise that a well-coordinated research program is of utmost necessity in order to backstop the regional development program for Northern Mindanao.” Its website shows the regional RDE agenda on agriculture for 2005-2010 (NOMCARRD, 2005). While there is the intent and push from NOMCARRD/PCARRD for greater collaboration, in actuality, each of the member-agencies of the consortium maintains its own research priorities and has very limited interaction.

In general, there is no harmony of research efforts because national government agencies and schools, universities and colleges (SUCs), with their own limited budgets, pursue individual research plans and priorities.

1.2. Centralized research but devolved extension

The wide disparity between yield in research stations and yield in farmers’ fields is a good indication of the degree of separation between research and extension in the country.

Under AFMA, the NaRDSAF complements the National Extension System for Agriculture and Fisheries (NESAF), which is composed of national government agencies (such as the DA through its RFUs and ATI training centers, DAR, DENR), local government units (LGUs) and private sector extension services. The Council for Extension, Research and Development for Agriculture and Fisheries (CERDAF) was also created to ensure the integration and continuity of all government efforts in agricultural research, development and extension.

This is, however, more in name rather than a reality in the field. With the devolution of extension services to the local government units, there is no formal mechanism that links R&D institutions and the LGUs. There is also a prevailing perception that knowledge generated has been confined to research centers while farmers continue to rely on their own experiences.

1.3. Research heavily focused on production

More than the low funds allocation that perennially affects research and development programs, such as the unrealized 1% allocation of the gross value added in agriculture supposedly provided for in AFMA, there is a need to reorient the heavily production-focused research in the region.

Research needs articulated during the series of regional consultations ranged from production, processing, marketing to agri-financing. Available literature, however, indicates that current research efforts in the region are primarily focused on production (NOMCARRD Regional R&D

Highlights, several years). There is a need to incorporate into the regional agricultural R&D system more studies on postproduction concerns, addressing, among others, the need for product and process innovations, domestic and export market development, and more intensive analysis of the efficiency and competitiveness of selected local agri-food value chains. Such a research focus, however, would require more active collaboration between government and the private sector.

The need to explore external sources of funds (other than government), as well as the need for research personnel who can craft proposals that meet the stringent requirements of external funding agencies, was also articulated during the academe/research institutions' consultations.

2. Extension Services

Agricultural extension services, by virtue of the Local Government Code, have been devolved to LGUs, transferring program governance, administration, and management to the local level. Ideally, this should facilitate user participation and co-financing, enhance the ability to respond to local problems and opportunities, increase accountability to clients, and increase program efficiency. Unfortunately, this has not materialized.

2.1. Absence of a coordinated delivery mechanism

The devolution of agricultural extension services to the LGUs has eliminated the formal mechanism linking research and extension. DA's regional field units do not have a formal link with municipal and provincial agricultural officers. Many LGUs complain that the DA does not adequately support them in planning and implementing agricultural projects. DA, on the other hand, laments of non-cooperation among LGUs. This has led to disjointed regional, provincial and municipal plans.

2.2. Devolution without Budget

Agriculture extension services were devolved to LGUs without the corresponding resources to carry out these responsibilities or even the mechanism to generate local resources. As it competes with other priorities, LGUs allocate meager resources for agricultural development.

Although literature shows that decentralization is the best mechanism to empower farmers and to facilitate agricultural progress, the small farmers in Region 10 believe that there is a need to assess the impact of the devolution of agricultural services function to the LGUs. There is a strong preference to return agricultural services back to the DA.

2.3. Scarcity of quality local agriculture development plans and programs

Despite existing policy mandates, local initiatives in agricultural development management are not nurtured. Most of the LGUs have not developed and implemented local agriculture programs and have relied mainly on the national government. LGUs' initiatives in the agriculture service delivery are generally sporadic, fragmented, reactive and done on a piecemeal basis.

LGUs are still largely considered mere extensions of the national government. Projects are subsumed in national programs. In pursuing targets for nationally mandated programs, LGUs' involvement is reduced to annual requests for services (28 May interview with GMA Rice anchorperson, RFU-10).

2.4. Lack of political will among LCEs

Local chief executives (LCEs) are not prepared to take on additional responsibilities brought about by the localization of agricultural development. Operations are left to the local agricultural officers and veterinarians. Rarely do LCEs take on a hands-on approach to agricultural development. When LCEs do not prioritize agricultural development, local agricultural offices become unproductive for lack of funds to pursue its programs and projects.

LGUs do not also invest in human resource development for devolved personnel. Some PAOs and MAOs have to file official leaves without pay to attend DA-sponsored trainings and conferences. Other PAOs and MAOs would sit on their tables throughout the working week for alleged lack of funds but would claim mid-year bonuses from budget "savings."

3. Marketing and Distribution

3.1. High transaction costs

High logistics costs and multiple layers of trade margins characterized local agricultural marketing and distribution. Low production volume, poor transport network, insufficient post-harvest facilities, inadequate packaging materials and inefficient port and shipping services translate to high post-harvest losses and, thus, higher logistics costs.

3.2. Lack of entrepreneurial skills among farmers and fisher-folks

Small farmers lack entrepreneurial skills and rely heavily on traders to market their produce resulting to multiple layers of trade margins. Majority of these farmers cultivate small farms situated far from the major demand areas. As they have remained largely unorganized, they fail to attain economies of scale in the needed post-harvest services and other facilities required in the value chain that traders currently provide. Moreover, credit-marketing tie-ups between small producers and traders are prevalent in the region.

3.3 Lack of Market Information and Market Opportunities

Absence of timely, relevant and accurate agribusiness information was also one of the most frequently mentioned concerns during the consultations. Information needs include (1) baseline information on available technology, how and where to access the technology as well as assistance in upgrading of existing technology, (2) price movement, (3) quarantine regulations, (4) establishing and implementing quality standards of commodities, and (5) proper documentation and dissemination of best practices of local and international agri-industries. These basic, yet unattended, information needs highlight the need for market support services.

4. Rural Credit

Prior to AFMA, agricultural lending was heavily subsidized. Different government agencies opened windows for direct lending to farmers along specific commodities. This approach failed to provide the expected outreach to small farmers and was stopped in the late eighties because of the huge fiscal cost of the subsidies and the very low loan repayment rates (AFMA Review, 2006).

This policy framework radically changed with the implementation of AFMA. This is partly a response to international pressure to remove subsidies especially after the signing of the Philippine Government of GATT and its eventual membership to the WTO.

AFMA laid down the policy framework for government credit and financing programs and defined the role of government in the rural financial markets. Rural lending has been consolidated under the Agro-Industry Modernization Credit and Financing Program (AMCFP) managed by government financial institutions (GFIs). The GFIs shall wholesale the loan funds under the AMCFP to private financial institutions, which shall take care of lending directly to end-borrowers in the agriculture and rural sector. The AFMA prohibits government non-financial agencies to implement credit programs (AFMA Review, 2006).

4.1. Efficient but inaccessible financing due to high risk in agriculture

Based on the initial report of the Experts Review of AFMA, the credit policy reforms introduced by AFMA and other complementing laws and policies have improved the efficiency of rural financial markets. It also realized savings for the government, paved the way for greater private sector participation and facilitated the gradual shift in the source of small farmer loans from traditional informal lenders to formal markets.

Unfortunately, there are not too many takers among the private banks and rural financial institutions as agricultural loans are considered very risky. Among the farmer-borrowers, a substantial number cannot produce the necessary collaterals. Many of the rural banks will not accept the certificate of land ownership agreement (CLOA), land patents or tax declarations. Others prefer to lend to businessmen who in turn serve as the middlemen for the farmers. Table 1 shows the declining and very low investments in agriculture of the Development Bank of the Philippines (DBP) from 2004-2007.

Table 1. Lending Portfolio of the Development Bank of the Philippines, 2004-2007 (in million pesos).

Industry	May 2007	Year 2006	Year 2005	Year 2004
Agriculture				
Growing of crops	72.05	122.07	181.36	187.15
Farming of animals	343.6	567.77	650.81	654.18
Agriculture and animal husbandry services	15.45	105.21	109.18	110.20
Sub-total	431.1	795.04	941.36	951.54
Total Industry Exposure	137,601.95	135,897.27	113,397.96	84,967.00
% Agriculture Exposure	0.31%	0.59%	0.83%	1.12%

Source: DBP

The conservative positioning of private financial institutions constricted the flow of money to the agriculture sector, especially the small farmers. Farmers and agro-industry stakeholders complain of heavy documentation, long processing time and high interest rates. There was also an expressed need for loan services that cater to agricultural projects with long gestation periods.

4.2 Proliferation of unregulated informal lending

Given the supply gap of agricultural credit in the rural areas, rural banks, micro-finance institutions and informal lenders thrive. Data from Mis. Or. Rural Bank

Although undocumented, there are perceptions among those consulted that informal lenders are

C. Need to harness regional strengths to foster collaboration

These challenges reveal a fragmented Northern Mindanao agricultural economy. There are very limited collaborations among LGUs and the private sector, for example, in developing farmer-centered research and extension programs as well as in exploring continuing education opportunities for LGU staff and farmers. Some LGUs do not even acknowledge the existence of local agriculture and fishery councils (AFCs).

While recognizing the complexity and the long history of these key issues, localizing agriculture development can provide the framework to mitigate some of the negative impact on the small farmers and enhance their productivity and profitability. This will allow collaborative initiatives, maximize use of resources and strengthen local capacities in dealing with the national government and the market.

Northern Mindanao has the necessary ingredients to foster these collaborative initiatives. Research and extension in the region, for example, has a better chance of integration given that extension services are devolved to LGUs and that there are academic and research institutions

engaged in agriculture in all its provinces. DA-RFU 10, as well as the various private sector groups, has also expressed in various sectoral consultations its openness to forge partnerships. Collaboration among stakeholders, then, should be an important integrative component in developing a regional agricultural framework that is responsive to the varied needs of small farmers.

Towards Developing a Local Agricultural Development Framework

Agriculture in Northern Mindanao is fragmented. Majority of the farms are small and are operated independent of each other. The different support services are seemingly uncoordinated. Moreover, the surpluses produced by small farmers are not consolidated making it difficult for them to have a bargaining power in the market. As a consequence, rural poverty is prevalent in the region.

Agriculture development in Northern Mindanao therefore should be directed towards greater integration where services are coordinated and products are consolidated. Integration, especially in planning, can provide common direction thereby enhancing synergy. Coordination of the different support services can avoid duplication and reduce transaction costs. Also, by consolidating their products, farmers can attain a certain level of scale to satisfy market requirements and enhance their bargaining power.

The process of integration, coordination and consolidation should be guided by the following regional concerns:

1. Local agriculture development should improve the quality of life of the small farmers in Northern Mindanao. It should strive to improve farmers' productivity and profitability.
2. The needs of the small farmers, however, are many and varied. No lone unit or line agency of the government can single-handedly respond to their needs effectively. Even local traders from whom many farmers rely on for various services can only do this at a high cost and exorbitant rates. There is therefore the need for collaboration of all support organizations and stakeholders, both public and private.
3. The participation of the private sector and civil society organizations should be encouraged, supported and institutionalized. AO 11 dated March 21, 2007 signed by DA Secretary on "accreditation of private extension service providers for the provision of extension services" is a step towards the right direction.
4. For those farmers who have already satisfied their food needs and have surplus products, the provision of marketing support especially infrastructure, information and logistics to effectively reach the consumers, both local and international, should be facilitated.
5. While enhancing support services, the receiving mechanism, that is, the farmer organizations would have to be strengthened. The AFCs, cooperatives, farmer

organizations, women association and other similar groupings should be directed towards increasing their participation in decision making processes and effectively engaging the market.

6. Knowledge generation and utilization should be localized. Academic and research institutions should address local needs of the farmers. LGUs, government agencies and the academe should invest in these endeavors. Towards this objective, local executives may envision a culture of science and development in the region.

A. Rationalizing agriculture support services

The lack of synergy between regional and local plans and the relatively weak technical capabilities of the PAO/MAO staff because of too heavy workload result in the poor use of allocations for agricultural development. There is a need to systemize and integrate various institutions to provide the necessary services to farmers.

Based on the outcomes of the consultations, rationalizing the agriculture support services would require: 1) broadening the participation of service delivery providers; 2) strengthening of the receiving mechanisms; and 3) participatory and integrative planning.

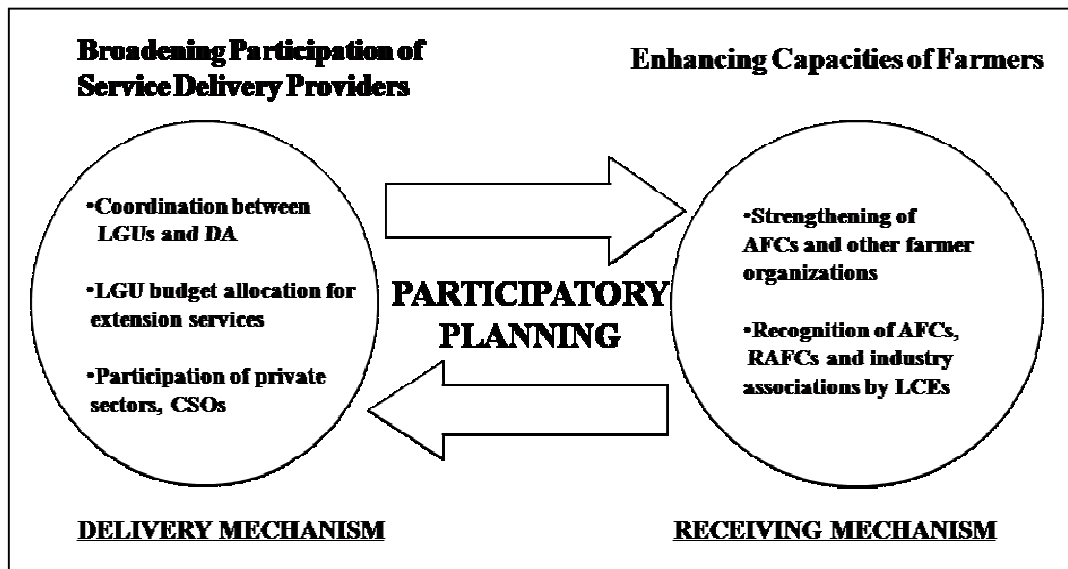


Fig. 6. Proposed framework for agri support services in Region 10.

1. Broadening the participation of service delivery providers

DA Administrative Order no.11 mandates the ATI to accredit private extension service providers. The order authorizes the DA to commission farmers' and fisher folks' cooperatives and organizations and the expertise of others in the private sector for training and other extension services.

Increased involvement of the private sector either in delivery, funding, or management of agricultural extension broadens the focus of extension personnel and makes extension services

more responsive to farmers needs. It offers farmers value for their money. The result of increased private sector participation is higher in those aspects of extension service that are profit-driven. Examples include input procurement and distribution, cash crop extension, and veterinary extension. For services which are oriented towards general usage like adaptive research, management and administration of agricultural extension including policy formulation should continue to operate within the ambit of government.

It is recommended that a substantial percentage (5% of the 20%) of Local Development Fund be allocated for agricultural extension services. This budgetary allocation must be a multi-year budget that is not subject to annual budget hearings and political vagaries. These local agricultural funds should be geared towards improving extension services in order to attract more investments in agriculture and fisheries.

2. Enhancing capacities of farmers to utilize agricultural services

While there is a need to improve the delivery of agricultural services, the receiving mechanism should also be strengthened to maximize utilization of services. At the very least, farmers should be organized as associations, cooperatives, commodity clusters or industry associations. The delivery of services can be greatly facilitated with these mechanisms in place.

Along this objective, AFMA provides the mandate for the creation and strengthening of Agriculture and Fishery Councils (AFCs) in all levels of government. The Regional Agricultural and Fishery Council (RAFC) serves as an advisory body to the DA through policy recommendations (EO No. 116, s.1997). It serves as a forum for consultative discussions within the agricultural and fishery sectors in the region. Moreover, it assists the DA in the monitoring and coordination of the agriculture and fisheries modernization process, and serves as the integrative and consultative structure for inter-agency and inter-sectoral collaboration in agricultural and fishery modernization (AO No 6, s.1998).

It is imperative to define the composition of AFCs in order to guarantee representation of small and marginalized farmers. A sense of ownership of the AFCs by small farmers will strengthen the councils.

LGUs should recognize AFCs as partners in agricultural development and provide them with appropriate representation and participation in local development councils. This also applies to RAFCs and agri-industries associations.

3. Need for participatory and integrative planning

The fragmentation of various support services among different government agencies and institutions in the agriculture sector requires mechanism and a system for coordination. While this may require legislative reform given current policy environment, this can be partly addressed by adopting a planning framework that would guide each institution in ensuring that their programs would complement programs of other institutions. This would require a participatory and integrative planning process.

Moreover, the shift towards a demand-driven approach implies that the planning should not be limited to agricultural production but should consider the entire value chain. Plans should consider not only what can be produced but what is demanded by the market.

And just like any other plan, this will only work if properly supported by required resources.

B. Integrating Research and Extension

The integration of research and extension is of utmost importance to improve agricultural productivity in Northern Mindanao. Some measures to encourage this collaborative atmosphere among Northern Mindanao stakeholders include:

1. Strengthening of AFCs as mechanisms to link research and extension

The local agriculture and fishery councils (AFCs) can be effective regular venues for research-extension information exchange. Member-representatives, especially those at the municipal levels, could be good agents in providing relevant information on research needs of farmer, available technologies and industry best practices.

There is, however, a need to review the composition of these councils to ensure that small producers and other stakeholders, aside from government agencies, have real and adequate representation. More active participation of academic and research institutions in the AFCs, for example, would enable their researchers to develop a more comprehensive understanding of the problems and issues affecting local agriculture and fisheries. This would, hopefully, contribute toward the crafting of more locally relevant research proposals and programs. Dissemination of research results, technology adoption and diffusion could be facilitated in the AFCs as research ideas are originally drawn from the intended beneficiaries.

2. Developing core competencies and enhanced collaboration

Research programs in academe and research institutions need to be aligned to the development priorities of the region, if these were to create some impact on the lives of the resource-poor rural population. To effectively harness the collective strength of these institutions, it is imperative that core competencies, vis-à-vis local needs, are identified and/or developed. An assessment of available expertise in the region minimizes duplication of research efforts and streamlines related human resource development programs.

Multidisciplinary clusters of researchers coming from member-agencies manifesting common technical interests could be formed and developed to address specific regional research priorities. The formation of these few but strategic research clusters, designed with objectives based on regional development needs and opportunities, could harmonize research efforts that really address local development needs.

3. Fostering value chain research

Aside from enabling a favorable agribusiness environment and strengthening AFCs and other farmer organizations, it is also important to support the development, and improved coordination, of agriculture-based value chains in the region. Increasing farm productivity, for example, would be futile, if there is no complementary attention given to other agro-enterprises responsible for postharvest handling, processing, marketing and distribution.

A focus on value chains widens the currently limited focus of research efforts in the region and draws attention to the varying needs of farmer organizations, the extension service of LGUs, traders, financial institutions, civil society organizations, other service providers and the consumers. It also provides opportunities to examine the efficiency of linkages within and among these organizations.

C. Linking Farmers to Market

One of the guiding principles of the proposed agricultural framework is that development should be demand driven instead of being commodity driven. This is in line with the country's policy towards greater integration of the economy, including that of the agriculture sector, into the global market. Given this, Northern Mindanao is currently pushing for and encouraging the opening of new agri-businesses.

However, market demands especially for agriculture products are not easy to satisfy. Among others, it requires regularity of supply, consistency in product quality and economy of scale. These requirements are normally in conflict with agriculture's characteristics of seasonality, biological diversity and, in the case of small farmers, limited production volume.

It is with this perspective that the government and other stakeholders should cooperate to provide the necessary marketing support needed by the farmers and industry associations.

1. Creating an attractive business environment

A favorable business environment should be established, coupled with technological innovations, entrepreneurship and financial assistance, to encourage the youth along with small farmers and fisher folks to engage in agri-based enterprises beyond the existing subsistence farming practices.

1.1 Implementation of favorable laws

The full implementation of Republic act 9178, otherwise known as the Barangay Micro Business Enterprises Act of 2002, is expected to attract investors for home-based and micro-enterprises, particularly in the countryside. However, the absence of tax revenue guidelines from the Bureau of Internal Revenue is restricting micro enterprises to enjoy the benefits mandated in the law. Adjusted VAT provisions for micro and small farm producers would also be favorable.

Standards for primary products particularly organic products should be established. The demand for organic products is increasing at the rate of 15-20% per year locally and internationally. Small farmers, in particular, should be educated as to the advantages and disadvantages of using organic products.

The existence of illegal checkpoints and illegal collections at designated checkpoints delay the flow of goods from production areas to the market and adds unnecessary costs.

1.2 Developing products and market opportunities

To provide comparative advantage to agri producers, optimum production areas for specific commodities should be identified. Application of geomatics technology in verifying these optimum areas of production can help optimize allocation of limited resources. The government should prioritize infrastructure development in these areas.

Most of our agri-based industries are heavily dependent on traditional markets since most are sold in fresh form. There is a need to develop other processed products from available raw materials. For example, Marshman invested on bio-research facility which right now has already developed very efficient bio-control agents to control insects and nematodes. Coupled with developments in organic fertilization, they are now in a better position to produce organic banana. The case of Virgin Coconut Oil is also a concrete example of how processing and value adding can increase income from an agricultural commodity

2. Improving logistical support

Existing logistics are multimodal but generally inadequate to meet the requirements for the development of agri-based industries. This is true in the local market for most agricultural commodities where lack of cold storage facilities and appropriate transport systems have constrained efficient distribution and increased the cost of delivery.

In Northern Mindanao, a number of logistical support are in order.

- The operation of the Mindanao Container Terminal (MCT) in the region to cater to cargo handling of the region's products is seen as a strategic port that will increase the region's capacity to handle cargo and reduce freight cost. To date, its operation is temporarily restricted to locators in the PHIVIDEC Industrial Estate in Misamis Oriental (PIE-MO), and has placed businesses outside the estate area at a disadvantaged position.
- There is a need for shipping lines to prioritize and increase their provisions for perishable products.
- Processing facilities, agribusiness centers and other common service facilities need to be set up. Production of high quality products that meet both local and international standards requires common service facilities such as plant pest clinics and tissue analysis laboratories that are readily accessible and offer affordable services. However,

this would require considerable volume of production as well as high quality of produce to justify installation and operational costs.

- Increasing the availability of quality planting materials is one of the more appropriate measures to increase productivity. Accreditation procedures must be fast-tracked so that the necessary facilities can be put into use soonest. There is also a need to look into the possibility of licensing propagation of planting materials so that investors can have some incentives for doing so.

3. Developing agri-entrepreneurs

If agribusiness is to prosper in this region, entrepreneurial skills among the major stakeholders are a necessity. However, the apparent lack of entrepreneurial spirit among the new entrants to the workforce and most especially among small farmers and fisher folks is prevalent. The poor quality of project proposals submitted by YFP proponents in this region and the minimal number of producers who availed of the ACEF program are indicative of this problem.

Related to this issue are the slow response of farmers' to market stimulus and the difficulty of farmers and fisher folks to come up with simple production records.

Strengthening entrepreneurial capacities in the region should take into consideration the following:

- Adoption of a skills assessment system to professionalize the agricultural workforce;
- The seemingly better entrepreneurial aptitude of women over men; and
- The need to professionalize Industry Associations by instituting good governance practices, developing industry champions and ensuring their financial sustainability.

4. Information Management

Globalization, particularly the use of ICT, has opened possibilities for greater access to relevant information such as appropriate technologies and market opportunities by farmers. It is possible, for example, to advertise and sell products through the internet while orders and payments can be made on line substantially reducing transaction cost. Farmers in remote areas can be updated on price movements to ensure the best selling price for their produce. Unfortunately, the use of information technology in Region 10 lags behind those in other countries.

As information technology utilization permeates all components of the value chains, it is recommended that DA, LGUs, private sector and other stakeholders to work together in advancing ICT in agriculture in Region 10. Some areas that they can focus on initially are:

- Promotion of agribusiness best practices generated locally and from other countries to be made accessible to small farmers and fisher folks;
- Access to sources of new technologies and technical assistance in upgrading existing technologies;

- Disseminate, monitor and implement quarantine regulations in the Philippines and Key Importing Countries to ensure trading only of quality products (both exports and imports) The current controversy on the chlorotic ring spot virus of oil palms could have been avoided had all major stakeholders been critical of such quarantine procedures

D. Facilitating Access to Formal Credit

Stakeholders Guarantee Fund

A proposal that came out during the consultation with financial institutions is to set up a fund to provide a guarantee to agricultural loans. The guarantors would include those who have some stakes in local agriculture development such as the LGU, the financial institutions, the Department of Agriculture, development agencies and the farmers themselves.

The guarantee of the farmers will come in the form of debt insurance. When the farmer pays back the loan, he gets back the insurance plus a certain interest of the money. The farmer therefore shares the risk and it is to his advantage if he pays it back.

LGUs can contribute part of their development fund as the success of the farmers would also mean the success of their constituencies.

The financial institutions can commit their interest income that they would normally charge the farmers. If the farmers are not able to pay, they only have to collect the principal and not the interest income.

Development agencies would be more than willing to put in some money as long as the risks are shared by the stakeholders.

The Department of Agriculture can put in some funds as they have their own targets to meet.

All these contributions can form part of the Agricultural Development Guarantee Fund (Agri-Dev Fund). This guarantee fund serves as incentive to make the program work.

Action Points

The proposed agricultural development framework discussed in the previous section provides a general direction in enhancing agriculture in Northern Mindanao. This should be taken as an evolving document where changes can be incorporated as stakeholders respond to changing realities on the ground.

This section enumerates the different actionable points that can be implemented in pursuing the proposed development framework. These recommendations have been directed to the different stakeholders and, whenever appropriate, to specific institutions.

Many of the action points were taken from the consultations. These are by no means complete and should be taken as initial steps.

A. Local Government Units

(1) Institutionalize a multi-stakeholder program planning and implementation

To attain this, the following actions may be undertaken:

- LGUs can build community-based stakeholders in their municipalities and provinces. This would imply recognition of the different farmer groups particularly local agriculture and fisheries councils and institutionalize their representation in local development councils.
- Conduct a Farmers Consultation at least once a year that will report to the community progress in implementing the local agricultural development plan and consult community members on their priority programs.
- Adopt and institutionalize a multi-stakeholder planning process which breeds an inclusive culture of participation. Representation of small farmers in local planning bodies is a measure that builds democracy and guarantees co-ownership of programs and projects. This implies that commitment can be established and accountability expressed.

(2) Allocate fund for agriculture development

Allocate at least five percent of the 20% local development fund to support the provision of local agriculture extension services. If possible, this budgetary allocation should be multi-year budget so as to ensure continuity of program implementation. These local agriculture funds should be geared towards improving extension services in order to attract more investments in agriculture and fisheries.

(3) Serve as guarantor for farmers to access loans from formal lending institutions

LGUs can support the establishment of guarantee funds to allow small farmers greater access to loans from credit providers. One of the modes by which farmers may be able to

access loans from credit providers is through guarantee agreements. The guarantee agreement protects the credit providers against the risk that the loan will not be repaid.

B. Department of Agriculture Regional Field Unit 10

(1) Implement favorable laws

DA in coordination with the private sector should urge their district representatives to lobby for the finalization of implementing guidelines and push for the implementation of the Barangay Micro Business Enterprises Act of 2002 and VAT adjusted provision for micro and small farm producers.

(2) Promote and develop optimum areas of production

Tax and other incentives should be given to encourage more growers to shift their production to identified optimum production areas. More R & D funds should also be made available if local materials will be used as inputs in organic production.

(3) Establish standards and certification system

The government with DA on the lead should facilitate the establishment of standards for organic fertilizers such that for each and every bag purchased and used, the grower is assured that the correct amount of the required nutrients are provided. Organic fertilizers should be clean (wed and disease free). There is also a need to establish standards for germinating or potting media needed for nursery use or for the export of potted plants.

(4) Develop market opportunities

DA and concerned line agencies in coordination with the private sector should push for more aggressive marketing and appropriate research and development efforts to improve the product.

AMAD with limited manpower may subcontract market research activities to qualified private sector.

(5) Eliminate unnecessary bureaucratic procedures

LGUs, DA, DENR and PNP should coordinate closely to eliminate corrupt practices like illegal checkpoints and illegal collections at designated checkpoints.

(6) Improve logistical support

- (a) Operation of the Mindanao Container Terminal (MCT).* DA should coordinate with concerned line agencies and major stakeholders (LGUs and the private

sector) to lobby for the full operation of the Mindanao Container Terminal (MCT).

- (b) *Need for shipping lines.* DA and the industry sector should coordinate closely with MARINA to ensure improved handling of highly perishable products.
- (c) *Completion of the international airport in Laguindingan.* DA, other line agencies and the private sector should urge their district representatives to lobby for the completion of the International airport at the soonest possible time.
- (d) *Setting up of processing facilities and other common service facilities.* Infrastructure development should go hand in hand with continuing education of stakeholders. All growers, local traders, local government units, shipping lines, truckers, stevedores, arrastre, consignees, wholesalers, retailers and line agencies should be made aware that post harvest operations and facilities can not improve quality but they can only maintain quality. Production of high quality agri products first and foremost, requires proper site selection, varietal selection and proper cultural practices.
- (e) *Increase in availability of quality planting materials.* DA-RFU 10 should fully implement the accreditation process of qualified supplier of quality planting materials. The government sector, particularly DA and LGUs should not compete with the private sector in the operation of micro propagation laboratories. Policies that will ensure support for the identified breeding stations that should be put in place by the regional government should be put in place.

(7) Develop agri-entrepreneurs

- (a) *Fostering of entrepreneurial skills.* For our farmers and fisher folks to be competitive, development of the agribusiness mindset is imperative. DA-RFU 10 through ATI in coordination with LGUs, the academe, DTI and other line agencies should come up with a continuing and coordinated program to address the problem of farmers to submit simple production records and to improve the quality of proposals by YFP proponents.
- (b) *Adoption of a skills assessment system to professionalize the agricultural workforce.* DA RFU 10 in coordination with the private sector and concerned agencies such as TESDA should come up and implement a certification program for agri-workers, farmers and fisher folks.
- (c) *Collaborative effort to professionalize Industry Associations.* DA RFU 10 should strengthen industry clustering and support programs to strengthen industry associations by reviewing the qualifications of existing accredited

industry associations and providing active and qualified anchor commodity personnel.

(8) Information Management

- (a) *Provision of updated market information.* DA RFU 10 can initiate market information updates utilizing the cell phone and internet technology in coordination with LGUs and industry association. DA can also take the lead with interagency collaborations to promote agri-tourism with DOT, to expand agri-based OTOP with DTI and to develop and protect watershed,airscape and water resources with DENR.
- (b) *Maximization of information dissemination through mass media.* DA RFU 10 should exert greater effort in coming up with a more coordinated effort of information management. Existing DA websites including that of Hortinet should be regularly updated to make them relevant and functional. Coordinated efforts among the major stakeholders with DA-RFU 10 and the academe to maximize information dissemination and continuing education can definitely make positive dents in the mentality of most small-scale producers regarding the business side of farming.
- (c) *Dissemination, monitoring and implementation of quarantine regulations in the Philippines and Key Importing Countries.* DA RFU 10 should continue taking a more aggressive role in the implementation of agri-related laws such as:
 - (i) Fishery Laws to address illegal fishing, particularly electrocution which is rampant in Bukidnon and dynamite fishing along the coastal areas;
 - (ii) Plant and animal quarantine laws to make Region 10 FMD and bird flu free, and to prevent the entry of introduced strains of pest and diseases (e.g. Brontispa of palms and the chlorotic leaf spot virus of oil palms, which are now in Bukidnon).

DA should also provide alternative support mechanisms for the growth of the industry despite the issue of pest and disease infestation.

C. Academe and Research Institutions

(1) Map and analyze locally important value chains

The academe can partner with various agribusiness players to examine the structures, linkages and interactions of locally important value chains. To facilitate the identification of value chain research needs, it can also host the regular gathering of these players to discuss issues, challenges and opportunities.

- (2) Develop few but strategic multidisciplinary research clusters to address regional priority needs and opportunities

To facilitate the formation of these clusters, there is a need to assess existing expertise in agriculture and other allied fields against regional development needs and opportunities. NOMCARRD, through its member-agencies, can facilitate this effort. A more harmonized regional human resource development plan could be crafted as a result of this comprehensive inventory.

- (3) Conduct capability building programs for farmers, extension personnel and rural-based organizations.

To be effective agents in sharing knowledge and skills, these institutions need to develop a comprehensive understanding to the characteristics and needs of their target clients and the environment under which they operate.

Equipping the farmers and the youth with entrepreneurial skills was among the priority training needs identified during the regional consultation series. There is also a need to address the immediate challenge of improving the entrepreneurial outlook and skills of farmers. The lack of consciousness of farmers and the misdirected focus on the top line (yield) instead of the bottom line (cost) coupled with the lack of recording and cost analysis skills is prevalent.

- (4) Information Communication

- (a) *Establishment of knowledge banks.* Academe-based information centers could be effective for knowledge sharing among stakeholders in the region. The use of ICT broadens the reach of these proposed repositories. There is a need, however, to assess the strengths and weakness of existing farmers' information and technology service (FITS) centers in the region to make these knowledge banks more responsive to the needs of farmers and other stakeholders. FITS is a PCARRD-supported facility aimed at improving the access of farmers, traders, processors, entrepreneurs and other stakeholders to information and technologies in agriculture and forestry.
- (b) *Conduct of knowledge creation events.* Academe can facilitate regular discussions, online or face-to-face, between agribusiness stakeholders tackling specific problems. It can sponsor workshops and seminars that extension personnel, farmers, input suppliers and other players could participate. Current venues (e.g. regional conventions or congresses) do not provide enough opportunity for these stakeholders to discuss specific concerns.

(5) Technical support services

Depending on the core competencies of academic institutions, they could also provide, albeit on a limited capacity, technical support services as land suitability assessments, soil and water analysis, diagnosis of diseased plants, etc.

D. Financial Institutions

(1) QUEDAN and Rural Credit Guarantee Corporation (QUEDANCOR), Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP)

Government financial institutions, particularly LBP and QUEDANCOR who are mandated to manage the Agro-Industry Modernization Credit and Financing Program, should conduct a comprehensive study on flow of credit funds and investments in the rural areas in Northern Mindanao. The study should focus on facilitating how small farmers can avail of formal credit towards addressing the increasing incidence of rural poverty. Among others, it should provide credit-support mechanisms and effective guarantee systems to enhance the flow of resources to rural areas, encourage the participation of the different stakeholders and harmonize the delivery of support services to small farmers.

(2) The Regional Office of QUEDANCOR, given its powers and resources to support farmers and rural enterprises, should develop guarantee funds or similar schemes to mitigate risks in agricultural credit for small farmers. It should coordinate with agricultural insurance companies, government and private financial institutions, LGUs and other interested organizations. The scheme should be innovative and should allow the participation of local stakeholders including the farmers themselves.

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VI. APPENDICES

APPENDIX A: LOCAL AGRICULTURE DEVELOPMENT IMPLEMENTATION FRAMEWORK

EXTENSION

ISSUE	LOCAL AGRICULTURAL DEVELOPMENT FRAMEWORK	RECOMMENDATIONS				
		LGU	FINANCIAL INSTITUTIONS	DA	ACADEME	CIVIL SOCIETY ORGS
1. Scarcity of quality LAD programs	Multi-stakeholder planning	Adopt and institutionalize a multi-stakeholder planning process which breeds an inclusive culture of participation	Require multi-stakeholder development plan as requirement for loan access	Involve local agricultural sector in defining national programs and devolve funds to LGUs	Build capacity of LGU in development planning, leadership and governance	Advocate sectoral participation in local development councils
2. Devolution without budget, Politicization and Lack of Political Will	Budget Allocation for AGRI-DEV	Allocate five percent (5%) of the 20% Local Development Fund for Agri-dev Fund	Encourage stakeholder sharing of collateral and/or loan access	Lobby for the utilization of the Priority Development Assistance Fund (PDAF) of the district representatives to assist farmers and fisher folks	Build capacity of LGUs and Farmers Organizations in Budget Planning and Program Implementation	
		Serve as guarantor for farmers to access loans from credit providers	Design mechanism to facilitate credit access to small farmers	Create a guarantee fund to allow small farmers access to loans from credit providers		Organize farmers cooperatives to generate share of guarantee fund
3. Scarcity of quality LAD programs	Strengthening of receiving mechanism	Recognize the local agriculture and fisheries councils & institutionalize representation in Local Development Councils		Review AFC composition to ensure adequate representation of all stakeholders	More active participation in the AFCs	More active participation in the AFCs

ISSUE	LOCAL AGRICULTURAL DEVELOPMENT FRAMEWORK	RECOMMENDATIONS				
		LGU	FINANCIAL INSTITUTIONS	DA	ACADEME	CIVIL SOCIETY ORGS
				Allocate resources to strengthen AFCs	Build capability of AFC	Conduct annual Farmers Summit to discuss priorities in the allocation of the 5% AgriDev Fund and the AgriDecv Guarantee Fund.
		Support AO 11 series of 2007 of DA to create the necessary policy environment for other stakeholders to extend these services		Implement AO 11 and accredit private service providers	Spearhead establishment of network of accredited service providers and provide continuing education to sustain accreditation	Maintain and update directory of the network of accredited service providers
4. Absence of coordinated delivery mechanism	Broadening of service delivery providers	Rationalize agri-development services in the LGU		Define regulatory powers and devolve implementation and funding of national programs to LGUs	Assist LGUs in rationalizing agricultural services	Assist LGUs in rationalizing agricultural services
		Provide legislative measures to enhance service delivery capacities of LGU agri-units		Lobby for passage of legislative measures for agricultural development		Lobby for passage of legislative measures for agricultural development

MARKETING AND DISTRIBUTION

ISSUE	LOCAL AGRICULTURAL DEVELOPMENT FRAMEWORK	RECOMMENDATIONS					
		LGU	FARMERS/ FISHER FOLKS	INDUSTRY ASSOCIATION	DA	ACADEME	CIVIL SOCIETY ORGS
1. High transaction cost	Attractive business environment Including provision of logistical support			Professionalized Industry associations	Support to professionalized Industry Associations		
	Common service facilities e.g. postharvest facilities, plant pest clinic, tissue analysis laboratory.	Collaborative effort bet, LGU, DA & private sector	Industry champions	Income generating activities to ensure sustainability; strengthening of the Big brother-small brother concept			Support of industry champions
2. Lack of entrepreneurial skills	Development of entrepreneurial skills		Organize into multipurpose cooperatives		Increase the capability of agribased cooperatives or associations		
	Skills assessment				Certification for agri workers, farmers and fisherfolks (with private sector)		
3. Lack of market Information /market opportunities	* ICT *Knowledge banks -best technology practice - quarantine regulations - quality standards - price movements *Setting up of process facilities; value adding *Interagency collaboration	Economic enterprise units of LGU's as marketing units		AMAD – subcontract market research activities to private sector Expand agri based OTOP in collaboration with DTI Agri tourism with DOT; watershed protection with DENR		* take active role in information dissemination; reestablishment of the Institute of Market Analysis	* Active

CREDIT

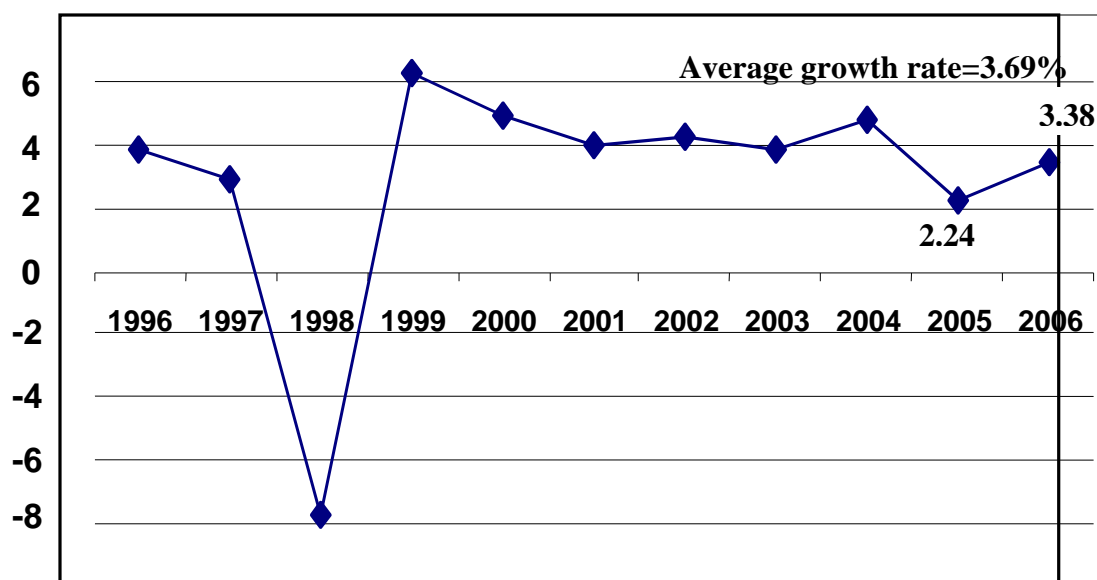
ISSUE	LOCAL AGRICULTURAL DEVELOPMENT FRAMEWORK	RECOMMENDATIONS					
		LGU	DA	FIs	ACADEME	CIVIL SOCIETY ORGS	AFC/ FARMERS/ COOPS
1 Efficient but inaccessible financing due to high risk in agriculture	Stakeholders Guarantee Fund						
2. Proliferation of unregulated informal lending	Support local financial institutions			LBP/DBP to provide necessary data/information Local FIs to increase agri lending	Conduct comprehensive study of agricultural credit		

RESEARCH AND DEVELOPMENT

ISSUE	LOCAL AGRICULTURAL DEVELOPMENT FRAMEWORK	RECOMMENDATIONS			
		DA-RFU	LGU	ACADEME	CIVIL SOCIETY ORGS
1. Divided Philippine Agricultural R&D System	Developing Core Competencies of NOMCARDD Member-Agencies for Enhanced Collaboration	Spearhead stakeholders in the regional planning and formulation of an integrated regional RDE agenda	Allocate resources to fund research and HR development programs addressing identified priority needs	Create few but strategic multidisciplinary research clusters to address regional priority research needs	
		Allocate resources to fund research and HR development programs addressing identified priority needs			
2. Centralized research but devolved extension	Strengthening of AFCs as mechanisms to link research and extension	Review AFC composition to ensure adequate representation of all stakeholders	Review AFC composition to ensure adequate representation of all stakeholders	More active participation in the AFCs	More active participation in the AFCs
		Allocate resources to strengthen AFCs	Allocate resources to strengthen AFCs	Build capability of AFCs	Build capability of AFCs
3. Research Heavily Focused on Production	Fostering Value Chain Research			Partner with industry players to map out and analyze structures of locally important value chains	Build production, processing, marketing and management capability of LGUs and agri-based organizations
				Build production, processing, marketing and management capability of LGUs and agri-based organizations	
				Spearhead establishment of agri-knowledge banks and knowledge creation events	

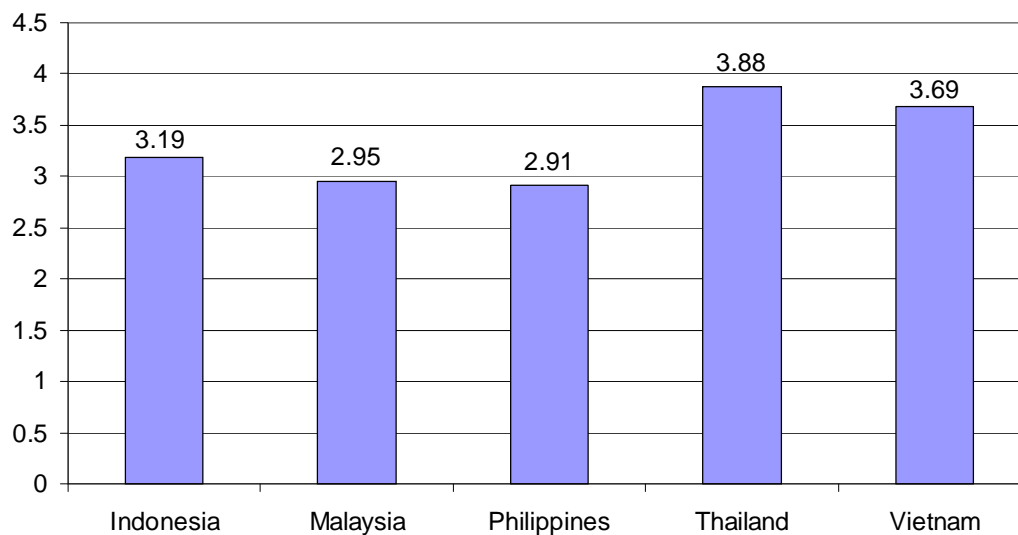
APPENDIX B: GRAPHS, CHARTS AND MAPS

Status of Philippine Agriculture



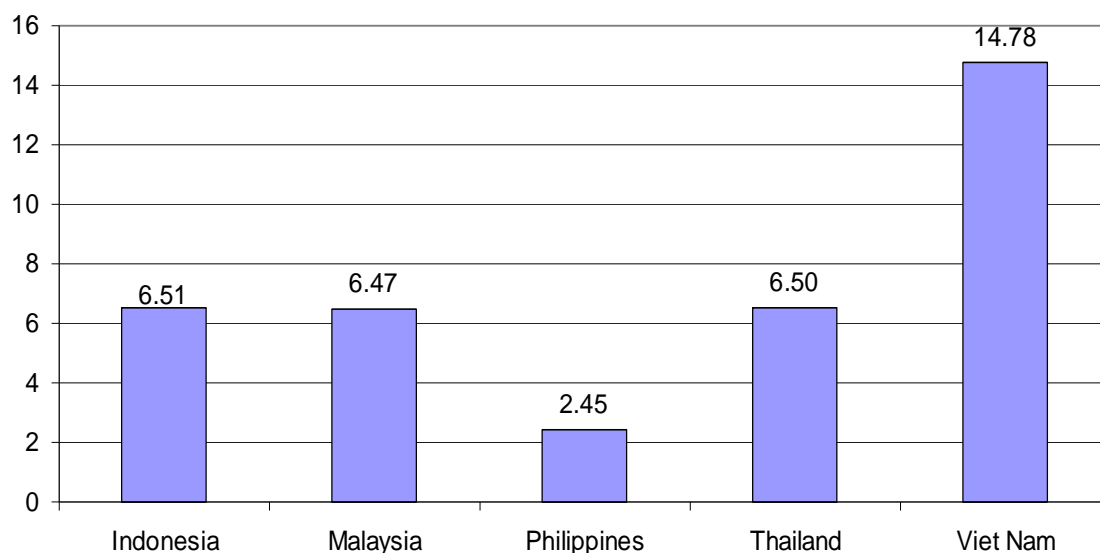
Source: NSCB and BLES, various years

Average Annual Growth in Agriculture Gross Value Added, 1962-2003 (in percent)



Source: World Development Indicators, 2005
E. R. Ponce, Phi. Inst. Dev. Studies

Average Annual Growth in Agriculture Exports, 1962-2004 (in percent)



Source: FAOStat

E. R. Ponce, Phi. Inst. Dev. Studies

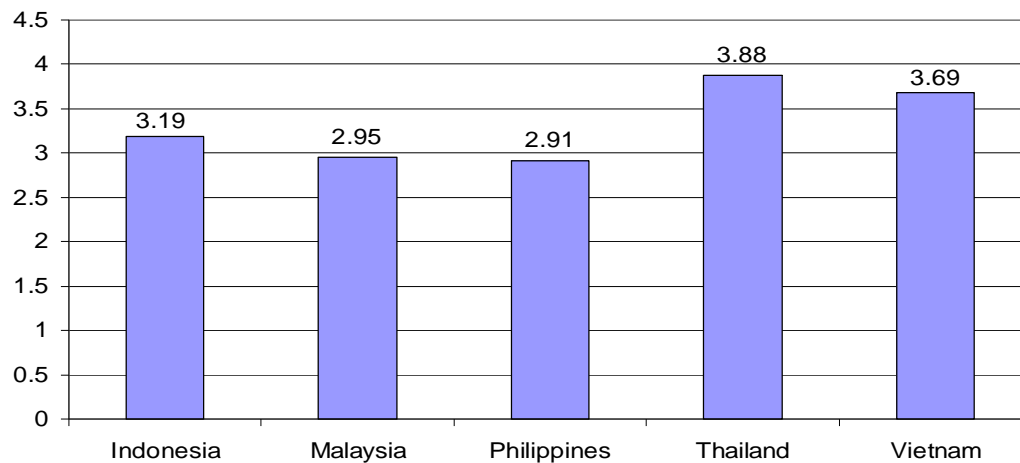
Poverty Incidence

Year	Overall Poverty	Urban Poverty	Rural Poverty
	% Population	% Population	% of Population*
1985	49.3	39.8	56.4
1988	49.5	46.2	52.3
1991	45.3	35.4	55.1
1994	40.6	29.5	53.1
1997	33.0	22.5	46.3
2000	34.0	24.1	48.8

Source: National Statistics Office *7.65/15 yrs or .5% reduction/year

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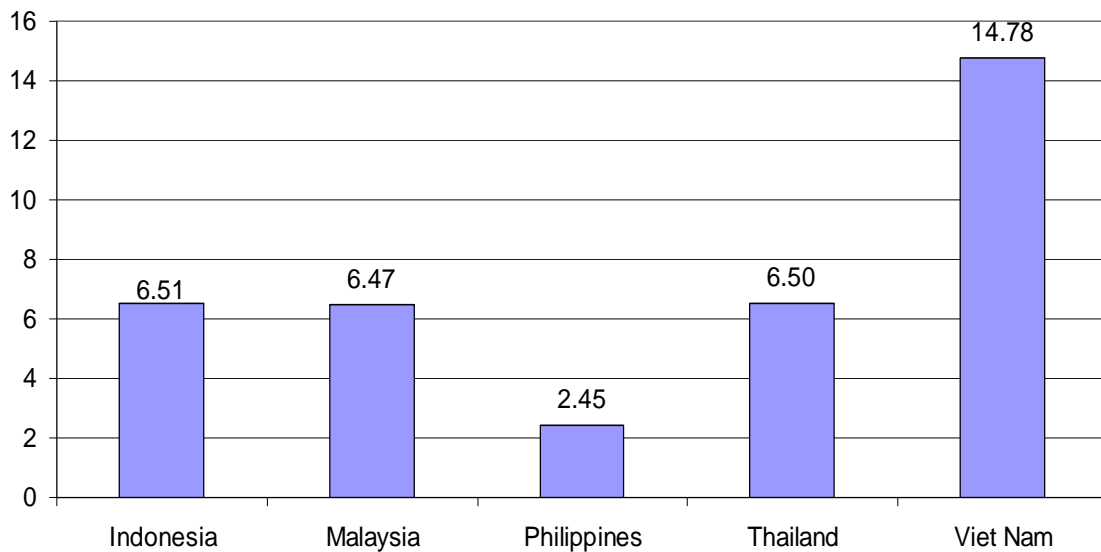
Average Annual Growth in Agriculture Gross Value Added, 1962-2003 (in percent)



Source: World Development Indicators, 2005

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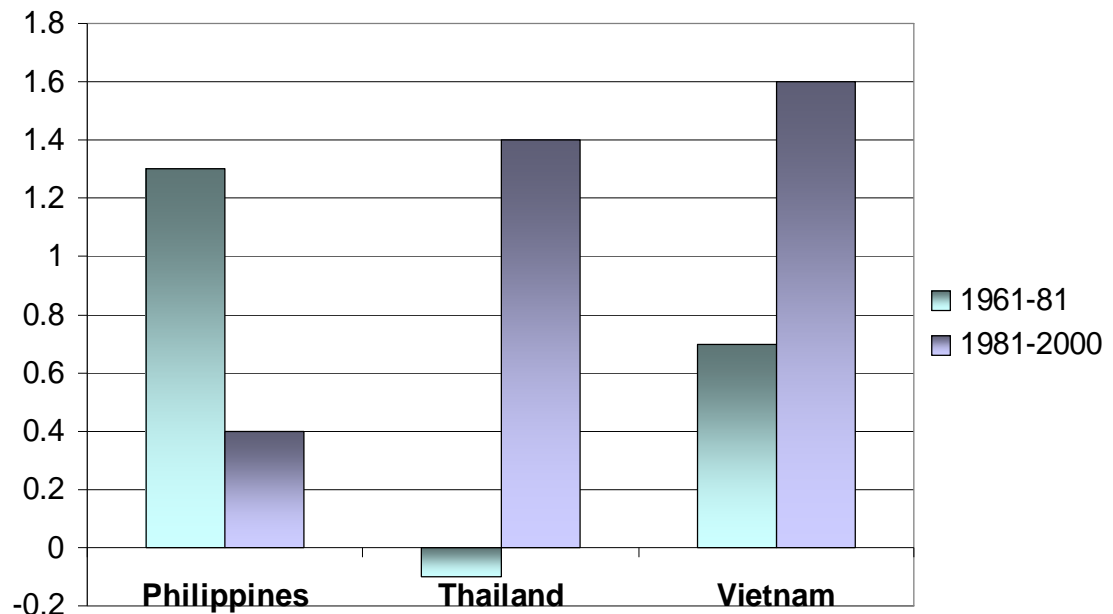
Average Annual Growth in Agriculture Exports, 1962-2004 (in percent)



Source: FAOStat

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Technological change in selected ASEAN nations



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Poverty Situation across countries

	Proportion of Population Below \$1 (PPP) a Day (%)	Gini Coefficient	Income Ratio of Highest 20% to Lowest 20%
Indonesia	6.50	0.34	5.2
Malaysia	0.20	0.44	7.1
Philippines	14.10	0.46	9.7
Thailand	0.70	0.42	7.7
Viet Nam	9.70	0.37	6.0
Source: Key Indicators 2006, Asian Development Bank			

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APPENDIX C: CONSULTATION PROCEEDINGS

Farmer/Fisher Consultation

29 June 2007

SEARSOLIN, Xavier University

Cagayan de Oro

PRELIMINARIES

The consultation was officially started at around 10:15 in the morning of June 22, 2007 with an **Opening Prayer** led by Mr. Hilario Odchigue, a participant from Binuangan, Misamis Oriental. It was then followed by the singing of the **National Anthem** conducted by Ms. Perigine C. Encarquez.

The participants, resource persons, and guests were duly acknowledged by Ms. Lourdes P. Rudinas, OIC-Chief of the Planning Division of the Department of Agriculture – Regional Field Unit No. 10 (DA-RFU 10). She **acknowledged the participants**, by province and by sector. Ms. Encarquez, the Facilitator, added the acknowledgment part by recognizing the presence of the two (2) representatives from CODE-NGO (Mr. Cezar Belangel and Mr. Ruel Cabile), the Xavier University-College of Agriculture (XUCA) Research Team led by Dean Roel R. Ravanera, the DA-RFU 10 Team (RTD Constancio Maghanoy, Jr., RTD Roxana H. Hojas, Ms. Lourdes P. Rudinas, and Ms. Jocelyn A. Gementiza), the EPRA Subject Matter Specialist – Dr. Eliseo R. Ponce, the TOUCH Team/Secretariat, and the Cagayan de Oro City delegates.

WELCOME REMARKS

Director Roxana H. Hojas, Regional Technical Director of DA-RFU 10, gave her WELCOME REMARKS to set the mode of the consultation. She commenced her speech by recognizing first Dr. Ponce, who was the Main Resource Person, the CODE-NGO Team, XUCA Team, and all the stakeholders around. She expressed her gratefulness for the attendance of the stakeholders and their willingness to discuss together the important concerns of the agriculture sector. Jokingly, she said that their department was once branded as the “Department of Meetings and Caterings” because of so many meetings and consultations conducted by them. Simply put, the department indeed supports consultative processes and the involvement of the different stakeholders. She mentioned the previous activity on May 8, 2007 where a group of stakeholders was convened. She described that this effort is part of the partnership forged by and between CODE-NGO, DA-RFU 10, and XUCA for the formulation of the **Regional Agriculture Development Framework** of Northern Mindanao. She gave a bird’s eye view of the **Economic Policy Reform and Advocacy (EPRA) Project** which aims to translate the Regional Agriculture Development Framework into a change perspective. She personally articulated her support to the project, aside from the commitment of the department, particularly because she had a study related to the project which she had the opportunity to share with the Graduate School of Xavier University. Among the recommendations of the study was for the Department of Agriculture to encourage the replication of the same study in other provinces in the region considering that it was conducted only in the Province of Misamis Oriental. The study was entitled, “**Extent of Participation of Local Government Units (LGUs) in the Initial Stages of the Agriculture and Fisheries Modernization Act**” and was funded by the USAID under its Human

Resource Development Program. Another recommendation was to conduct a follow-up activity to determine the status of implementation of the Agriculture and Fisheries Modernization Program in order to enhance the agri-modernization process. It was indicated in the study that of the 25 LGUs in Misamis Oriental, only 4 of them admitted that they included the Private Sector in the consultation processes. Despite that admission, there is still a need to validate the verifiable documents such as minutes of meetings/consultation, attendance, and among others to verify the involvement of the Private Sector. Some of the LGUs pronounced that the presence of the Private Sector could only lengthen the process considering that with them around, lengthy discussions are at hand. As a parting statement, she called upon the stakeholders present to be active in all consultations organized by the department.

RATIONALE AND BACKGROUND OF EPRA

Roel Ravanera, dean of XUCA, greeted everybody starting with Dr. Ponce, the CODE-NGO Team, the DA-RFU 10 Team, his fellows in XUCA, and the stakeholders. He mentioned that CODE NGO is a network of about 2000 NGOs all over the country. He jumped off by saying that his task was to explain the rationale of the activity on that day. He reiterated that EPRA is a project supported by the USAID which is implemented by the Ateneo de Manila University in which the agriculture sector is being handled by CODE NGO. Basically, it is a 3-year project which is implemented at the national level. Before it ends, the Project Team has decided to pilot the localization of the project. Northern Mindanao was chosen due to the commitment and willingness of DA-RFU 10. Then CODE NGO chose XUCA as its partner-academe. With the localization of EPRA in Northern Mindanao, series of consultations with various stakeholders will be conducted in which this batch is the 1st one considering the important role of farmers and fishers.

Where are We? He stressed the fact and reality that although agriculture is a very important sector of the Philippine society, the problem is the declining interest of people to get involved in the sector. He cited the experience of XUCA where there is a decline of 7% per year of enrollees for the past years. It seems that less and less students are into agriculture courses. Although at present, XUCA has low 1st year enrollees, the overall student population has increased. It was noted that there is a rise in shiftees from other courses to agriculture. Maybe, people have come to realize the importance of agriculture.

He then presented the 3 major issues of the agriculture sector, namely: (1) rural poverty and social inequality, (2) instability of production systems, and (3) lack of Filipino farmers' competitiveness. On rural poverty and social inequality, 1 of 3 poor persons in the rural area is in the agriculture sector and the gap between the rich and poor are getting wider. On the instability of production systems, it is because our farming systems are not sustainable. He pointed out the case of Cagayan de Oro river which is brownish, an indicator that soil erosion is prevalent and will surely result to infertile soils. Regarding the issue on the lack of Filipino farmers' competitiveness, he revisited that 10 years ago the Philippine government, together with other governments signed an international trade agreement. With that, products of other countries can come in and the Philippines can export its products to them. Studies have shown that our agricultural production has increased, but other countries are much faster, thus, Philippines is lagging behind Asian countries. With that scenario, it is imperative for us to produce and compete with other countries. One example is the case of the Benguet farmers who complained that they can no longer compete. What did our government say on this?

Where are we needed or Where should we be? By 2015, our agriculture is the locomotive of growth that will enable our country to: enjoy food security; provide prosperity to small farmers, fisherfolks, and producers; and set standards for excellence in the world market. Agriculture sector should function like a locomotive and we (stakeholders) are the machine. He continued that we need

to address food security especially that the Mindanao poor people can only eat 1-2 times a day. First, agriculture must be the locomotive and engine to address our need for food. Second, farmers should be given livelihood support. And, third, we should be the leader in Asia and other countries. As of now, we lead in pineapple production. If we talk about pineapple production, Philippines is number 1. The problem is we are not counted in the pineapple industry but rather the multi-national corporations that own and control the industry. In that light, we should strive to lead in other agri-products, aside from pineapple.

How then can we achieve the above-mentioned objectives? How can we get there? Dean Ravanera said that his presentation was taken from the speech of Secretary Yap. **First**, agriculture development must focus on small farmers and producers. **Second**, transform national program from being supply driven to demand driven with emphasis on the importance of quality or standards. **Third**, enable the agriculture bureaucracy to effectively respond to a pro-farmer and market driven agriculture program.

He then proceeded discussing what the stakeholders can expect from the EPRA Project. One is the formulation of the participatory planning and development framework. The other one is to recommend mechanisms for coordination. These will be carried out through: conduct of consultations with major stakeholders, recommendations (drawn from the consultations) will be forwarded to the Department of Agriculture (Central Office), output of the consultations will be integrated along with other stakeholders' recommendations, and the final integrated output will be presented in a forum to be participated by all major stakeholders. In closing, he presented to the group the upcoming schedule of the other stakeholders' consultations.

IF AGRICULTURE IS GROWING, WHY ARE THE POOR STILL SO MANY?

Dr. Eliseo R. Ponce gave a presentation on Philippine agriculture. Dr. Ponce is the Subject Matter Specialist of EPRA. He is presently engaged with the Philippine Institute of Development Studies.

Philippine Agriculture Today : Some Disturbing and Elating Facts. On the present scenario of Philippine Agriculture, Dr. Ponce presented agricultural facts and figures: the average annual growth in agricultural crops value added (1962-2003); the average annual growth in agri-exports-coconut, sugar, and abaca (1962-2004); trend in the yield of major crops; and producer price of rice, fruits, vegetables, and pork as compared with China, Indonesia, and Thailand. The scenario revealed that over the past forty (40) years there has been no increase in agricultural production among small farmers, but only the commercial farmers or agricultural plantations. The same is true for our export area which hasn't increased over the years. Our agri-exports are plantation crops (palm oil, rubber, cacao) while those of Thailand are crops produced by small farmers. In terms of farm gate price of rice, fruits, vegetables, and pork, Philippines has the most expensive farm gate price as compared with China, Indonesia, and Thailand.

Asa Mitubo ang Agrikultura sa Pilipinas? (Where has Philippine Agriculture Grown?). Dr. Ponce also presented the poverty incidence from 1985-2000 which showed that rural poverty is directly linked with agriculture where economic development and social justice seem far, far away. He compared our poverty situation across countries which described that 1 of 2 Filipinos is poor and the widening gap between the rich and poor is very evident. The presence of the ultra rich and ultra poor people is glaring. He proceeded by reviewing the malnutrition incidence from 1990 to 2003 which stated that 1 of 3 children in school is malnourished. Meaning, no matter how intent we are in our feeding program for them during their school-age years, it is rendered useless. Their brains have been deprived of the proper nutrition that they were supposed to receive during the time they were conceived by their mothers. He stressed out that the pregnancy and lactation periods are the most critical periods if we want well-nourished children. He then presented the Filipino Households'

Income and Expenditure Patterns which showed that 75% of Filipino households spend 50% of their income on food due to the high price of food items.

Agriculture of the Poor. AOTP is basically focused on small-farmer agriculture with a farm area of 1 hectare and below, mostly in rain-fed or non-irrigated areas. Farmers grow multi-commodity consisting of cereals, horticulture, and livestock. The fisherfolks, on the other hand, are limited to fishing within their municipal waters and are also engaged in farming. The small farmers and fisherfolks are dependent on family labor as their source of employment coupled with the lack of access to technology, credit, market, and information.

Unsaon Pag-Asenso (How to Attain Progress). Dr. Ponce disclosed that one of the potent means of accelerating agricultural growth is with AOTP. The reasons behind include the following: its strategic focus is on building the poor farmers' social assets; its technology is focused on commodities where the private sector does not serve; its extension is focused on management; and its approach is total farm, community approach.

Kinahanglan Reporma sa DA (Needed Reforms of DA). Four (4) suggested reforms were presented and discussed by Dr. Ponce, as follows:

1. The Department of Agriculture and Local Government Units should have good data and an AOTP-focused plan. They should benchmark on who are really the poor, what are the prospects and opportunities for them, and then set-off to formulate the strategic plan;
2. The Department of Agriculture should stick to policy, coordination, and funding; and
3. The Local Government Units should reform their structure, and improve their managerial and technical competence.

OPEN FORUM

At 11:50 am the group requested for an OPEN FORUM instead of having it after the WORKSHOP. Below were the questions, comments, and observations articulated by the participants.

Comment 1: Mr. George T. Yacapin of BIDA-Misamis Oriental addressed his comment to Dr. Ponce, "This AOTP framework should have been made known to us earlier, then we could have worked it out."

Question 1: Mr. Cornelio Dagaas of Lanao del Norte posted his observation that our rice export during the Marcos regime was well and good because our extension service was then with the Department of Agriculture. Can we possibly have it back to the DA?

Answer 1: Dr. Ponce responded that so far the best and effective extension services in the world are those provided by decentralized governments. Our exports should be one that is controlled by the poor farmers, in terms of providing the products and gaining from them. In the case of our coconut export, small coconut farmers should play the center stage in production and decision-making. Another option is to value-add such as processing at the village level. With that, small farmers will really attain progress.

Question 2: Mr. Ben Maputi of Bukidnon queried on the possibility of localizing the organic standards processing.

Answer 2: Dr. Ponce cited the Thailand experience where the small farmers have access to laboratories through the assistance of the government. Mr. Rudy Damayan – PAFC Chairperson of Bukidnon added by sharing the experience of KANIB Foundation, Inc. which pioneered the

organic rice production and marketing, and in the process of applying for the organic standards, in Bukidnon.

Question 3: Mr. John Mangcao, PAFC-Chairperson of Lanao del Norte raised a question on the food security problem in Mindanao, and calling for the appropriate agencies and local officials to work for it.

Answer 3: Dr. Ponce stated that he has been in Congress many, many times and has lobbied for Congress to formulate a bill to address our food security problem. Further, he stated that the power of addressing the food security problem is in the hands of the farmers, not with the LGUs or politicians, for that matter. During election time, the voters should discipline the politicians and vote only for those that can help in addressing the impending socio-economic problems. He cited the experience in France where farmers rallied against anti-farmer agricultural policies by pouring milk and breaking eggs on their streets as a way of manifesting their protest which in effect prompted their government to respond to them accordingly. If our food security problem is not solved, it will have the worst effect on the poorest Filipinos which will redound to insurgency in the rural areas.

Question 4: Mr. Essie Sanchez of Lanao del Norte asked something related to how the poor can have a bigger share of the pie. He addressed XUCA as academe to not just focus on training students and preparing them for employment, but rather in producing scientists that will soon manage our agri-industries and strengthening the link of the industries with farmer-producers.

Answer 4: Dean Ravanera affirmed that based on the tracking system done by XUCA on the outflow of its agri-graduates, majority of them are employed with DA. Only a few of them are now agri-entrepreneurs.

Question 5: Mr. Abello Binauro of Bukidnon asked why the national and local governments are not doing anything to control the increasing incidence of illegal fishing, particularly electrocution which is rampant in Bukidnon.

Comment 2: Mr. Walter Lituan of Iligan City posed an observation that what we are experiencing now are the same set of problems, that we had before. Who can really help us is ourselves. He then posed a challenge to utilize the Priority Development Assistance Fund (PDAF) of the District Representatives as assistance to the farmers.

Comment 3: Mr. Cezar Belangel of CODE NGO responded by citing that the Local Government Code has provided us participation mechanisms through the local special bodies (LSBs) in the local government units. It seems that with the problems that we articulated, we have not maximized our participation in the LSBs.

Dr. Ponce added that, we should also employ the “value chain approach,” meaning moving from the barangay level to the international market, and the production of specific commodities. Another very important approach is the strengthening of the peoples’ organizations and cooperatives, and the government.

WORKSHOP

After the open forum, the workshop groups and their respective composition were presented and agreed upon, this was ruled by geographical origin of the participants by province (See Appendix C).

PLENARY

The body re-convened at 2:30pm for the plenary. It was agreed that each group would be given 10 minutes for the presentation and short open forum. The order of presentation was Bukidnon Group followed by Lanao del Norte/Iligan City, Misamis Oriental/Camiguin, and the last group was Cagayan de Oro City.

A short open forum followed after all the 4 workshop groups had presented. Below were the questions raised and their corresponding responses:

Question 1: Mr. John C. Mangcao, “We understand that there are series of consultations with different stakeholders going on for the EPRA Project. How many years will it take for the reforms to be realized?”

Responses: RTD Hojas responded by saying that reforms will not be realized unless people will change and after we change our political system.

Two of the participants added that we should look at our political system and the post-election scenario. That it’s good that we started it now, rather than not doing anything at all.

Mr. Mangcao suggested that local chief executives (LCEs) should participate in the LGU batch of this consultation.

Ms. Rudinas clarified that maybe the group did not fully understand each other. What is being done right now is still the research phase of the localization of the EPRA Project. The research phase will provide inputs during the planning process which forms part of the formulation of the Regional Agriculture Development Framework of Northern Mindanao that will hopefully create change or reforms that will benefit the small farmers and fisherfolks.

Dean Ravanera joined in by saying that all of us want results for the good of the agriculture sector and the farmers and fisherfolks. We have known that Dr. Ponce has exhausted efforts in lobbying with Congress about the needed reforms. He called on for the body to move for reforms through the farmers/fisherfolks sector and the other stakeholders. He said that there is big hope for Northern Mindanao with the presence and participation of the stakeholders. Our needs can be responded on a multi-level; some can be done by the LCEs, District Representatives, and so on. We should not wait; waiting will not help us achieve the reforms we need. Each of us here should do our fair share.

Question 2: Mr. Lorenzo L. Dinlayan of Bukidnon voiced out the IP concern of Bukidnon. He followed-up on the GMA Action Plan done by the DA with the IPs on “Sustainable Agriculture for the IPs” which has no feedback yet on the status, after several months of doing it.

Response: RTD Hojas answered by explaining to him that the DA is still at the fund sourcing phase for that plan. And she also clarified the partnership between the DA and the LGU. The DA-RFU 10 serves the LGUs while the LGUs (provincial/municipal/barangay) serve the farmers. When a plan and proposal is submitted to DA, they will mobilize resources for its purpose and the farmers will provide the necessary counterpart. Counterparting is necessary to inculcate a sense of ownership, and valuation of efforts and resources.

In addition, she informed the body that there are opportunities in the region brought about by two (2) big projects: the Mindanao Rural Development Program (MRDP), and the Northern Mindanao West Coast Integrated Area Development Program.

Furthermore, she reiterated on the reforms needed such as the need to minimize “politicking” and the need to change the values of the people. She commented that all the needs presented by the WORKSHOP groups were already present and made available.

Mr. Damayan of the PAFC-Bukidnon commented that indeed post-harvest facilities were provided to farmers, but they’re not really the ones they need. Usually the capacity of the post-harvest facilities provided is inadequate. He suggested to train or capacitate the right people and to reconsider “devolution” which is unfavorable for them.

SYNTHESIS

At 3:40pm, Ms. Elizabeth Soriano, a member of the XUCA Research Team provided the synthesis of the day-long consultation. She set-off by presenting the thesis which represented the existing realities, and anti-thesis/SYNTHESIS represented by other opinions on the thesis. She discussed that for seven (7) hours the thirty-five (35) persons of different expertise and discipline, together discussed agri-concerns of Northern Mindanao. She proceeded by outlining all that transpired for the day from the welcome remarks, to Dean Ravanera’s presentation, to Dr. Ponce’s presentation-input, to the open forum, and to the workshop outputs presentation.

She summarized the welcome remarks of RTD Hojas in three (3) points: new perspective, need to improve systems, and the importance of stakeholders. Dean Ravanera’s presentation was also captured in three (3) points: why are we here, where do we go, and how do we get there (2015 Vision) focusing on the small farmers/fisherfolks. For Dr. Ponce’s presentation, she capsulized it by describing the move from the agriculture of the rich (AOTR) to the agriculture of the poor (AOTP), and the needed DA-LGU reforms. On the open forum, she registered her observations as follows: that there was low level of political efficacy among farmers (lack of confidence), and strong anti-devolution reaction. She opined by saying that our devolution process is still in the transition stage and that we can not compare 56 years of being centralized to the 16 years of being decentralized. On the WORKSHOP outputs presentations, she expressed that she was quite impressed with the Bukidnon group because all along she assumed that Bukidnon is dominated by big farmers and did not expect that the agenda of the small farmers will be articulated in the workshop.

CLOSING REMARKS

Dean Ravanera gave the closing remarks. He started by acknowledging the participants around and the conveners (DA-RFU 10, XUCA, PAFC-Bukidnon, and TOUCH). He recalled the decreasing interest among students on agriculture courses and reminisced the memories of Fr. Masterson, founder of Xavier University College of Agriculture, as a visionary leader. He also recalled that 1 of 2 Filipinos who are poor is in Mindanao and in the agriculture sector. Further, he stated that budget for agriculture is decreasing overtime when the Philippine budget is compared with other countries. With that premise, no one can solve the poverty problem. On the issue of depleted oil resources, it can be resolved through the agriculture sector by producing sources of bio-fuels. On the global warming issue, the agriculture sector can also help. He proceeded that if we talk about agriculture, it’s in the hands of small farmers. In parting, he called on to move together so that the poverty problem can be addressed, and called on everybody to journey together considering that there is hope after all.

Agri-industry Consultation

29 June 2007

SEARSOLIN, Xavier University

Cagayan de Oro

PRELIMINARIES

The consultation started at 10:30 in the morning, facilitated by the Northern Mindanao Producers' Association Inc. (NorminVeggies). Ms. Jocelyn Gementiza, Planning Division staff of DA RFU 10 duly acknowledged the participants starting with the earliest to arrive. She mentioned the producers' associations and business support organizations, service and input providers, the facilitators, the XUCA team, and finally, her colleagues at DA.

WELCOME REMARKS

Director Roxana H. Hojas, Regional Technical Director of DA-RFU 10, briefly welcomed the participants. She thanked them for their attendance and articulated their important role in coming up with a Regional Agriculture Development Framework, which EPRA seeks to achieve through a series of consultations. Dir. Hojas posed the problem of slow growth in agriculture disabling the sector to cope with the increasing incidence of poverty. With that, she challenged those present to be open in sharing their thoughts and opinions in discussing how we can come up with a workable agriculture development framework that will address the obstacles facing agriculture development in the region.

RATIONALE AND BACKGROUND OF EPRA

As an introduction, Mr. Roel Ravanera, XUCA Dean, discussed about Agriculture vis-à-vis rural development, highlighting rural poverty and social inequality, instability of our production systems and the lack of Filipino farmers' competitiveness. He said that by 2015 our agriculture will have been the locomotive of growth that enables our country to: 1) enjoy food security, 2) provide prosperity to small farmers, fisherfolk, & producers; and 3) set standards for excellence in the world market. Mr. Ravanera shared DA Sec. Yap's notes on how to achieve this vision. He said that agriculture development must focus on small farmers and producers; must transform national program from being supply driven to demand driven, and must enable the agriculture bureaucracy to effectively respond to a pro-farmer and market-driven agriculture program. He also touched on the role of institutions such as the national agencies, LGUs, CSOs and the academe in contributing to the achievement of the vision.

Mr. Ravanera then explained the expected outputs of the EPRA project, which are to formulate participatory planning and development framework, and recommend mechanisms for coordination. This will be carried out through stakeholder consultations with the outputs of each consultation integrated and forwarded to DA as recommendations. The final output will be presented in a forum. Mr. Ravanera then presented the schedule of the consultations.

REACTION FROM DISCUSSANTS

After Mr. Ravanera's input, selected participants were asked to comment on the presentation.

I. Mr. Marcelino Remotigue (NorminVeggies)

You may notice that we are very few here but I am not interested in numbers, I am interested in commitments. Sometimes commitments would mean one week commitment, two weeks commitment. I want an absolute commitment or an unconditional commitment. Once we are here, we will commit ourselves. We cannot always be there at all times, but make it certain that there should be somebody who could pursue our interest.

The way I look at it, we have to consider the mass base of the agricultural sector. I do not know if the LGUs are really supportive of the development of agriculture. We have to coordinate with the LGUs, in Misamis Oriental, Bukidnon, Misamis Occidental, and Camiguin since they have bigger resources.

The LGUs have 30% local development fund. Just to give you an idea, the Municipality of Sugbongcogon in Misamis Oriental has an IRA (Internal Revenue Allotment) of only P18 million. Their income would be somewhere around, P10million. 20% of that will go to the local fund. That is only P4.4 million. Of the P4.4 million, 20% will go to agricultural development. And what is the 20% of the 4.4 million? It is only Php880,000. These are things that we need to consider. We have to tap other institutions where we can find resources. We have to put that in the framework.

I also simply disagree with the concept of Barangay Food Terminals (BFT), which is an intervention of the Department of Agriculture in the central office. *Lalagyan pa ng barangay consolidation center, delikado. Imagine, say for example in a certain town, may dalawang barangay consolidation centers pero walang mailagay.* Instead, maybe we can use these resources for other priority projects; it could be sustaining projects for agriculture, say productivity.

I have a bias for vegetable. I do not know if it is true that we have an average vegetable per capita consumption of 35 kilograms. I think we have to consider ways to increase that. The academe would play an important role with other line agencies to increase our per capita consumption because we are lagging behind our ASEAN neighbors. In other countries their per capita consumption reaches up to 100 to 200 kilograms. Here in the region, I do not know if it is at 75 kg. Maybe that is just something they say so we'll have something to brag about, which I am very sure. If we will include this also in our framework, we will see if there is an improvement. If we will commit all the way down, there will be a very big impact.

II. Mr. Alfonso P. Alamban (Philippine Development Assistance Programme)

I would like to relate the presentation from practical experience, because we work with the farmers, particularly the sector focusing on organic rice and the Muscovado sugar. I was sitting with Edward (Argayoso), who was my classmate, we talked immediately on the financials and I don't know if this is in consonance with your own experiences, but my first impression working with farmers is that, they're more top-line oriented rather than looking at the cost at the bottom line. That is why we have had bad experiences in dealing with organic rice farmers because for them, their immediate challenge is the reduction of yield right after converting to organic rice. Maybe, this is due to the lack of entrepreneurial outlook of the farmers. Most of the farmers lack recording of the costs. That's why they fail to see the bottom line. Perhaps this is a good area where we can improve on the side of the farmers. In organic rice, for example, production costs can actually be reduced.

On competitiveness, in our experience, it takes so long for farmers to respond to the stimuli of the market. And sometimes, opportunity in the process is lost. With organic rice, for example, our distributor in Manila has been demanding for a shipment of red rice. Our farmers in Mindanao find this demand very hard to respond to. But the fact is there really is a demand. However, I have found

out that there are also farmers who are more responsive to the demand, for example, the farmers of North Cotabato.

On entrepreneurship, though I hate to admit it, there are more women entrepreneurs than men. In Valencia, Bukidnon, I saw an elementary school graduate who could understand financial statements, and even complained that people under her who were college graduates especially agriculture graduates had difficulty understanding financial statements. So maybe we can tap the women to help in entrepreneurship.

On the bureaucracy, I had my share of being part of it when I was with the Department of Trade and Industry. There's one thing that we should develop within the bureaucracy, which is the basic difficulty in differentiating between "Activity" and "Result." There are too many activities and orientations going on within the organization, that focus on the needs of farmers is lost. We should focus on the desired result. So, in the individual area where we can center our people in the bureaucracy, maybe we can develop more strategic thinking within the organization. There is also difficulty in responding to the demand of the clientele. It would be best for organizations to put themselves in the place of the clientele to be aware of how services should be improved.

Two days ago, I was in a meeting and shared my experience with the abaca sector especially with our project in the organization giving grants of a few thousand dollars to the abaca sector. We were very sad that within the term of the project, PDAP had to return USD600,000 because they were not able to utilize the amount appropriately. One of the outputs was to provide a decorticating machine. It was supposed to serve the farmers but it was very hard to install. Even if it was considered "portable," it was difficult to transport to the farm. We found out later, after relating the specifications, that there was an alternative facility which could generate the same results at a much lesser cost. I think the bureaucracy should also be entrepreneurial. As to the project, it lost USD600,000. That is a small amount but, nevertheless, it was reverted to another country, Ecuador, our competitor in abaca.

The presentation of Dean Roel also mentioned about the value chain and I think this is very important. We cover as much information as we can to have common data. I think GEM is already doing this for some industries. But we are working on this in collaboration with the IFC and DA. But it would be very good if we could have all the commodity sectors or priority commodities. It would help farmers understand what the opportunities are with a clearer impact on government agencies.

In our experience, if farmers could easily identify where the costs are, then they won't be barking on the wrong tree. For example one farmer would say he did not have access to any source of financing. But when you look at their operations, it was actually their marketing that contributed losses to their activity because they were into everything.

Another one is with regard the value chain, as we tell the farmers to become more entrepreneurial, they should be concerned not only with the quantitative aspect of the value chain but also with the qualitative aspect. Secondly, who has the bargaining power and what are the types or sources of bargaining power in each level of the value chain? Who has bigger bargaining power, the producer or the buyer? In the market chain, you have the supplier having the market access level. It's really a complicated task to allow or neutralize its bargaining powers. It is one thing we can gain if we have value chain analysis for all priority sectors.

Another, We do not want to be personality centered, but our experience is that the progress of a commodity or industry would be much faster if we had a champion who would be willing to sacrifice personal gains for

the greater community. As we say in one of the slogans of the industry “collaborate to compete” and do it with enlightened self interest.

We have a financing program given to the seaweeds industry and we are very glad that with the advocacy of the champion, they were able to establish an image of high credibility in the industry. I think the indicator there is we gave Php2.5 million, and in a matter of two months they were able to repay that. And after that experience, it was more necessary for us to budget an allocation on financing, because the other financing institutions were lining-up to lend them. And I would like to credit this to the champion who was not only conscious of his responsibility by upholding the credibility of the industry but also in sharing the gains of what they have done. Because when he established himself as a credible market player, the importer from Europe increased the price, and he in turn, shared the price increase with the farmers. I think it was Php5.00 per Kilogram higher which is a very substantial increment to them.

Lastly on the aspect of extension, our farmers need timely and reliable information particularly on the market. Our farmer-partners in Muscuvado sugar, for example, are even willing to allocate their own resources so that they can capture reliable information. I think the advent of this information-communication technology (ICT) will facilitate information and communication flow. This should be one of the major programs, setting-up a systematic and reliable information system even for simple price information. Perhaps starting off with the cellular phone which many farmers now have and many areas are now covered with a signal.

III. Ms. Jasmin PG Agbon, GEM-USAID

Subscribing to what Dean Ravanera suggested that we should be open to one another, having worked with most of you here, I may say I am much familiar with the concerns of each industry with seven years of partnership with all of you. I know there's a wealth of experience here and I hope we will be open to giving our contributions and reactions.

I also have some general ideas to help come-up with good inputs in the actual WORKSHOP and these are actually the human resources side of agriculture. Al Alamban has already mentioned about the agri entrepreneurship skills that are needed and I subscribe to that. I have seen that not so many of our farmers and producers have that skill. So, maybe we should look into how this can be addressed.

I mentioned to the Dean and some of the leaders what has been started by CAFFINORMIN and TESDA, with the help of Australian-funded program, on skills assessment. Certification for the agri sector should also be included. An additional push, especially from the results of this consultation, is making the human resources side of agriculture elevated to a more worthwhile career for our agricultural workers and farmers.

Another item is the technology best practices. There are a lot of best practices in the region. It's similar to the Knowledge Channel wherein you don't have to go to Manila to learn all of the technologies. It may just need more people to disseminate the information, more publications because we know of these best practices but only through word of mouth. Instead, everybody should be able to go up to that farm and see the best practices, or perhaps we can make a video documentary so more people can be informed, just like what the NorminVeggies did during the last vegetable congress. The more people are able to see it, the more chances of reaching the intended audience.

IV. Engr. Edwin Andot (CAFFINORMIN)

In my understanding, what we are trying to do here is to come up with a workable design on how to improve the agriculture industry where all of us are into. I am saddened though to see that here, very few of us are real farmers. The last time I checked only around four. Ok, they have their separate consultation, but looking into the statistics, those who are apt to complain are those who are not reached by these information, above 80%, there in the rural areas. Oftentimes, there are very good programs for them but they are not implemented. What I'm saying is that I want this problem to be responded to.

Two things. First, what mechanism should we have to ensure that what we are doing here will reach Juan, Pablo and Pedro? There have been many suggestions, like reactivating the extension program of the Department of Agriculture. Yes we can do that. In fact during the Regional Agriculture and Fishery Council meeting last Wednesday, the role of the RAFC members in reaching out to the rural farmers was discussed. But remember that the Council is only for monitoring and evaluation. It cannot implement. There has to be a body that will better implement the suggestion of information dissemination to the smallest level of farmers. Just imagine, they are more than 80% of the industry. If we say industry clustering, market briefing, zonification of our areas, sustainability maps, these are fine. There have been a lot of new technology. In fact, we are changing our target in agriculture. It's now capability and not productivity. But are the small farmers able to feel this change? That is what we should look into. What should be the mechanism? Reactivation of the extension program is fine but I am suggesting another one.

Who takes care of the agri sector? In other countries they have think tanks paid fully and living comfortably. Now we are saying let us establish industry champions that can be models and agents of change. Who will these be? Government employees? They have to be someone that small farmers can identify themselves with. These are private persons. I hope we can have a program that can take care of our (agri-industries) needs. This might in fact verify our passion of being volunteers. Sometimes we can do more if we are placed in a very comfortable environment.

So what is the mechanism? All of the good programs we can establish. Second is another program that will take care of the volunteers.

OPEN FORUM

At 11:50, the floor was opened to comments and questions from the other participants. However, the reactors also gave their reactions to their co-reactors' statements.

Comment 1: Mr. Remotigue remarked on common service facilities being a collaborative effort between government and private sectors, as is wholesale market and manpower complement in the extension work. The academe can also help in the knowledge transfer to farmers. He also commented on "commodity to clients," referring to clients as the customer and ensuring their satisfaction through Good Agricultural Practices (GAP).

He mentioned the clustering approach that would tap other sectors to do production, processing and marketing. He reiterated that collaboration is the key to agriculture development and thus should be included in agriculture development plans. The Municipal Agriculture Office, he cited, can provide the manpower while the economic enterprise units of the LGUs can help in the marketing of commodities. The bottom line is to have to have a mechanism that is workable, doable, understandable and affordable.

Comment 2: Mr. Alamban asked for recourse in utilizing available technology since it is what farmers, especially at the remote areas, really need. He gave the example of a project in India where

internet, emails and other information are downloaded at the farm level. The information is downloaded through a satellite system in each barangay since most didn't have telephone system. Their Ministry of Agriculture and Industry would equip some of the buses that go around the farm with a satellite base. As they pass each area, the information is also uploaded. This way, there is timely, reliable information disseminated down to the farm level.

Question 1: Mr. Antonio Avenir of Crop Life asked the difference between this consultation and the consultations that have been done in the past, more so that what he heard today was the same thing he heard 20 years ago.

Answer 1: Dir. Roxana Hojas of DA answered that it is still the same consultation as have been done in the past years, different issues are discussed from which proposals are made to be forwarded to the national government. Unfortunately, she said, there are things beyond their control that hamper the support of the proposals. This time, they are hopeful that the proposals drawn from this consultation will have more support with the renewed interest in the agriculture sector.

Answer 2: Engr. Andot affirmed the validity of the question but he said that they shouldn't get tired of attending meetings since this is one way they can update themselves of what is happening. With the entry of modern equipment and facilities, he said, the lives of our farmers have not really changed much. He said that our farmers 20 years ago may have had a more comfortable life than our farmers today, but if discussions are to stop, then there will be no preparations for whatever will happen in the future. He emphasized that in every meeting, there is always a different output so they should never be discouraged to attend.

Answer 3: Ms. Beth Soriano, of the XU Research Team assured that there is really hope in this venture since the whole project is towards policy reform with the desire to make small steps toward change. She cited that in the research team, they have identified policy recommendations that can be drawn from the first multi-stakeholder consultation, like the institutionalization of the percentage of the 20% development fund to be committed to agricultural development. She stressed that although it may be a small step, it is a forward step. She also mentioned on advocacy as a continuing process. If the group were to push towards changes at this point level with LGUs and if it is going to be successful in the region, it will be replicated in other regions. So it's not just an ordinary consultation. She emphasized the need to be united, to put all knowledge and experiences together, and to help push each other up.

Comment 3: Ms. Agbon re-emphasized the need for the group to feel that whatever outputs generated in the consultation will have meaning and direction; otherwise, their efforts will be futile.

Comment 4: Mr. Juan Takiang of the Banana Industry Development Association posed an observation that although the government has some good projects, the agricultural technicians have been complacent in the performance of their jobs because of the devolution law. The technicians have not been getting their privileges since they were placed under the local government. He elaborated that politicians have different interests, and if the mayor is not interested in agriculture, that will affect the performance of the technicians. He asked, then, if the group can find a solution or recommendation as regards the devolution law, one that would help farmers at the lowest level.

Comment 5: Mr. Floro Dalapag of XU Research Team also gave his input regarding repetitive consultations. He supported Engr. Andot's remark on not giving up on consultations. He said that the group should make certain commitments. There is a need for champions, consultations and collaborations that would advance the agri cause. Meetings also provide opportunities to learn new things such as the ICT, he said.

Comment 6: Mike Ignacio of NorminVeggies relayed that one participant who couldn't come asked if DA or XU could host or moderate e-groups of different commodity groups and associations. There are excuses like they cannot be contacted because they don't have cell phones or the classic "I was not informed" or "I did not receive communication because I was at the farm." With a facility setup for each grouping or association, they would also look for a way to be in touch or online. Perhaps initially the DA could help set-up email-addresses, he suggested.

Comment 7: Mr. Nur Radia (Maranao Agro Industry Development Foundation) shared that in Lanao and in other areas, the participation of farmers is really a problem. Their collaboration is really with the LGUs for the last 3 years. In their membership with the NorminVeggies, he observed the shortcoming of the City Agriculture Office, although he is also thankful of the services it has provided them. He mentioned that priorities keep changing depending on the leadership. Lastly, he expressed his gratitude to be part of the consultation.

Summary of issues raised. To close the open forum, Mr. Ravanera summarized the issues that surfaced into four points. First, is the question on never-ending consultations with no results. He reaffirmed the feeling as universal and that the situation has deteriorated, but he also added that the agriculture sector has declined globally in the last 20 to 25 years. He elaborated that even from the perspective of multi lateral, development agencies like World Bank or Asian Development Bank, and from the perspective of Official Development Assistance, agriculture has been neglected in the last 20 years, and governments and development institutions would admit to that. Recently, he said, there has been a resurgence of interest in agriculture because of increasing rural poverty globally, nationally and even in the region. And the experts are saying the only way to address this is through agriculture. If at this point, Mr. Ravanera stressed, they were to give up and say enough to consultations, opportunities might be missed. So he encouraged the group not to give up hope.

The second point is on reaching out to the 80% of rural farmers who are the poorest of the poor. He cited the problem of extension services being devolved to LGUs and that maybe the LGUs are not doing their job, as mentioned by Mr. Takiang. This gap has allowed the private sector to come in, Mr. Ravanera said. Given the law, the LGU would have to do its job. He added that if there are resources available, it should be inputted to agriculture, such as the 20% development fund which could be piloted in the region as raised by the group earlier. The advent of modern technology could also help in the delivery of services, Ravanera said. He stated the importance of information and offered XU's help along that line, perhaps moderating the egroup.

Related to that is the question of human resource which is the third point. Mr. Ravanera said this is maybe a bounce back to the academe saying human resource development is really the academe's business. Some of the key persons in our agriculture sector right here are our alumni and therefore they play a big role in this changing scenario, he pointed out. He explained that many of the graduates are not linked with the right sector. The graduates being produced are not accepted by the industries, so there is a miss-match. The dean said the academe would have to improve on that.

The last point is partnership. Mr. Ravanera recalled Ms. Agbon's question on who can assure them that the output would be used in the end. He said that the project is really a policy reform project, so there would be policy recommendations. He also added that from this consultation, they will be able to bring home whatever knowledge has been gained and that is a plus factor already. He also repeated the commitment of DA to the project and the hope that policy makers would at least listen. At the regional level, since this is a pilot project, something can already be done for the individual sectors, he said. Further, Mr. Ravanera cited that definitely for XU, the consultation has helped a lot

in improving the college, like revising the curriculum which would not only change the subjects but also the mindset of the students, faculty and staff. As mentioned by Mr. Alamban, maybe our students should not just learn about yield but also other capabilities, he said.

At length, Mr. Ravanera said he still looks forward to a fruitful consultation with the industries and establish a good partnership in the future.

WORKSHOP

After the open forum and break for lunch, the workshop followed. The participants were classified into two groups – the producers and service providers (See Appendix C).

PLENARY

The body re-convened at 2:00pm for the plenary. Mr. Ignacio presented the workshop results of the producers, while Ms. Agbon reported for the service providers.

A short OPEN FORUM followed after the presentations. Below were the comments, questions and responses generated.

Comment 1: Engr. Andot (CAFFINORMIN)

What is the answer of the government to our suggestions? The government is the vehicle and the private sector is the driver. That should be enough reason for the government to provide us with the necessary gasoline. Perhaps other agencies should do the same. In other regions they don't even recognize the RAFC, how much more if we go to the sectors which are the industry associations.

On whether our discussions here will be heard, the answer is "yes" because we are ahead. Region 10 is the pilot region, and everyone is looking at us. Because the resources are already here, it's just a matter of how we can place it in a very good, understandable, replicable model. Looking at the structure of the Department of Agriculture, we have to do something with some of the Divisions. And they should look at agriculture as a policy body, as a regulatory body probably. I think some of the work has to be transferred or devolved to the private sector. We are even better than some of our technicians from the Department of Agriculture. The techno-transfer for example and the marketing activities should be handled by the private sector and not by the government.

Comment 2: Ms. Jasmin Agbon (GEM-USAID)

Regarding the techno-transfer, instead of having the government spend on worker, etc, why don't they contract it out to the private sector as some sort of outsourcing. Have an arrangement perhaps with an association which has the capability and direct contact with the markets. Example is a study supposedly done in Lanao del Norte, a Spanish grant for banana chips. They were looking for government people to do it but where will the government people get the data? From the private sector. Why didn't they just contract a private group or BIDA, and asked them to do the study. The association would have earned money as an organization, and the study would have probably been more attuned to the realities.

Response: Dir. Roxana Hojas (DA RFU 10)

On techno-transfer, the government will not compete with the private sector in areas where they are good at. As to why region 10 is the pilot for this project, this is the only region with private sector led- government supported agricultural development. We also support rationalization although there are employees that would not qualify. We proposed the rationalization last year. We are still awaiting the result of that.

Our extension workers are aging because for the past year we cannot and have not hired. There's really a need to rationalize. What Mr. Andot said to delegate functions of HVCC and AMAD to the private sector is very welcome. RAFC is also very strong to advocate their cause.

On the government providing the 'gasoline,' we can support leadership development programs because we have seen that for many years, the heads of the associations have been the same. Our industry has become personality-driven. If our leaders are strong, the industry association is also strong. Out of the 12 industry associations in the region, only those with strong leaders are active. The rest are very dormant. We are talking of the sustainability of the organization which is really a challenge for industry associations. We are always asked of assistance and there are activities wherein DA is doing everything. There is a need to have relevant services that can be sustained.

As regards the issues you have raised, we have talked about those. That's why I said it's the same consultation, though the outputs are different. We are also updating. I wouldn't also agree with what Mr. Andot said that farmers 20 years ago were better off than our farmers now. It's a matter of reviewing existing interventions, identifying the strengths and addressing the weaknesses.

Comment 3: Mr. Alfonso Alamban (PDAP)

We discussed in the group the Chamber of Furniture Industry Foundation as a model. This is a very strong organization that has already undergone the whole process of institution building. That is why I think instead of ranking them, it should be steps to the process (relating to the workshop. See Appendix C). One, we need to professionalize first, the members and the leaders, and second, build the institution and then we let go. This I think is the driver-gasoline analogy given earlier. First we provide the push until the industries are able to sustain themselves. The industry associations are looking at partnerships and products of alliances with other stakeholders. The CFIF has very good income generating activities like skills capability seminar and other courses with a registration fee of P600 per participant. They have the whole program for development, not only skill but also career development, even quality management.

Comment 4: Ms. Jasmin Agbon (GEM-USAID)

In relation to income-generating activities, I just want to share the actual experience in vegetables. There was a budget coming from DA or national government for a study in the vegetable industry related to cold chain. The problem was the study, they said, was granted to a group who didn't know what it was all about. So they used the data from the industry for free, maybe they just treated industry staff for snacks. But where did all the money go? To the group who just asked data from the industries.

The most logical thing that should have been done was to contract the work to the appropriate organization which had the capability and could use the money to increase their services to more members and stakeholders. The industry spent a lot of money to get information and then somebody just came in and asked the information for free. They felt violated. I guess we have also to be sensitive to our support agencies. We should also respect the "properties" these groups worked hard for.

Comment 5: Dir. Roxana Hojas (DA)

Actually, we need your help. We are planning to conduct a market research and then we do not have the capability at our AMAD. We do not have the capability to conduct that research because there are only about 8 of them at AMAD. It will be from July to December. It will be for the highland lettuce development areas, involving the 8 municipalities of Bukidnon, from Lantapan down and also the CLAJAVITA.

Comment 6: Engr. Edwin Andot (On professionalizing the industry)

Most of our champions are experts, minus the certificates. Citing the example of industry associations like BIDA and also that of abaca. And they have this complaint that DA will ask information from them for their report and take some pictures. In most cases, they would give a copy of their report but is it possible for us to ask for fee from people who would like to solicit information or advice from our “experts.” Just like when you go to a lawyer you have to pay, same when you consult a doctor, you have to pay. Why not also pay also our “experts” for their advice. There is budget for gathering information. There should be budget allocated for that. It’s not very often that we get intelligent advice. That is why industry associations are here.

Response: Mr. Floro Dalapag (XUCA)

I think the “experts” should be recognized in the reports to at least acknowledge where the information came from.

Comment 7: Dir. Roxana Hojas (DA)

I think there should be accreditation of experts.

Comment 8: Engr. Edwin Andot (CAFFINORMIN)

The accreditation we can get from TESDA. So as soon as we get that, we will be called “Certified Experts.” Maybe that time DA would really pay us for our advice already.

Response 1: Dir. Roxana Hojas (DA)

During this time, there has been no hiring and we cannot hire also. So what we did was to request for professional services. Even our researchers and research assistants come from professional services because there is no hiring.

Response 2: Ms. Jasmin Agbon (USAID)

I think that would be the result of having certification of skills, depending on expert availability. If we are a certified field manager or whatever, we can convert that eventually into something better.

SYNTHESIS

By 3:30, Ms. Beth Soriano gave the synthesis/summary of the whole day activity, starting with the welcome remarks of Ms. Roxana Hojas who acknowledged that the industry sector is the most important partner in agriculture development. Although small farmers are just as important, productive growth from them has been modest and cannot really supply the needs of our people. So, big farmers and agri industries should be credited for their contributions, as well.

In the Overview, Ms. Soriano summarized Mr. Ravanera’s presentation in 3 questions: 1) What is the profile of the Agri Rural Development? 2) Where should we go, and 3) How do we get there? She recalled what Mr. Ravanera mentioned about focusing on agriculture as a locomotive of growth, emphasizing on the need to establish food security for small farmers and standard of excellence in the world market. The center should be the farmers and the approach should be demand-driven. The mechanism is to professionalize the agriculture bureaucracy. First, there is the need to formulate participatory planning and development framework which will eventually lead us to come up with a harmonized and dynamic procedure for all government agencies and councils. Second, recommend mechanism for coordination and eventually come up with policy recommendations.

On the open forum and based on the results of the workshop, Ms. Soriano identified the issues and roles played by institutions in agri development. There was an emphasis on the role of the LGUs especially with their resources, and how agri development should emanate from the bottom which is at the LGU level. She also mentioned the lack of entrepreneurial outlook and competitiveness of

farmers to respond to market stimuli, and the search for exemplary cluster champions, which can establish high credibility and reliable information system for the sector.

On the role of the academe, Ms Soriano reiterated what Ms. Agbon said on creating some kind of knowledge stand which would serve as repository of best practices literature. She elaborated that the academe can be management specialists on knowledge management skills for accreditation of agri experts and paying of professional fees.

Market information was also mentioned as a basic need for farmers to understand how prices move. This could entail the creation of e-community centers and the use of mobile satellites for optimum communication with small farmers at affordable rates.

The wholesale market concept emphasized the need to create, to generate and promote a culture that is inclusive rather than the “*tayo tayo lang*” culture to empower not just farmers’ organizations or industry associations, but more so the partnership of these stakeholders.

Lastly, Ms. Soriano discussed what would happen next after the consultation. She explained that the project first gathers inputs from the different stakeholders through the consultations. The inputs drawn from there will be collated and used as basis for coming up with a proposed development framework which would then be submitted to DA for comments. The final report would be presented back to the stakeholders in another forum.

CLOSING REMARKS

In closing, Mr. Ravanera acknowledged the participants and thanked them for their very active participation and their valuable inputs during the open forum and the workshop. He traced the challenges that beset the agri sector and somewhat hamper its development citing the decline in agriculture investment and budget. However, he said that there is hope with the renewed interest in agriculture globally brought about by increasing poverty and environment degradation. He finished by saying that we should not give up hope and continue to work for agriculture development not just for the region but for the country as well.

Civil Society Organization Consultation

6 July 2007

Philtown Hotel

Cagayan de Oro City

PRELIMINARIES

The activity was formally started at 9: 30 with an ecumenical prayer led by Hadji Omar Faisal from the Muslim Community and Mr. Francisco Albaran from MUCAARD. This was followed by the singing of the National Anthem conducted by Ms. Lorelei Cagas, Program Coordinator of PALS Oroquieta.

Mr. Rolando Abando, PhilDHRRA Regional Coordinator, was the main facilitator of the consultation. Prior to the introduction of participants, he introduced PhilDHRRA to the group with a short

powerpoint presentation on the thrust and programs of PhilDhrra in Mindanao. RC Abando also mentioned the geographical spread of the network members and its area of operations by clusters in Mindanao. This provided a brief background on what PHILDHRRRA has been doing in Mindanao.

Ms. Lourdes Rudinas, OIC-PD of DAR-FU 10, led the **acknowledgement of participants**. She introduced each of them by mentioning their respective organizations and the provinces they have operated in Region 10.

WELCOME REMARKS

OIC Director Janen Paradero gave his welcome remarks. He stressed the importance of the said consultation process with respect to EPRA concerns. He mentioned that DA and XUCA have covered 3 consultations so far with the farmers, agribusiness and now with the NGOs and Cooperatives. He pointed out the problems on poverty and global competitiveness that have affected the agricultural sector. He called for the participation of the stakeholders to help in looking for solutions towards a renewed reform agenda for region 10. He also stressed the importance of the process and commitment of the LGU for policy reforms in the agricultural sector. He further stressed that said consultation is not a time for debate and fault-finding, but it's a time of working together as partners in improving the role of government and development partners in a decentralized system. CSOs participation and involvement in the consultation process is valuable as this will bring to consensus and agree on the reform agenda the participants would want to happen for Region 10. He also expected that said consultation would help in changing the perspective towards advocating for regional reforms in the bureaucracy at the LGU and regional level in the agricultural sector.

EXPECTATION CHECK

RC Abando briefly discussed the flow of the consultation to the participants before proceeding to the expectation setting. To level-off with the participants on the objectives of the consultation, RC Abando asked the participants for their expectations. Below were the lists of expectations expressed by the participants using metacards.

Content of the Consultation:

1. Sustainable Local Agriculture Development Framework
2. Organic farming by DA
3. Sustainable Agriculture be given importance in Regional Development Framework
4. Develop a farmer base agri -dev't framework anchored on Sustainable Agriculture
5. Water resources for agriculture
6. RA 6890 June 2002, update and dev't project
7. Orientation on modern farming
8. What is EPRA?
9. Salient features of RADF
10. Components of RADF
11. Draw out paradigm grounded on CSO experiences

Process / Methodology:

1. Updates on BT Corn
2. Mining Act update
3. Identification of common problems and issues in Region X.
4. Discussion on issues and opportunities related to agri-NRM development
5. Updates / discussion on agri-devt framework in region x.
6. Update on agricultural situation in region 10.
7. Allow longer time for WORKSHOPS

RATIONALE AND BACKGROUND OF EPRA

Before giving the introduction on EPRA, Dean Roel Ravanera of XUCA clarified some points with respect to the participants' expectations:

- As mentioned by Director Paradero, agriculture problem is a very complex problem. The issue on devolution and decentralization should be taken as an opportunity to address the underlying problems in agriculture.
- DA is open and committed to improve the agricultural sector, and would need the participation and involvement of the stakeholders.
- Not all issues and concerns raised by the participants will be addressed in the EPRA presentation.
- There is a growing recognition that AFMA did not effectively worked out after 10 years as major basis for agri-modernization. Thus, the need to review AFMA and address changes in the program. AFMA review would be an opportunity for the stakeholders to come up with policy recommendations for the agricultural sector and to advocate them to the policy makers for their action.

Dean Ravanera then moved to present a brief background on EPRA. It is a USAID project that started 2 years ago, and the whole idea is to strengthen the effectiveness of bureaucracy including DA's. In the case of the agricultural sector, it is best suggested to bring down the policy reform agenda at the local level. Among all the regions in the country, Region 10 was selected as pilot area for EPRA. XUCA along with DA shared the same assessment and are open to some changes in implementing policy reforms in the agricultural development framework. The formulation of the framework including the different components should solely come from the stakeholders. That's why this consultation process was facilitated to have a dialogue and share experiences and come-up with a framework that speaks for the CSO that is acceptable to DA.

In Dean Ravanera's powerpoint presentation on the EPRA project, he presented the status of Philippine Agriculture showing a minimal growth of 3.69% in agri-development. Growth distribution is uneven and not felt by rural communities. With respect to poverty incidence rate, the country has 48.8% indicating that 1 out of 2 Filipino is living below the poverty line.

The poverty maps (See Appendix A) showing the 5 provinces in region 10 identified the rate of each municipality's poverty incidence. In Bukidnon, Kitaotao and Talakag were considered high in poverty incidence. While in Camiguin, 3 municipalities (Catarman, Sagay and Guinsiliban) out of the 5 municipalities were also identified as having a high rate of poverty incidence. For Lanao del Norte, 4 municipalities (Salvador, Magsaysay, Tangkal, Tagoloan) were identified similar poverty incidence rates. On the other hand, the provinces of Misamis Occidental and Misamis Oriental only had one or two municipalities considered very poor.

In comparison with other ASEAN countries, Philippine Agriculture has a low average annual growth of 2.91% (2003) in value-adding activities. As for Agri exports, it has an average annual growth of 2.45% (2004). With the approval of GATT-WTO, the Philippines was left behind by its ASEAN neighbors. While technological change scored only at 1.3%, the lowest compared to Thailand and Vietnam. Philippine Agriculture has also focused much on those who have the resources and small farmers have not been able to take the opportunity to compete and participate in the market. Poverty situation in the Philippines is highest across ASEAN countries.

Dean Ravanera quoted DA Secretary Yap on the problem of agriculture in the Philippines. These are: a) Rural poverty and social inequality, b) instability of our production systems, and lack of Filipino

farmers' competitiveness. Further, by 2015, agriculture will have been the locomotive of growth that enables the country to a) enjoy food security, b) provide prosperity to small farmers, fisherfolks, and producers, and c) set standards for excellence in the word market.

In achieving such goals, agriculture development must focus on small farmers and producers, transform national program from being supply driven to demand driven, and enable the agriculture bureaucracy to effectively respond to a pro-framer and market driven agriculture program, Dean Ravanera said.

He explained that the EPRA project in Region 10 will only take for 4 months, and expects to: a) formulate participatory planning and development framework for region10, b) forward policy recommendations to DA, and c) suggest mechanism for coordination and participation. The project approach is participatory in nature. This is the 3rd consultation of a six-part consultation series conducted purposely for the EPRA project. Policy recommendations drawn from this consultation will be integrated with the results of the other consultations, and will be forwarded to DA to be presented back to the stakeholders in a forum.

OPEN FORUM

RC Abando facilitated the OPEN FORUM, and encouraged the participants to raise their questions, comments and clarifications in relation to the EPRA presentation. Below were the questions and clarifications raised by the participants with corresponding response/s from Dean Ravanera and DA.

Question 1. John Pelare, MOFECO, Misamis Occidental

What will happen to our recommendations, will it be integrated in the plan? How can we know that our inputs have been reflected in the final document?

Response : Mr. Roel Ravanera

Yes, CSO recommendations will be consolidated and integrated in the development framework for region10.

Comment 1: Eliazar Montero, MUCAARD, CDO

Based on the Agri situation, it can be seen that basic services for agricultural dev't has not been addressed, particularly on infrastructures (farm to market road). Government should give attention to this concern if they are serious in implementing the program. In the last consultation held at SEARSOLIN, said problem has been presented. Agriculture problem will remain a problem unless it is addressed. It is a challenge to the government and the concern stakeholders to improve the agriculture sector. Citing another case is the giving of attention to health concern rather than on agriculture. There has been no promotion of agriculture in the schools that would sustain and advocate agriculture development.

Response: Mr. Roel Ravanera

DA and the government recognize the problem and in the recent pronouncement of Sec. Yap, he mentioned the following concerns of DA that need to be addressed: 1) Farm to market road, 2) Research and extension, 3) Micro credit, 4) market access, 5) post harvest facilities.

XUCA enrollment in the last 5 years has been declining. Although there are other schools like Camiguin for instance offering agriculture courses for free. Still, enrollees are small. There has been a commitment to continue with the development of agriculture, however there was also a decline in investment for the sector. WB reduced their investment to 50%, which also cuts off employment. It has been a global problem. There was however an opportunity in 2003 were investment increased, and will continue to increase for several reasons: 1) the problem of global poverty has recognized

that agriculture is the only solution to address the said problem, 2) phenomenon of bio fuel as an alternative to fossil-fuel, which is fast progressing, 3) the recognition that the global warming problem is agriculture related.

Question 3: Francisco Albaran, MUCAARD, CDO

Farmers have difficulty in marketing their produce for export. In the Philippine market, a lot of imported products are displayed. Can farmers compete with imported products? It seems farmers are left as endangered species in their own Philippine market.

Response: Mr. Roel Ravanera

It's unacceptable for us to see our farmers as endangered species. What we can do to address farmer's competitiveness is for DA to enforce regulations of laws / policies and to set standards and improve agricultural practices. There are cases already like the local "Mascuvado" brown sugar which is highly competitive in the market. The Normin Veggies group, for example, succeeded in promoting products that can really compete in the market, and some of these are organic products.

Comment 2: Evy Elago, ICRAF, Claveria Misamis Oriental

It is important to make small farmers our priority; however, we should also consider the large scale farmers as our partners, because they can be our great allies in competing with market demands.

Response: Mr. Roel Ravanera

If we need to be competitive, we need to work with small and big farmers. NorminVeggies and other agri-based industries that are globally competitive should be tapped to support the small farmers to make them competitive also in the market.

Question 4: Joy Tolenero, ESSC, Bukidnon

Clarification for DA if there is a government law regarding balance of production for staple food and agri-industrial products? In the case of Bukidnon, corn and rice have been decreasing in production, which are considered staple food, while banana, pineapple, sugarcane have expanded and increased in their production purposely for exports. Massive land conversion from agricultural to commercial purposes along the highway from Malaybalay to Valencia is observable.

Response 1: Ms. Lourdes Rudinas, DA Planning Division Chief

DA has no policies concerning balance of production for staple food and export products. Farmers were given the right to develop their farms. DA's role is to promote whatever crops are planted by farmers. There maybe ordinance/s implemented related to the said concern, but it's not under DA's jurisdiction; it's with the LGUs. As for land conversion, it takes a lot of process and it has to follow certain procedures and requirements.

Response 2: Mr. Roel Ravanera

There is a need to distinguish between public investments and private investment.

Comment 3: Susano Balais, BMFI, Misamis Oriental

The essence of this gathering is for us to share experience and come up with solutions and policy recommendations to address concerns and problems identified in the agricultural sector. In one of our program areas, there has been regression with respect to agri-development implementation; somehow it has been affecting the marginalized sectors of our society.

Comment 4: Fr. Joe Cabantan, Social Action Center, Archdiocese of CDO:

When Del Monte Philippines entered in Lagonglong Municipality, the church had no reaction on Del Monte's entry because the land was leased for 10 years. The agricultural land has been solely

converted to banana plantation. The church would like to advocate how we can come up with policy recommendations for endorsement to DA for their action.

Comment 5: Raymundo Agaton, PRRM Camiguin:

Being an SA advocate, I would like to recommend incorporating Sustainable Agriculture, particularly the development of organic rice in the agri development framework. Regarding budget allocation, I was surprised to hear that roughly 90% of the budget for agriculture is still under the control of the central office of DA and very limited at the regional levels. I am therefore advocating for policy changes on this matter and that in particular for this consultation, SA should be given importance.

Response 1: Mr. Roel Ravanera

The AFMA program supposedly served as our basic guide in implementing agri dev programs in the countryside. However, sustainability of these programs is a major concern. We would bring our advocacy to DA to adopt sustainable agriculture. To push for a budget allocation of 50% for SA, we need to push this advocacy at the level of DA National. Personally, incorporating SA in the development framework is a welcome development.

Response 2: Ms. Lourdes Rudinas

In the pronouncement of Secretary Yap, the program has been geared towards farmer's profitability. He encourages farmers to engage into agribusiness making them profitable.

WORKSHOP 1

RC Abando presented the guide-questions to the participants which addressed two concerns: 1) Policy proposals to DA and LGUs to improve the agri-extension services to small farmers and 2) Services that CSOs can provide to farmers. The guide-questions that were first presented generated clarifications from the participants. Dean Ravanera clarified to the participants the context of the guide-questions. He suggested to focus on the agriculture programs and services but not limited to other services that have particular nuance in respective areas. Ms. Soriano of XUCA Research Team raised a concern on the issue on the process that somehow synthesized the whole concern into focusing on the small farmers by using the market-driven approach, and identifying mechanism towards addressing the bureaucracy. She suggested to add one question that is on identifying the needs of farmers, before proceeding to identify policy proposals. The guide questions were finally formulated into:

1. How can we effectively respond to the needs of the small farmers?
2. What are the policy proposals we will recommend to DA or LGUs to improve the agricultural sector in the region?
3. What services can the CSOs provide to the small farmers to effectively participate in the market and in decision-making processes?

RC Abando gave the mechanics of the workshop. Workshop grouping was done by province. Each WORKSHOP group was required to identify a documenter and reporter. Presentation of workshop outputs was scheduled after lunch. Mr. Agaton of PRRM Camiguin commented on the workshop groupings, however Ms. Peregrine Encarquez of TOUCH Foundation supported the facilitator's suggestion to do groups by province because of the familiarity of the participants on the agricultural situation and development context of their respective province (See Appendix C for WORKSHOP results).

SYNTHESIS

Engr. Charie Mosqueda of the XUCA Research team presented the synthesis. She started with the consultation atmosphere which was set by Dir. Pardo in his welcome remarks. Engr. Mosqueda recalled that the consultation is not the time to debate or find faults; rather it is an opportunity for dialogue to trace causes of problems and to look for ways to work together. She then presented excerpts of Dean Ravanera's presentation on Philippine agriculture starting with the sector being the locomotive of growth to ensure food security, farmer prosperity, and standards for excellence. She also presented the reality of agriculture in the country today which ranks high in rural poverty and social inequality, unstable production systems and uncompetitive farmers. Engr. Mosqueda also recalled ways to achieve the goal of making agriculture the locomotive of growth, namely, to focus on small farmers, have market-driven programs and enable the bureaucracy to respond to the needs of the small farmers. She explained the development of the framework where they could all work together.

Engr. Mosqueda also presented the highlights of the open forum which included issues on education, policies that seek to balance staple and industrial crops, and the conversion of agricultural lands, incorporation of SA in the development framework, development of water resources, long term and sustainable farmer profitability and the regional framework which may only draw provincial perspectives. The mandatory budget allocation of 20% from the Internal Revenue Allotment and the inclusion of post harvest facilities were also brought up by the group along with the implementation of organic farming policy, bio-safety measures (i.e. quarantine, labeling, etc), One Town One Product implementation, measures to improve agri technicians and LGU planning (inclusion of small farmers), and the shift from subsistence to sufficiency paradigm and entrepreneurship. Other policies that were mentioned included those on building sustainable local economy, agri tourism strategy, and development and protection of watershed areas. On services, the participants voiced out concerns on sustainable agriculture programs and support for small farmers in the form of capability building, technical assistance, post harvest facilities, training, setting up of social enterprises and strengthening of BDCs. The participants also remarked on the lack of synergy between national and regional plans, workshop outputs to be brought to the attention of LGUs and the conduct of regular consultation for updates.

In conclusion, Engr. Mosqueda reviewed all that have been said and summarized them in two points: commonalities of experience among all CSOs and policy proposals in search of new paradigms (i.e. farmers' research institute, customized production support for small farmers, equitable spread of agri-resource skills throughout the region, mandatory budget for agriculture from IRA, market-oriented, farm systems approach and the set up of social enterprises to democratize market access

XAES' EXPERIENCE ON INITIATIVES IN LOCALIZING AGRI DEVELOPMENT IN IPIL, ZAMBOANGA SIBUGAAY

Florante Villas, Program Coordinator of Xavier Agriculture Extension Services (XAES), an extension arm of XUCA, and also a network member of PhilDHRRA Mindanao.

Mr. Villas shared how XAES was able to influence the LGUs in Ipil, Sibugaey in localizing Agricultural Development initiatives in their program areas.

He mentioned the importance of enhancing the LGU Capacities in the Delivery of Agriculture Services. Capability interventions included: a) Capability-building of LGU Agriculture personnel and staff, including the committee on agriculture of the local legislative council, particularly on sustainable agriculture. He also pointed out the need for situational analysis, baseline data, planning and target setting, monitoring, target beneficiary tracking and evaluation.

The engagement of XAES involved 24 LGUs in the 3 Provinces of Zamboanga. In their attempt to build the capacities of the LGUs in agri service delivery they initiated the formation, training and institutionalization of Volunteer Barangay Farmer Agricultural Technician (BFAT) and Community Animal Health Volunteers (CAHVs). BFATs and CAHVs are equivalent to the BHWs, BNS. Last year, the DA RFU 9 allocated P500,000 to increase the number of BFATs and CAHVs in the Region.

To help improve access of small farmers to markets, XAES undertook the following initiatives:

- commodity-based organizing for product consolidation to achieve economy of scale
- Small calamansi farmers
- Small mango growers
- Goat raisers for fresh dairy goat milk
- Small rubber farmers and agrarian reform beneficiaries of land planted with rubber

To encourage and challenge the participants more to take on the initiative, Mr. Villas presented another case of their organizing efforts in organizing Calamansi farmers to undertake social enterprise. The Calamansi is one of the major crops of Siay, Zamboanga Sibugaey. Around 600 hectares are planted to Calamansi in at least six Barangays in the two neighboring municipalities of Siay and Kabasalan. The organization was challenged with the prevailing problems of farmers: 1) Low productivity, 2) Low price, and 3) Poor quality.

To improve farm gate price and provide basis and incentives for changes in the production and post-harvest handling and practices, XAES went back to community organizing. The goal of CO is to a) achieve economic scale (commodity), b) production programming to ensure regular supply and, c) meet the required product specifications. Calamansi farmers were into different teams namely: Production Research, Market Research, Quality Specs Agreement, Business Planning and Test Marketing.

The farmers sold a total of 400 tons of fresh calamansi fruits with net sales of P4,841,198 in 70 deliveries while XAES earned P481,198 as fees for market facilitation. In their case, there has been a paradigm shift of community organizing, agricultural extension and market facilitation as NGO services. Aside from calamansi growing and marketing, the farmers will eventually engage into other projects, that is goat raising and rubber farming for latex production.

WORKSHOP 2: What's Next?

RC Abando called again the attention of the participants to work on the last workshop. He noted that taking off from the earlier expectations from participants to push this advocacy at the local level, and informed of the initiatives of the XAES experience and initiatives of the LGUs in Region 9, and in consideration to some proposals highlighted in WORKSHOP 1, the participants were asked to respond to the following guide-questions:

Workshop Guide-questions:

1. How do you intend to pursue the EPRA advocacy at the provincial level?
2. What are your suggested activities, key processes in the next 12 months?

Same groupings have been observed by the participants. They were given 30 minutes to respond to the questions with their respective groups (See Appendix C).

After the workshop outputs were presented by the participants from the 5 provinces of Region 10, RC Abando informed them that as indicated earlier, the CSO's presentation will be part of the whole report that will be documented for submission to DA 10, including the policy proposals and recommendations in Workshop 1.

CLOSING REMARKS

Dir. Janen Paradero in his closing remarks expressed his gratitude to the participants who have been active in sharing their ideas and identifying problems and concerns in their respective provinces. In his sharing he cited a lot of learning from the consultations, affirming how valuable the CSOs presence is in the consultation.

He pointed out the issue on organic farming which DA just recently adopted through the training and information they got from working with the NGO in the region. He was proud to say that a total of 78% of DA's technicians have been trained on organic farming, with particular mention on the municipality of Kitao-tao in Bukidnon. He further said that LGUs and DA expect more training on organic farming. With the training they got from the NGOs, organic farming in most provinces has been started. Although he stressed that program advocacy should not just focus on organic farming but should also give importance on land care intervention. He cited ICRAF as the NGO who can provide information and trainings on land care. He informed the participants that DA 10 did not have any blue print of the agri development framework for region 10. He pointed out that there are three levels (provincial, municipal and barangay) that DA programs have been directly implemented. And these LGUs have resources that can influence the barangays and farmers in the program implementation. The problem with DA at present is the new set-up of administrations given the result of the election. DA will have to orient the new Local Chief Executives on the agri-devt program of DA.

As to opportunities, DA just discussed with Dean Ravanera regarding the accreditation of trainings that will be contracted to NGOS and POs who have the capacity to train and to work hand-in hand with the government. He suggested networking and linkage building as one of the mechanisms where CSOs can intervene and partner with the government and LGUs to address the problem. He informed the participants that the output of the said consultation will be documented by XUCA headed by Dean Ravanera for submission to DA Region10.

As cited in the recommendation, organization of farmers can be done in a coordinative and collaborative manner. DA needs to partner with NGOs to discuss processes. He expressed to propose to DA management to make consultation process with the CSOs part of the DA program in order to help address problems of farmers related to agriculture development.

He further mentioned of another opportunity for Mindanao that is the "Mindanao Rural Development program," which deals more on the planning processes at the Barangay level. In this program, the barangays were given the opportunity to identify, plan, implement and monitor their projects. LGUs cannot interfere in the implementation, except in monitoring where a multi-sectoral committee will be formed involving LGUs to monitor the project.

He also mentioned the on-going distribution of seeds in priority areas in Lanao del Norte and Misamis occidental. Bukidnon, Camiguin and Misamis Oriental however, were the least priority in the seeds distribution. Another also is the promotion of OPV seeds– open pollinated variety of seeds (rice and corn) to farmers. DA 10 is currently monitoring the effect and impact of the seeds distribution to farmers.

Finally, he expressed his appreciation for the active participation of the CSOs in making the consultation fruitful and successful. He also thanked XUCA for their good partnership in realizing the EPRA project, and for PhilDHRRA who facilitated the whole activity. In his parting words, told the participants, "This is not the end of our partnership, but the beginning of a collaborative partnership towards a productive EPRA project implementation in Region 10."

Financial Institution Consultation

16 July 2007

Mallberry Suites Business Hotel

Cagayan de Oro City

PRELIMINARIES

Ms Grace Santos of PDAP led the invocation and the singing of the National Anthem. It was followed by the opening statement of Ms Lealyn A. Ramos, Regional Executive Director of DA-RFU 10.

WELCOME REMARKS

DA RFU 10 Regional Executive Director, Lealyn Ramos, welcomed the participants and thanked them for accepting the invitation to participate in the roundtable discussion. In her opening statement she explained that EPRA targets economic reforms and governance projects. It adopts and facilitates a transparent, participatory, multi-stakeholder approach in the formulation and implementation of meaningful policy reforms needed to improve agriculture productivity, farmer's income, and the general performance of Philippine agriculture.

Dir. Ramos explained that the project is spearheaded by the Economics Department of Ateneo de Manila University with CODE NGO. She expressed her gratitude to XUCA for accepting the task to spearhead the local initiative in Region 10. She further explained the focus of the project which is to strengthen civil society participation in defining the appropriate priority agenda to continually push for agricultural reforms. She also said that local participation is perceived to be central in improving local governance and service delivery that will eventually lead to increased investments in agriculture at the regional level, which will translate its effect at the national level.

The Director also mentioned the memorandum of cooperation signed by CODE NGO, XUCA and DA RFU 10 to pilot a regional process that will bring together the RFU, the NGOs, the industry leaders, and the POs into a dialogue to review bureaucracy service delivery mechanism at regional levels. She informed the audience that a series of consultations were already initiated with various agriculture stakeholders regarding the localization of agriculture development prioritizing the needs of the various sectors. They have already consulted with farmers, agriculture industry association and the civil society organization. This meeting with the financial institutions is the 4th consultation. She also informed the participants regarding the upcoming consultation with the academe and research institutions that will be held next Monday at CMU. The last consultation will be with the LGUs and LCEs where output of previous consultations will be presented. Afterwards, a WORKSHOP will be conducted with DA to develop agenda and recommendations for regional bureaucracy reforms that would better respond to the issues raised by the stakeholders. CODE NGO and XUCA will then draft a project proposal to implement the recommendations. A donor's forum is also currently being planned to encourage all stakeholders involved to participate. She ended by thanking, once again, the financial institutions that attended the meeting.

After Dir. Ramos' welcome remarks, Ms. Beth Soriano of the XU Research Team and facilitator of the consultation proceeded to the **introduction of participants**. The institutions present in the consultation were AGB Foundation, Oro Integrated Cooperative, First Community Cooperative (FICCO), MASS-SPECC, Hagdan sa Pag-uswag Foundation, Inc., Cooperative Bank of Mis. Or.,

Serviamus Foundation, Inc., PFCCO Mindanao League, Quedancor, and Development Bank of the Philippines (DBP). The Philippine Development Assistance Programme (PDAP) acted as convener with DA RFU 10 and XUCA.

RATIONALE AND BACKGROUND OF EPRA

As introduction, Mr. Roel Ravanera, XUCA Dean, talked about the framework of the past consultations. He presented an introduction of the project and provided some issues that were raised during the first three consultations. He explained that EPRA is a national program started two years ago and will end in August this year. The EPRA team is testing the project at the regional level with Region 10 as the pilot region. The strategy of EPRA is really focused on policy reform by identifying issues and translating them into formal policy measures which can be adopted by the government. The key areas of assistance are financial market development, fiscal management, tax administration, private sector participation in public infrastructure, LGU financial planning & management and finally agriculture.

After introducing EPRA, the Dean gave a brief background of our agriculture sector. He said that agriculture is a major sector if we are to advance economic development in our country. He presented statistical result showing the agriculture sector growing by 3.69% in the last 20 years. Unfortunately, the growth is uneven and the benefits are not distributed equitably, with a poverty incidence in the region of about 50%. In the rural areas, poverty incidence has not improved significantly. *“We have grown but the growth is uneven and we have not carried the majority of our countrymen.”* Dean Ravanera stressed. He justified his premise with the standing of our agriculture sector opposite our ASEAN neighbors revealing that we are at the tail end even in export. *“Our growth has not really been translated into the lifting of poverty.”* Ravanera said.

Agriculture and Fisheries Modernization Act (AFMA) was also incorporated in his talk. He said that the said law would supposedly take us somewhere where we can compete with our neighbors. Unfortunately AFMA has not been well funded. It’s been there for more than 10 years and resources have not been properly allocated. There is growth but only big corporations and big farmers are able to maximize and benefit from that growth. *“We have a problem of social equity. There are so many poor and very few rich people.”* the dean emphasized. He added that our production system is not so stable and we lack competitiveness.

To address these concerns, Dean Ravanera presented strategies based on DA Sec. Yap’s notes. First, agriculture should focus on small farmers and producers because a small increase in their productivity and profitability can already make a big difference in the economy. Second, we need to shift our orientation from being supply driven to being market driven. Finally, there is a need to improve the agriculture bureaucracy in order to respond to the needs of small farmers.

From there, he introduced the recommendations gathered from the past three major consultations. These were to:

1. Focus on small farmers by providing services and means to link them to the market;
2. Collaborate with all stakeholders involved such as the academe, research institutions and the NGOs; and
3. Have a science-based kind of development

Issues raised in the past consultations included:

1. Heavy documentation;
2. High interest rates;
3. Lack of loan services for long-term projects and guarantee system;

4. Non-existent directed credit programs; and
5. Questionable availability and capacity of private lending institutions

As conclusion, Dean Ravanera cited the Makakabus case. He complemented the group for starting as an organic farming group and then expanding into a lending organization responsive to the financial needs of their members. He encouraged everybody to be open in the succeeding discussion and shared his hope to come up with recommendations that can be put forward to DA and to various organizations in Region 10 to really make a difference.

OPEN FORUM

Question 1: MASS-SPECC representative, Ms Sylvia Paraguya asked the Mindanao poverty status vis-à-vis the country's status.

Response 1: Dean Ravanera answered that the poverty incidence in Mindanao is around 40-50%. He added that agriculture is growing at fast pace in Mindanao and yet the small farmers are being left behind. *"Maybe the problem is more on equity."* he emphasized.

Response 2: Dir. Ramos supplemented that of the identified vulnerable areas of hunger and poverty in the county, three are located in Mindanao, namely Lanao del Norte, Bukidnon and Misamis Occidental. Poor people are mostly located in places where the big corporations are.

Response 3: Dean added that some municipalities in Bukidnon even have as high as 70% poverty incidence.

The group decided to set aside their questions and comments for the open discussion which was to come after the presentation of the Development Bank of the Philippines

Input On The Role Of Financial Institutions In Agriculture Development

Ms. Angelita Aguhob, Head of the Accounts Management Unit 1, Regional Marketing Center-Northern Mindanao of the Development Bank of the Philippines, presented DBP's programs relating to agriculture.

Ms Aguhob shared the Sustainable Logistics Development Program (SLDP), a project specializing in cold chains and grains highway. The objective of the program is to improve infrastructure to have direct impact on prices of basic commodities, as an anti-poverty strategy and to spur economic activity in the countryside. The focus of this lending program is cold chain particularly grains, and perishables including fish, fruits and vegetables. Ms Aguhob explained that DBP has high waste and spoilage rate from transporting grains and other perishables from farmland to end-users due to inadequate and inappropriate use of technology. Their target is to eliminate or reduce spoilage loss to 20%.

She presented eligible projects for financing programs and explained eligible and ineligible loan purposes. The sub-loan size is up to 80% of project cost but not more than P100 million. Funds shall be re-lent in pesos and released in one or more draw downs depending on the nature of the project. Repayment is based on cash flows of the project with a maximum term of 15 years. DBP's rate is 8.63% for variable and 12% for fixed rate. They have fees such commitment fees, service fee of 1.0% and prepayment. She clarified that prepayment means paying in advance the loan before the maturity. She then presented the places where these loans can be availed.

Ms Aguhob also shared their new program for small farmers, the Micro-Finance Institution (MFI) Financing. In this program, DBP will not go directly to the farmers, instead it will finance MFIs and

these MFIs will be the one to serve the small farmers. Collaterals for MFIs will depend on how the loan application will be evaluated and also on the qualification of MFIs. *“MFI financing will be our share in serving our small farmers.”* Ms Aguhob stressed.

OPEN DISCUSSION

Question 1: Ms. Grace Santos of the Philippine Development Assistance Programme asked DBP if they were open to financing production-related activities apart from financing processing and post-harvest facilities.

Response 1: Ms Aguhob answered that they have present action on the matter; the only problem is they cannot go directly to small farmers because of their great number. The MFIs financed by DBP would be the one to directly serve the needs of the small farmers. In that way DBP is able to serve a lot of small farmers.

Information 1: Mr. Gabiana of Oro Integrated Coop, covering the areas of Bukidnon, (Manolo, Baungon, and Talakag), Gingoog, El Salvador and Puerto, informed the group that their cooperative is financing small farmers with very low interest rates and requiring only membership in the cooperative. The share capital is P2,000 up.

Ms Paraguya interrupted the discussion and proposed to have an illustration of the key players in agrifinancing to understand better where the constraints lie. Ms Soriano granted the suggestion so the discussion focused on the classification of FIs as retailers, government financial institutions (GFIs), non-bank financial institutions (NBFIs) and farmers. Foundations were classified in between retailers and farmers, except for AGB Foundation. which was classified, together with cooperatives, under retailers. MASS-SPECC fell under NBFIs while the Development Bank of the Philippines and the Land Bank of the Philippines fell under GFIs. Quedancor acting both as retailers and wholesalers, was suggested to play an important role in facilitating all the FIs.

The session continued with the discussion on issues regarding accessibility of small farmers to financing. The issues on heavy documentation and interest rate as mentioned in Dean’s presentation were reiterated by the facilitator. DBP expressed its side on the matter saying they offer low interest rate as stated in their variable rate which is 9% only. However, as to documentation, Ms. Aguhob admitted that they are indeed requiring a lot of documents.

Below are the interest rates for each FI.

- Rural banks= 16% + service fee
- FICCO= 13% + 1.75 one time service charge
- Landbank to coops = 12-16 interest rate + 2% service fee
- Coop banks=16% + service fee
- Foundations=15%
- MASS-SPECC= 12-16% + 2% service charge
- Quedancor
 - DA/ACPC/CDA=10% per annum
 - LBP= 16% per annum

Comment 1: Mr. Hernan Agpawa of Quedancor expressed his sentiment on the issue of high interest rates. In their case their rates vary because of the source of funds. For them, they can give as high as 16% interest rate per annum if the source of the fund is coming from the LBP or other private banks. They can give a 10% interest rate per annum if it’s coming from DA/ACPC and CDA. Mr. Agpawa

explained that there is an increase on the rate upon disbursing it to the small farmers because the fund is given to them with an interest rate of 10-11%.

He also shared his thought regarding heavy documentation. Mr. Agpawa said Quedancor is not requiring too many documents from their beneficiaries only a residence tax certificate and a recent photo of the applicant. But somehow the farmers feel the requirements are too much because they are not used to filling up documents such as co-maker agreement, loan agreement, provisory note and the like.

Comment 2: Ms Ma. Luisa Tumang of AGB Foundation expressed that the issue may not lie on heavy documentation but perhaps on the length of time in processing their loan applications. In their case since they are financing farmers who are not landowners, they only require them to submit authorization from the landowner allowing them (tenants) to cultivate the land for five years. Moreover, to expedite processing of their applications, AGB account officers are the ones who fill-up the necessary documents.

Information 2: Sheila Bariñan of Serviamus Foundation inc. shared with the group that they are currently looking for a model to provide opportunities for micro-agri loan window that would cater to the needs of small farmers.

Comment 3: Mr. Vicente Geducos of Hagdan sa Pag-Us wag Inc. voiced his concern on matching the needs of the farmers and the requirements of the funding agency. In his example, he stated that their funders require them to pay on a quarterly basis. However knowing that agriculture production requires 6-10months to harvest, they can't simply provide and disburse finances to small farmers. *"We are still financing agriculture but it's indirect such as the income generating projects, but as of now we are really going into micro-financing agriculture."* Mr. Geducos stressed.

Comment 4: Ms Paraguya expressed the risks in providing financing to agriculture. She said that the group should have a mechanism to address the risks involved so that cooperatives won't suffer from non-repayment of loans. She suggested a loan portfolio per cooperative.

Comment 5: Mr. Edmund Castillo of PDAP raised the importance of coordination, collaboration, integration and timing. He said that there is a lot of money intended for farmers but they still remain uncoordinated simply because there is no further assistance after the disbursement of the monetary support. There is no collaboration. He creatively expressed the need for coordination - public and private partnership. He encouraged the FIs to listen to the small farmers and learn how they do things because as what he said the farmers have the best practices in the world.

Comment 6: The encouragement was supported by Mr. Tom Ebcas of the Cooperative Bank of Mis. Or. He shared his experience of helping the farmers to repay their loans by equipping them with enough financial capabilities and management skills.

Presentation On The Pdap Financing Concept

Ms. Kristine Adille of PDAP presented the PDAP Financing Concept taken from their Enterprise Finance Investment manual.

Ms Adille gave a background of PRIME and its framework. PRIME stands for Promoting Rural Industries and Market Enhancement. It is a five- year program that is now on its 3rd year. She presented the operational framework of PRIME and explained that PDAP collaborates with the FIs, NGOs or BDSP to give assistance to farmer producers. Market participation and market enterprise

development are the kinds of assistance provided by the program. In general, it aims to reduce poverty through food security, increased household income and jobs creation. Ms Adille articulated that in financing there should be trade relations. They ensure trade relations by providing financing to local market consolidators (LMC) as well as to the rural enterprising communities (RECs). She stressed that PRIME seeks to make small farmers' access to credit sustainable. So even if the program has ended, PRIME partners would still be able to access financing from credit providers or other FIs because they have been financially capacitated.

The three modes (guarantee fund, equity investment and the special fund) of PRIME financing were also carefully discussed. The Guarantee Fund will provide credit providers with time deposit to be used as guarantee loans to micro-enterprises, rural industries or market participants. The same process of loan application applies like submission of necessary loan documentations and business plan to ensure that financing would be viable. A Memorandum of Agreement is also signed between PDAP and the micro-enterprise accessing the guarantee fund. Ms Adille clarified that PRIME does not finance production activities, only training operations.

In Equity Investment, PDAP fund is directly infused into the micro-enterprise to help pioneer or start-up the business. However, there should be a five-year exit plan for PRIME to teach partners to stand on their own feet and to limit PDAP's control over the business.

Special fund has not been really implemented yet because it requires a bigger amount of cash. The special fund involves dealing with a trustee bank. The concept is for PDAP to deposit a trustee payment to the trustee bank which will in turn loan out the money to the FIs and credit providers handpicked by PDAP. An MOA between the trustee bank and PDAP, and between PDAP and the micro-enterprise will also be signed.

Ms Adille concluded her report by stating the purposes of the loan, namely, fixed asset acquisition, working capital, start-up capital, and/or expansion.

Input on Informal Credit Scheme of MAKAKABUS

MAKAKABUS manager Ms Deodelita Diaz shared her group's success story on micro lending.

MAKAKABUS stands for Malahutayong Kahiusahan sa mga Kababayan-an sa Bukidnon (Sustainable Coalition of the Women of Bukidnon). This organization for women started in 1998 and was registered with SEC in 2000. They started with a membership fee of P50 and a capital of P200. There were only 46 of them in the group when they started. To date, they already have 176 members.

In 2002, MAKAKABUS started a business which was later supported by PDAP in 2003. PDAP granted MAKAKABUS P100, 000 to procure rice varieties from IRRI. Slowly, the women started opening savings account for their members. They also started going into micro-lending with Sinayawan (a town in Bukidnon) as their trial project, providing the farmers there with a sari-sari store.

Today, MAKAKABUS is able to lend up to P120,000. P5,000 is lent to the landowner and P2,000 to the maintainer. An interest rate of 3.75% is applied until harvest. They have an agreement to save at least one sack of rice each harvest for emergency purposes. All the harvested produce of the members are sold to the organization and not to outside buyers.

The MAKAKABUS credit scheme really helped the farmers in the area. As practitioners of organic farming for 11 years, Ms. Diaz said their farmers have greater income now. Currently they have 80 hectares of land planted to organic rice yielding 70 tons per hectare.

SYNTHESIS

Mr. Floro Dalapag of the XU Research Team gave the synthesis. He recalled the overview of EPRA given by Dir. Ramos and Dean Ravanera, emphasizing the objective to strengthen capacity for reform among government and non-government stakeholders.

He cited Dean Ravanera's presentation on the modest and uneven growth of agriculture especially in Region 10 where poverty incidence in the rural areas is very high. He also reiterated how Philippine Agriculture is being left behind by its ASEAN neighbors even in export despite the AFMA program.

Mr. Dalapag recalled the strategies to transform Philippine agriculture which are to: 1) focus on small farmers' group, 2) formulate a regional agri-framework that is market-driven instead of supply-driven; and 3) improve bureaucracy to facilitate delivery of services to really address the needs of the rural poor. The strategies of EPRA were also reviewed: 1) identification of issues and priorities, 2) mobilization of participation of stakeholders, 3) assistance to appropriate government agencies in coming up with reform agenda, and 4) assurance of policy adoption. He also rehashed the recommendations from the previous consultations: 1) to focus on small farmers, 2) to have a multi-sectoral approach in coming up with the development framework and 3) to have a science-based decision making process.

After reviewing Dean's presentation, Mr. Dalapag summarized the issues raised during the open discussion. These were heavy documentation, high interest rates, loan services for long term projects and guarantee mechanisms. He also mentioned the inputs from DBP, PDAP and MAKAKABUS.

In ending, Mr. Dalapag recapped the major characteristics of the agricultural sector: rural poverty and social inequality, unavailability for production and lack of Filipino farmer's competitiveness. He posed these characteristics as challenge to the FIs to do their share to change the present scenario of Philippine Agriculture.

DISCUSSION OF POSSIBLE COLLABORATIONS AND NEXT STEPS

Over lunch, the group continued discussions on collaborations and mechanisms to address the needs of the small farmers. The recommendations are enumerated as follows:

- Fast tracking of application documents (coops, NGOs)
- Production loans
- Complete package
- Inventory of credit systems
- Micro-finance system
- Pilot projects for collaboration and assess existing projects using integrated approach
- Data on FIs exposure on agriculture
- Sit down with big business
- LGU to put up a guarantee fund (to do away with collaterals)
- Risk mitigation for agri-financing (study causes for non-repayment)
-

CLOSING REMARKS

RED Ramos officially closed the program at 1 pm. She stated that high interest rate is not really the issue but timing, availability and accessibility are most important. She also said that everybody

should participate and should know the chain. How much share in the chain is for the farmers? Who gets the most profit in the chain?

She acknowledged that the credit aspect in agriculture development is crucial, and so financial institutions play a great role in agricultural development.

Academe Consultation

23 July 2007

Farmers' Training Center

Musuan, Bukidnon

PRELIMINARIES

The meeting started at exactly 9:35. Central Mindanao University, the host University and convener, led the invocation and the National Anthem through a video presentation.

WELCOME REMARKS/ ACKNOWLEDGMENT OF PARTICIPANTS

Dr. Soliven warmly welcomed the participants in their institute. Before giving her WELCOME REMARKS she introduced first the delegates from various universities, starting with the CMU delegates namely Dr. Delfin M. Vallador, Sr., Dr. Revelieta B. Alovera, Dr. Rebecca B. Cagmat, NOMCARRD Director, Dr. Myrna G. Ballentes, Randolph Von H. Salindo, Dr. Cecilia B. Amoroso and Annie L. Deriada

The other participants included Elvira T. Salatan of Misamis Oriental State College of Agriculture Technology (MOSCAT), Mercedes Ramos of Bukidnon State University (BSU), Publio M. Eguna of CHED-10, Juanita B. Salvani from DA-10, Shadrach Santosidad of Mountain View College (MVC), Oliver Paderanga of Camiguin Polytechnic State College (CPSC), Judith Talibong of Misamis Univeristy (MU), and Buenaflor D. Jimenez of Mindanao State University –Iligan Institute of Technology (MSU-IIT). The XUCA team was composed of Floro Dalapag, Ma. Elizabeth Soriano, Charie Mosqueda and Vanessa Gorra.

Dr. Soliven thanked and congratulated XUCA for taking the initiative to continually search means in speeding up agriculture development. The gathering, she said, was not just an expression of commitment to national development but also a clear manifestation of commitment and sensitivity to various problems and challenges facing us today. She hoped that the group will be able to make better plans and formulate practical economic reform agenda.

OPENING REMARKS

Ms. Juanita Salvani, center manager of the Northern Mindanao Agriculture Research Center, gave the opening remarks on behalf of DA RFU 10 Regional Executive Director Lealyn Ramos who at that time was attending an equally important event.

Ms. Salvani explained the absence of the regional director saying that Dir. Ramos was attending the LGU and DA data review, because many years back and until now there is always a discrepancy on

data imported by the LGU and DA. She said that she was appointed by Dir. Ramos to attend the consultation. She said she was given an information sheet from where she learned of the previous consultations that have been conducted. She mentioned that in this 5th consultation, the academe and research institutions are expected to come up with their own contributions to the development of agriculture in the region. She hoped that the group will be able to discuss very well and meet the objectives of the consultation since afterall, *“this is a meeting of intelligent doctors.”* she said. She encouraged everybody to participate so that they can bring up their concerns through the project. She also shared that she related the EPRA project with the research group in NOMIARC and they are happy to know about it.

RATIONALE/BACKGROUND OF EPRA

Engr. Charie Mosqueda of the XU Research Team presented the background of EPRA. She presented the aims, strategies, and the key areas of EPRA. She pointed out that the Philippines is always left behind by other ASEAN countries even in export saying that the modest growth in agriculture is not felt in rural communities and this is manifested in the high poverty incidence in these areas.

She showed poverty maps of the provinces in Region 10. The data showed that in Bukidnon, Talakag and Kitaotao are the poorest municipalities. Poverty incidence is also high in the provinces of Camiguin, Lanao del Norte, Misamis Occidental and Misamis Oriental. She also presented the three major problems that need to be addressed, namely, rural poverty and social inequality, instability of production system and the lack of Filipino farmer’s competitiveness. Engr. Mosqueda said that if these problems will be resolved then the slow growth in agriculture sector will also be addressed.

Secretary Yap’s notes on transforming agriculture were also incorporated in the presentation. To transform agriculture, three things need to be considered: focus on the small farmers and empower them; transform Philippine bureaucracy to effectively respond to the needs of small farmers; and transform national programs. Thus, the localization of the EPRA project in Region 10 is one way of putting into practice the said resolutions and to implement the agriculture development framework.

Engr. Mosqueda mentioned the three parties that are actively involved in the project which are DA, XUCA and the CODE NGO. The project, according to her, is about participatory planning to forward policy recommendations and suggest mechanisms for improving agriculture in the region. She presented then the schedule of the previous and upcoming consultations. Afterward, she presented the issues raised from the past four consultations, which are as follows:

1. R&D efforts based on local needs
2. Manpower complement in extension work
3. Dissemination of research results and available technology
4. Need for timely and reliable market information
5. Training: entrepreneurial, tech skills
6. Declining enrolment in aggie courses

Engr. Mosqueda ended by encouraging the group to actively participate in the consultation.

OPEN FORUM/DISCUSSION OF POSSIBLE COLLABORATIONS AND NEXT STEPS

The facilitator, Ms. Beth Soriano of the XU Research Team selected and asked the resource persons to sit as panel in the OPEN FORUM. The panelists were Dr. Malou Soliven of CMU, Dr. Rebecca Cagmat, Director of the Northern Mindanao Consortium for Agriculture and Resources Research and Development (NOMCARRD), Ms. Jauanita Salvani of NOMIARC and Dr. Cecilia Amoroso of CMU.

Comment 1: Dr. Santosidad of MVC started the discussion by sharing his university's experience on the decline in agri enrolment. He affirmed the problem and shared that in MVC agriculture has the smallest number of enrollees. The same is true for their sister school in Visayas that they are planning to subsidize enrolment to attract students.

Response 1: Dr. Soliven of CMU shared that there are scholarships for agriculture programs, for instance, the initiative of Sen. Ramon Magsaysay, the Young Farmer's Program that provides employment opportunities to young agriculture graduates. She further explained that the senator's program aims to nurture the young agriculture graduates to become entrepreneurs and not just simply traditional farmers. Dr. Soliven encouraged Mr. Santosidad to disseminate the Young Farmer's Program and even offered to provide information materials on the program. Through the initiative they will encourage young people to pursue agriculture.

Comment 2: Dr. Deriada of CMU checked the issues presented from the past consultations and suggested if they could discuss one by one the seven issues. The group approved of the suggestion.

Issues 1, 3 and 4 (as mentioned in Engr. Mosqueda's presentation) were lumped during the discussion since they were interrelated.

Issue 1: R&D which is based on local needs

Issue 3: Dissemination of research results and available technology

Issue 4: Need for timely and reliable market information.

Comment 1: Ms. Soriano informed the group that the issues presented by Engr. Mosqueda were really drawn from the past consultations. She said that there is this perception that research development efforts are not based on local needs. There are researches that do not match the setting in the region.

Comment 2: Dr. Cagmat of NOMCARD shared that they had prepared an AFNR from 2006-2010 and this is really based on consultations in the region. Out of several commodities, the consortium decided to center on four commodities for the ISF which the region would help in production. And based on input from DAR, DA and some others, the commodities include swine. So the region is supposed to increase its production to serve the export market. The next commodity is goat for the needs of our Muslim brothers. Next, is vegetables both for salad and *pinakbet*. These are the priority commodities identified based on data gathered from the region.

Comment 3: Ms. Soriano inputted that maybe the issue is not so much on the matching of the needs of the region but on the dissemination of information.

Question 1: Mr. Dalapag supported the previous statements saying there is consultation but the major complaint is the process of prioritization and the number of commodities that have been left out. *“Is it due to lack of funds?”* he asked.

Response: Dr. Soliven affirmed that they would have to put in money. She also explained that at the national level, there maybe other regions that would compete with the particular commodity of our region if we were to select at the regional level which commodities to prioritize.

Comment 4: Mr. Dalapag confirmed that that is major concern of our farmer, and the academe and research institution share the same sentiment with the farmers. *“We do consultation but in the end the national level decides the priority commodities.”* He continued that based on the data, there is growth but it is not being felt. The sentiment is perhaps the prioritization is based on export. *“Would the academe support the prioritization,”* Mr. Dalapag asked.

Response: Dr. Cagmat responded that as far as funds is concern, if it’s a national commodity for export, the region has the competitive advantage. It gets 70%, so the 30% maybe allocated for regional concern. NOMCARD shared that the problem is that the research funding system in the country is much decentralized unlike Taiwan wherein their research fund is centered only in National Science Council. The Philippines has the National Research Council of the Philippines (NRCP) but it is not functional. In general the research funding system is not centralized.

Question 2: Ms. Soriano asked then if there is a mechanism to centralize research funding.

Response 1: Dr. Cagmat said that in our case it’s too decentralized. The agencies have their own funding system and own prioritization like the DA and the DOST. The problem really lies in the decentralization of research funds. The holistic approach is not seen anymore.

Response 2: Dr. Deriada of CMU further added that there is a certain percentage for the R&D budget but it is not being followed and if disbursed is too small.

Response 3: NOMCARD shared that Taiwan is no. 6 as far as R&D funding is concerned. They have more than 2% allocation even if the UNDF only recommends 1% of the GNP. The Philippines has .2% only.

Comment 5: Ms. Soriano suggested making recommendations that would follow the UNDF suggestion of 1% of the GNP and create a mechanism to centralize prioritization. She asked the group if they would agree and if the suggestion might run contrary to the devolution of agriculture extension to the LGU.

Comment 6: Dr. Salvani commented that extension should really link with the actual service provider which is the LGU.

Suggestion: Since the group shared the same R&D recommendation which is to centralize prioritization but dissociate it to extension, Ms. Soriano suggested that maybe they could come up with a mechanism that would connect the LGU to the national body that prioritizes research and development direction.

Response: Dr. Salvani answered that they have linked but not as direct. The extension is done with LGU but the link with research institutions is still there.

Question 3: Ms. Soriamo asked what that particular link was because as she can recall in AFMA, RDE should not be segregated; ideally speaking they should be united. But the status now, it's separated. She suggested looking for a mechanism to fuse RDE.

Comment 7: Dr. Deriada raised that there is no follow up of the implementation of researches like the commercialization of technology. She agreed with NOMCARD that link between research institutions and the LGU is important.

Response: Ms. Salvani disagreed with the statement and said that in their R&D, they see to it that concerns are elicited from the stakeholders in the formulation of programs to be implemented in the next year. DA did big efforts in the region. She admitted that they have a lot research results but she did not agree that those results were not utilized. According to her, the Bureau of Agricultural Research (BAR) is funding a techno commercialization forum. She shared their activity which ended just last week which was about assessment of technology from different regions in Mindanao that are ready for commercialization. She further announced that on August 30 there will be a techno commercialization forum at the Grand Caprice and Region 10 is the host. There will be a display of various technology and investors will come. DA emphasized that they are heading to the commercialization of technology. But she stressed that assessment of the technology must be carefully done before the commercialization because not all researches or technologies are ready and are of quality.

Question 4: Mr. Salindo of CMU asked if there is a performance matrix to determine the best ratio of extension work completed based on the researches done because if they will measure themselves in terms of substantial performance, they have achieved a number researches but they are not 100% implemented in terms of extension work. He asked if there is a certain performance ratio that they can use to evaluate themselves regarding whether their researches have been efficiently implemented in terms of extension work.

Response: Dr. Cagmat said that as far as R&D is concerned, these are evaluated for information dissemination in various format. In dissemination and awareness, she said that the research institutions in the region have already done their part. With regards the technology commercialization, evaluation is always done to assess if the technology is already mature for commercialization. She shared that there were two technologies rated for commercialization, unfortunately when they were assessed, only one passed which was the technology on bamboo seedling propagation. It is being adopted already by NGOs and is funded by various concerned institutions that led them to investors that really need the technology.

Comment 8: Mr. Dalapag suggested to identify the strengths and weaknesses of agencies involved in R&D and to know which agency is at the top of the research structure.

Response: As to the research structure, Dr. Cagmat responded that as far as planning and monitoring is concerned, it is the regional technical working group composed of research directors who are at the top.

Question 5: Mr. Dalapag asked which agency is on top. Is it BAR? Where does BAR stand?

Response: Ms. Salvani answered that DA's BAR and DOST's PCARRD are on the same level.

Comment 9: Mr. Dalapag commented that the case tells them they still don't have a regulating body. In most cases farmers and even researches get lost whether to go to DA or DOST.

Response: According to Ms. Salvani, there is already a move unifying the two institutions but due to change of management it did not materialize.

Question 6: Ms. Soriano asked the group if they would recommend converging the two institutions.

Response: Dr. Cagmat answered that perhaps not only PCARRD and DOST, but to converge the entire R&D. Since, according to her, the NRCP is not functional.

Question 7: Ms Soriano asked why the NRCP is not functional.

Response: Dr. Amoroso answered that they are functional it's just that their function is to finance basic research in all fields and if its applied, they pass it on to DA-BAR and PCARRD.

Question 8: Mr. Dalapag asked how NRCP differs from the mandate of DOST. *"We still don't have the body that coordinates,"* he commented.

Response: Dr. Amoroso said that NRCP is under DOST, (she later corrected this statement saying that **NRCP is not under DOST** but is a separate agency of the government) but its concern is to finance basic research and not applied. The coordinating body should be DOST because it's the core and is now level with BAR. She stressed again that NRCP consists of all fields even social sciences. NCRP grants are for applied science, so what they do is finance basic sciences.

Question 9: Ms Soriano asked why there are limitations.

Response: Dr. Amoroso explained that there are already finance agencies in the government that finance applied sciences and NCRP is into basic sciences.

Comment 10: Dr. Vallador of CMU on the other hand shared that funding from NRCP could be negotiated depending on the research proposal, referring to PhilRice. The budget just has to be justified. He shared his experience and said that NRCP also funds applied science.

Comment 11: Dr. Soliven added that the monetary grant is dependent on the budget proposal submitted and on the research proposal.

Recommendation: Dr. Cagmat suggested reviewing the mandate of NRCP and its function to orient everybody.

Question 10: Mr. Dalapag asked if the group could also include the research arm of BFAR, the PCAMARRD.

Response: Dr. Cagmat clarified that in DA, fisheries is included but in DOST the council is agriculture and natural resource which is PCARRD. PICAMARD is still under DOST but marine and aquatic research is the focus. She elaborated that PCAMARD is not a research arm but a council and similar with PCARRD.

Comment 12: Dr. Deriada interrupted and said that maybe the problem is not more on the upper structure but the lower structure, meaning the adoption of farmers of research recommendations. She suggested that in making policy recommendations, they should not just include the research output but also the components that will assist the farmers in the implementation of the research output.

Response: Dr. Salvani cited the high breed rice program that is supported by the government as an example. They view it as an answer to sufficiently respond to the needs of the farmers. DA has a lot of interventions brought down to the farmers but the farmers are not responsive. They conducted several technology demonstration but farmers are very resistant to new technology. One problem also is the high input requirement. Dr. Salvani said that they also have research activities that lower the input amount.

Question 11: Ms. Soriano posed a question on how centrally-designed national programs can be related to the needs of the local farmers, since there are some technologies farmers are not very receptive to because of high input requirement or because they simply don't find the technology acceptable.

Response: Dr. Salvani shared that as DA they cannot say no to national programs. They are looking at the national agriculture and it is perceived that it will solve the perceived problems in agriculture. *"The problem boils down to the attitude of the farmers,"* She said.

Question 12: Mr. Dalapag asked of the possible solution to address that problem.

Response: Dr. Salvani said it's really attitudinal. They had conducted a series of CPAR and a lot of value formation but they were not successful.

Comment 13: Ms Ramos of BSU commented on the discussion and said that maybe the problem does not only lie in the attitude of the farmers but on the market system. She asked in what way the various agencies could motivate the farmers to appreciate the available technology.

Response: Dr. Salvani affirmed what Ms. Ramos said. She added that market is the driver of the game. She said that maybe they could encourage program planting since it is effective. It must only be regulated to avoid over supply.

Comment 14: Dr. Cagmat shared that in her trip to Taiwan, the director was asked how they encouraged Taiwanese farmers to plant. The director said they don't encourage their farmers, they tell them.

Response: Ms Soriano responded then that it boils down to culture.

Issue 2: Manpower complement in extension work

Comment 1: Dr. Deriada shared their integrated extension development program. According to her, they conduct capability building through enterprise development and extension production. The problem is that they have limited input due to funding. She said that the problem boils down to funding.

Question 1: Mr. Dalapag asked if CMU has links with LGU in extension works.

Response: Dr. Deriada said that the protocol is for the LGU to request their extension office for extension program. From there CMU will propose the extension program. Since the LGU requested it from the university, there is a committee that will be created.

Question 2: Engr. Mosqueda asked if they also sit with the barangays.

Response: Dr. Deriada said that they do during the consultation.

Question 3: Mr. Dalapag questioned if the extension program has been institutionalized.

Response: Unfortunately the said program is not yet institutionalized, but they are hoping that it will, Dr. Deraida said.

Comment 2: Dr. Salvani shared the structure of DA. In her discussion of the people behind the structure, she emphasized that though they are the ones who prepare the proposal, the project implementation in the field is through the beneficiary already. They only facilitate the funding.

Question 4: Ms Soriano asked for the members of the team.

Response: Dr. Salvani said it is multi-disciplinary, from provincial agriculture office and municipal agriculture office.

Comment 3: Dr. Cagmat shared that institutionalization is quite a problem in NGOs. Political conflict is there.

Comment 4: Ms. Soriano said that the concern of institutionalization will be noted and raised in the next consultation with the LGUs. She asked the group if they could come up with a protocol that would make the academe and research institutions more proactive in extension program.

Response: Dr. Soliven justified that what the academe and the research institutions are doing is proactive. It becomes difficult only LGU will not cooperate.

Comment 5: Mr. Eguna of CHED 10 remarked that there should be a research and information dissemination component in extension programs. The problem of research is the limited funding from CHED. There are no available funds in the region, but only in the national. The only accepted researches are those within the scope of priorities of the region. He encouraged the academe to submit research proposals for funding.

Comment 6: Mr. Paderanga of CSPC commented that there is a lot of money for research but the problem is there are not enough proposals.

Response: Dr. Amoroso affirmed that there are a lot of funding agencies but the problem is submission of quality research proposals. Not everybody has the ability to submit quality proposals.

Comment 7: Ms. Soriano clarified that when it comes to researches, funding from the Government of the Philippines is limited, but not external funding. The problem is the quality of proposals. She suggested to review literature on the utilization of research funds.

Comment 8: Dr. Cagmat remarked that she has never heard of funds not being utilized.

Comment 9: Dr. Soliven agreed saying that there are no excess funds. In fact research funders are asking for equity because they cannot bear the amount already.

Issue 5: Training; entrepreneurial, technical skills

Recommendation 1: It was found out during the sharing that the problem really lies on funding, especially when it comes to implementation. So the group agreed that the best recommendation would be to establish linkages with the LGUs, NGOs and other stakeholders.

Recommendation 2: Dr. Cagmat proclaimed that the prevalent issue on market information is due to the lack of farmers' accessibility to information. They cannot access information that is why they are proposing an e-community center.

Comment 1: Ms. Soriano stressed the important role of the academe on market information. She suggested that maybe the academe can put up a community center or as recommended by the civil society (during the agri-industries' consultation), a mobile community center where the farmers can download and upload market information.

Comment 2: Engr. Mosqueda added that maybe they could carry on the suggestion of the farmers regarding the group price monitoring board per municipality.

Response: Dr. Salvani said there is already the price monitoring board. The problem is the updating of the boards. DA lacks the personnel to do the task.

Comment 3: Comprehension of farmers on market information such as the sudden change in pricing is also a concern. Ms Soriano asked the academe if they could respond to the issue.

Response: Dr. Salvani said that farmers should be trained to become entrepreneurs to make them understand better the market system.

Issue 6: Declining enrolment in Aggie courses

Comment 1: Ms. Salatan of MOSCAT opened the topic asking for more information on the Young Farmers' Program since MOSCAT is already scouting for scholarships, conducting information drive, and giving loans but the enrolment is still not fine.

Response: Dr. Soliven said she would provide information materials regarding the Young Farmers' Program.

Recommendation: Dr. Cagmat shared that there is a mushrooming of agriculture schools. Secondary schools are opening agri colleges resulting to an increase in agriculture courses. According to her, this is a worldwide phenomenon. She suggested the clustering approach which is currently being studied to respond to the changing times.

SYNTHESIS

Mr. Dalapag gave the synthesis of the consultation. He started with a background of EPRA and its objective which is to come up with an agriculture development framework specifically for Region 10 through a series of consultations – the academe forming the 5th part of the series.

He quoted Dr. Soliven on the importance of the academe in expediting agricultural development repeating that the academe's output is an expression of their commitment especially in the field of research and development.

Mr. Dalapag also stressed the modest growth of Philippine agriculture which should not impress Filipinos since the country is still lagging behind other ASEAN nations. *“Of equal challenge to us as members of the academe and research institutions in the region is the fact that a number of the*

provinces in the region are identified to have very poor municipalities.” Mr. Dalapag expressed. “So we have a lot of things to do since poverty alleviation is one of the priorities of our government and it is very pronounced in our area.” He further said that based on the previous consultations, the status of our agriculture sector is characterized by three: rural poverty and social inequality which are very evident in the five provinces of Region 10, the instability of our production system, and the lack of Filipino farmers’ competitiveness. He also recalled that there is declining enrolment in agriculture since farmers themselves don’t encourage their children to take agriculture because they don’t see income or earnings from it.

He re-emphasized that this consultation is a means where they can come up with an agricultural development framework and forward policy recommendations to DA. He restated the issues raised during the previous consultations that were discussed point-by-point. He said that most of these issues are interrelated and the group was able to come up with certain points that perhaps may lead to policy recommendations. He mentioned fund availability. There is a consensus that there is available fund if only there is an implementation of policy as observed in other countries. There is also a need to review research funds utilization so that they can identify sources of funds and at the same time utilization of these funds. It also came out in the discussion that the research framework of the country needs a lot of improvement. It is too decentralized that sometimes they do not know if one concern would be brought to one institute or another.

He reviewed the policy recommendations generated by the group which included a review of the mandates and functions of the NRCP and the institutionalization of extension programs among LGUs, academe and research institutions, which can be started by reviewing the participation of the private sector in the AFC. To address the problem on dissemination of research activities as well as market information, an e-information network anchored on the academe was proposed.

Mr. Dalapag said that in order to make farmers competitive, the level of education of our farmers and agriculture graduates should be raised. *“If we can make agriculture more productive, if we can be more competitive, then from that point of view we can attract more [high school] graduates to take up agriculture.”* Mr. Dalapag ended.

CLOSING REMARKS

Dr. Salvani officially closed the discussion at exactly 12 noon. She thanked everybody for their participation and for their brilliant ideas that enabled them to come up with outputs that can serve as recommendations. She also acknowledged the initiative of DA-RFU10 and XUCA. *“We hope to see Philippine agriculture develop with the influence of our output [in the] EPRA project,”* Dr. Salvani concluded.

APPENDIX D: WORKSHOP RESULTS

Farmers/Fishers' Consultation

22 June 2007

SEARSOLIN, Xavier University

Cagayan de Oro City

A. Bukidnon

Question 1: What type of agriculture do you think can you earn from the most?

Commodity	Kind		Market		Value Adding
	Organic	Conventional	Local	Export	
Crops (upland rice & corn)	/	/	/	/	feeds, oil
Aquaculture production (inland fishpond)	/	/	/	/	Processed food
Livestock/Small ruminants (goat and sheep)	/	/	/	/	Milk, cheese, organic fertilizer
High Value Crops (tomato, cabbage, pepper, carrots)	/	/	/		Catsup, cosmetics, juice, salad
Root crops (gabi, sweet potato, casava, luya, ube)	/		/		Sweets
Fiber (abaca)	/		/	/	handcrafts

Question 2: How can the government improve its services to really be of help to you as a farmer?

Needs (<i>Panginahanglanon</i>)	Ranking *	Means or Strategies (<i>Pamaagi</i>)
Education		Hands-on training, Technology transfer & Demo
Financial Support		Thru DA & LGU, NGO & other financing institutions
Introduce organic & SALT farming		Hands on training, Techno transfer & Demo supported by LGU Ordinance
Enforcement of Fishery Law		LGU & law enforcement agencies
Establish local certifying agency or network for organic products, Product Certification		Thru Associations, and cooperatives of farmers for LGU to make and implement laws/ordinances

*they opted not to rank

Lanao del Norte and Iligan City

Question 1: What type of agriculture do you think can you earn from the most?

Commodity	Kind		Market		Value Adding
	Organic	Conventional	Local	Export	
Abaca		/	/	/	
Banana	/			/	Chips
Calamansi	/			/	Concentrate
Rice	/	/	/		
Corn	/	/	/		
Coconut	/	/	/		VCO
Vegetables	/		/		
Livestock	/		/		
Fishery	/	/	/	/	Fish fillet
Orchard	/	/	/	/	Dried, Puree

Question 2: How can the government improve its services to really be of help to you as a farmer?

Needs (<i>Panginahanglanon</i>)	Ranking	Means or Strategies (<i>Pamaagi</i>)
Irradiation treatment facility (for orchard and vegetables)	4	Government financial support
Post-harvest facilities for rice - 1unit/20ha cluster (mechanical dryer, solar dryer)	3	Financial support
Processing plant (for abaca, banana, orchard, & vegetables)	6	Training and acquisition
Technology Training and Transfer	5	Financial support
Research and Documentation with Facilities	7	Training and Financial support
Prompt civil service	2	Strengthening and giving motivating incentives
Peace and Order Maintenance	1	LGU-PNP-AFP coordination
Policy reforms	8	Amendments

Misamis Oriental and Camiguin

Question 1: What type of agriculture do you think can you earn from the most?

Commodity	Kind		Market		Value Adding
	Organic	Conventional	Local	Export	

Coconut	/		/		VCO
Banana	/	/	/		Chips
Lanzones	/		/		
Squash	/		/		
Goat	/		/		
Cassava	/		/		Chips
Swine	/	/	/		Processed meat
Native chicken	/		/		

Question 2: How can the government improve its services to really be of help to you as a farmer?

Needs (<i>Panginahanglanon</i>)	Ranking	Means or Strategies (<i>Pamaagi</i>)
For the government to be sincere in implementing programs/projects for the farmers	3	Involvement of the farmers in planning and decision-making
Assistance or support should be devoid of political interests	2	Farmers to assert their rights and privileges through the participation mechanisms, and during election
Strengthen farmers associations or cooperatives	1	Capacity building interventions
Sustained coordination of the AFC with concerned agencies	4	Partnership and coordination
Information dissemination of market information	5	Establish and operationalize Market information system by province/ municipality
Technology on preventing and curing banana diseases	6	Technology training and technology transfer
Price monitoring every municipality	7	Establish and operationalize price monitoring council by province/ municipality

Cagayan de Oro City

Question 1: What type of agriculture do you think can you earn from the most?

Commodity	Kind		Market		Value Adding
	Organic	Conventional	Local	Export	
Cassava	/		/		Granules
Goat meat	/		/		Processed meat (tapa, tocino, mechado, kaldereta, etc.)
Goat milk	/		/		Cheese, butter, milk bar,

Commodity	Kind		Market		Value Adding
	Organic	Conventional	Local	Export	
					etc.
Pork	/	/	/		Processed meat (tapa, tocino, etc.)
Vegetables					Fresh-frozen vegetables
- eggplant	/		/		Processed vegetables (pickles, dried, etc.)
- squash	/		/		
- Chinese kangkong	/		/		
- stringbeans	/		/		
- ampalaya	/	/	/		
Fruits					Dried fruits
- mango	/		/	/	Processed fruits (jelly, jam, candies, etc.)
- banana	/		/	/	
- jackfruit	/		/	/	
- melon	/		/	/	
- papaya	/		/	/	
- santol	/		/	/	
- star apple	/		/	/	
- avocado	/		/	/	
- tambis	/		/	/	
- cashew seeds	/		/	/	
Ornamentals					
- palm tree	/		/		Landscaping
- agloena	/		/		
- fern	/		/		
- flowering (assorted)	/		/		
- cactus	/		/		
Fish					
- tamban (sardines)	/		/		Processed (dried fish, salted fish, fish fillet, smoked fish, patis, fish tocino, fish tapa)
- bolinao (anchovies)	/		/		
- galunggong	/		/		
- pidlayan (tuna)	/		/		
- tilapia	/		/		
Seaweeds					Dried guzo processed into gulaman bars, etc.
-guzo	/		/		

Question 2: How can the government improve its services to really be of help to you as a farmer?

Needs (<i>Panginahanglanon</i>)	Ranking	Means or Strategies (<i>Pamaagi</i>)
Granules machines	1	Technical assistance in the preparation of project proposals for

		possible funding
Cold storage and post-harvest facilities for the processing of meat, fish, seaweeds, fruits, and vegetables	2	Seminars/trainings for technology transfer/skills in processing of meat, fish, seaweeds, fruits, and vegetables
RIC Trading Center	4	Organized or unified trading center for women or RICs
Law Enforcement against illegal fishing	5	Support for Bantay Dagat volunteers. Law enforcement of a comprehensive fishery ordinance in the city
Docking area and Settlement of Small Fisherfolks	3	Formulate and enforce an ordinance to protect small fisherfolks living in the near shore area from dislocation brought about by big commercial establishments.

Agri-industries' Consultation

29 June 2007

SEARSOLIN, Xavier University

Cagayan de Oro City

A. INPUTS AND SERVICE PROVIDERS GROUP

GUIDE QUESTIONS:

1. Other than the industry you are currently engaged in, what agribusiness project will yield the most attractive economic benefits:
 - a. to medium and large scale farmers
 - b. to small scale farmers (3 has or less)

Agribusiness project	Small	Medium	Conventional	Organic	Local	Export
Seaweeds	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Organic rice	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Muscovado sugar	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Banana (chips)	<input checked="" type="checkbox"/>	(processing) <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Asparagus		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Sweet corn (fresh)		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sweet corn (canned)		<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>

Fruit processing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Biofuel		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Coco coir	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
Coco sugar	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Halal food	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Coffee	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rubber	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fruits				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Ornamentals					<input checked="" type="checkbox"/>	
Meat	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	

2. What ought to be done in order to make government services reach farmers and fisherfolks more efficiently?

Priority/rank	Need	Appropriate measures
6	Market information	Utilization of ICT
5	Technology development and adoption	Extension services using ICT; IPC
3	Modernization and consolidation	Common service facilities
2	Basic infrastructures	Advocacy for inclusion in Agri Dev Plan; private sector membership in the development councils; BOT for water & power
4	Professionalizing agri workers	Skills assessment and certification; agri entrepreneurship training
1	LGU support to the agri dev program	LGSP type of program to focus on capacity building for agri development
7	Logistical support in value chain development	Cargo pooling; clustering; dialogue

3. How can industry associations/farmer organizations be strengthened?

Priority/rank	Need	Appropriate measures
1	Professionalize leaders and members	Leadership development program
3	Sustainability of organization	Revenue generating activities
2	Institution building	Provision of relevant services

B. PRODUCERS' GROUP

1. Other than the industry you are currently engaged in, what agribusiness project will yield the most attractive economic benefits:
 - a. to medium and large scale farmers
 - b. to small scale farmers (3 has or less)

Agribusiness Project	Technology		Market	
	Conventional	Organic	Local	Export
Banana Processing	✓	✓	✓	✓
Tilapia Fillet Processing	✓		✓	✓
Sweet Corn Production for canning	✓		✓	✓
Sweet Potato production for wine processing		✓		✓
Technologies in improving production yield	✓		✓	✓
Soy beans production for feeds				
Peanut production for processing	✓		✓	✓
Increase vermiculture for vermi-meal		✓	✓	✓
Available production technology for ginger production for raw or pickled ginger	✓	✓	✓	✓
Dissemination of GAP for all crops	✓	✓	✓	✓
Sugarcane production for biofuel	✓		✓	
Coconut production for VCO	✓	✓	✓	✓
Cassava production for biofuel	✓	✓	✓	
Updated market research for target markets to include supply chain			✓	✓
Production of more Organic products or organically grown products		✓	✓	✓

2. What ought to be done in order to make government services reach farmers and fisherfolks more efficiently?

Priority/Rank	Need	Appropriate measures
1. Politicking (NGAs and LGUs)	More good governance	Rationalize GAs through proper appointment of qualified and professional staff only, regardless of political affiliations
2. Government assistance to Productivity	More hands-on trainings on technology	More financial support for extension
3. Enhanced physical infrastructure (e.g. farm to market roads and common service facilities)	Appropriate and timely budget and releases	Improve crackdown on corruption and politicking
4. National programs not felt at lowest levels of society	Appropriate and timely budget and releases	Improve crackdown on corruption and politicking
5. Better government services	More dedicated	Review civil service policy

on a day to day basis	government staff	
6. Product promotions for export	More resources to develop products with export potential	Increased budgets and financial support for applied research and development, and market promotions
7. Inconsistencies on government's policy towards private sector support		Review on government's policy on order to harmonize policies supportive to private sector support

3. How can industry associations/farmer organizations be strengthened?

Priority/Rank	Need	Appropriate measures
Organizational strengthening and sustainability	Financial Support for Industry Associations (IA) and Business Support Organizations	Delegate the functions of HVCC and AMAD to the private sector vis-à-vis IAs and BSOs
	Capability building for IAs and BSOs	Tooling IAs with organizational and management systems and values formation
	Localize Industry Associations e.g. BIDA Talakag Chapter "Cavendish Group" or Malaybalay Chapter "Lakatan Group"	

Civil Society Organizations' Consultation

6 July 2007

Philtown Hotel

Cagayan de Oro City

Workshop # 1: Needs, proposals and services for farmers

1. Misamis Occidental Workshop Output

(MOFECO, PALS, OZAMIS CITY MPC, GATA DAKU MPC)

Presenter: John Pelare, MOFECO

Situationer:

- Population – 500 m, 2005
 - Total land area – 205,522 ha.
 - Cropland – 118,933 composed of
 - 11.65% - food crops
 - 88.35% commercial crops
 - Rice
 - 6,831 ha
 - 6,209 irrigated paddies
 - 435 non irrigated
 - 187 upland areas
- * Coconut Industry
 - * 101, 784 ha
 - * 58, 685 farmers
 - * 36 nuts/tree/year
 - * small land holdings

- Low yield: Low adoption of modern tech, Low capacity to buy farm inputs, Low tech-transfer efficiency
- **Small Farmers**
 - High cost of inputs
 - Low yield
 - Low market price
 - No market control
 - Disorganized
 - Land Tenure
 - Unsuitable farming practices
 - Non bankable
 - No market access (policy, road, linkage/network)
 - Anti-farmer policies of Credit Institutions

Government programs & policies

- The lack of synergy between national and regional plans has left local governments to their own devices. The relatively weak technical capabilities of provincial and municipal agriculture staff resulted in the poor use of provincial allocations given the lag in project identification and preparation.
- Budget allocation remains subject to partisan politics. In many areas, budget allocations for genuine priority areas were redirected to bailiwicks of political leaders.
- Services that the CSO can provide to the Small Farmers
- Organizing and strengthening

Capability Building thru Coops and federations

- Sustainable Agriculture Programs
- I.E.C.s

Policy Recommendations

- Back to nature farming practices
- Labelling
- Massive Implementation of One-Town-One-Product policy
- Improve support to Agri Techs
 - Logistic for field works
 - Continuing trainings

General Recommendations

- For LGUs to effectively take the lead in developing and managing local agricultural resources with the participation of local stakeholders, there must be changes in the way plans are prepared, implemented, monitored and evaluated. They should be geared towards productivity, farm management and agri-entrepreneurship, and the delivery of agricultural services.

IMPROVEMENTS IN PLANNING AND MANAGING LOCAL AGRICULTURAL DEVELOPMENT

- Strengthening participation in efforts to localize agricultural development involves a five-stage process that entails:
 - (1) mobilizing stakeholders;
 - (2) undertaking competitive assessment;
 - (3) developing the local agriculture development plan in a participatory manner;
 - (4) implementing the plan in collaboration with stakeholders; and
 - (5) monitoring, evaluating and refining the plan in an iterative manner.

SHIFT FROM SUBSISTENCE AND SURVIVAL MODE TO FOOD SECURITY/SUFFICIENCY PARADIGM

- The paradigm in relation to food security needs to be reoriented to ensure the availability, adequacy, accessibility, and acceptability of the food supply.
- Local requirements must first be satisfied before focusing on an international market. The national government can set the policy direction toward this end by allocating more resources to agriculture and regulating the conversion of agricultural lands.

PROMOTION OF FARM MANAGEMENT AND AGRICULTURAL ENTREPRENEURSHIP STRATEGIES

- Subsistence farming must give way to a market-oriented, farm systems approach. This means that crop selection and production must have a direct correlation to market demands and should increase farmers' income, without sacrificing food security, ecological balance, and sustainability.

MORE RESPONSIVE, CLIENT-BASED AGRICULTURE EXTENSION SERVICES

- Agriculture extension service must be client-based and responsive to the local realities of farmers.
- Agricultural research and development can also be localized through the involvement of capable volunteer-farmers and linking them with formal research institutions.
- This shift would require technology and systems dissemination through techno- demo farms, and the cooperation of farmers, agricultural technologists and other organizations; the provision of technical and management services; and through inst. Dev.
- Agriculture extension service must be client-based and responsive to the local realities of farmers.
- Agricultural research and development can also be localized through the involvement of capable volunteer-farmers and linking them with formal research institutions.
- This shift would require technology and systems dissemination through techno- demo farms, and the cooperation of farmers, agricultural technologists and other organizations; the provision of technical and management services; and through inst. Dev.

OPPORTUNITIES FOR LOCAL GOVERNMENT UNITS IN PROMOTING ORGANIC AGRICULTURE

- Organic agriculture dramatically reduces external inputs by refraining from the use of chemo-synthetic fertilizers, pesticides and pharmaceuticals. Instead, it allows the powerful laws of nature to increase both agricultural yields and disease resistance.

2. Misamis Oriental Workshop Output

(TOUCH, ATC, MASIPAG, SAC-XU, BMFI, SAC, ICRAF, MUCARD, GROUP, HSFI, ORO COOP)

Presentor: Fr. Joe Cabantan, SAC Director, Archdiocese of CDO.

POLICY PROPOSALS:

DA (National)
<ul style="list-style-type: none">• For DA services to LGUs to include budget and staffing• To review the devolution policy re” how it affects the agri-sector, specifically the quality of extension services provided to small farmers
LGUs (Provincial/Municipal)
<ul style="list-style-type: none">• To set mandatory budget allocation for the agri-sector (e.g. 20% from the IRA)• To formulate and implement a Provincial/Municipal Agri-NRM Development Framework• To organize the agri para-technicians and integrate them in the LGU structure (with budget allocation)• To ensure the involvement of small farmers and producers in the agri-sector planning and budgeting process• To encourage LGU extensionists to be generalists (still with specialization)• To push for the genuine SA/OF implementation• To push for Bio-Safety Measures (Quarantine, Advocacy/IEC, & Monitoring)

Services that can be provided by the CSOs:

1. Capacity Building of Farmers (and LGUs)
2. Technical Assistance in the Executive and Legislative Agenda (ELA) Formulation (as a way of ensuring the prioritization of the agri-agenda)
3. Research and Documentation
4. Resource Mobilization
5. Credit Program for Small Farmers
6. Advocacy, IEC, and Monitoring
 - Sustainable Agriculture/Organic Farming
 - Bio-Safety Measures

3. Camiguin Workshop Output

(MCCI, PRRM, BURA MPC)

Presentor: Raymundo Agaton, Jr., PRRM

POLICY PROPOSALS:

1. Increase budget allocation for extension services and agri-development programs:
 - Agri inputs
 - Marketing

- Post harvest facilities
- 2. In order to democratize market, develop social enterprises for farmers
 - Joint ventures
 - “On its Own” – Coop business enterprise
- 3. Consider Agri-tourism industry in the agri-devt framework for regionX.
- 4. Integrate sustainable agriculture in the agri-development framework for Region 10.

4. Bukidnon Workshop Output

(KFI, MUCAARD, ESSC, IPA, CBAFMPC, SAC, IMPASUG-ONG MPC)

Presentor: Nancy Joy Tolenero, ESSC

POLICY PROPOSALS:

1. Provision of agricultural loans to farmers based on farmers interest
2. Mandate from PLGU and MLGU the inclusion of post harvest facilities in the Annual Investment Plan
3. Provide viable and affordable post harvest facilities
4. Enforcement/ adapt the crop-zoning system in the cities, municipalities and provinces.
5. Establish a Farmers Research Institute that is manage by farmers.
6. Advocacy on organic farming
7. Provide Education to farmers (Trainings and seminars)
8. Establish linkage/ networking at the national, regional and local level for market.

Services Provided by CSOs to Small farmers:

1. Awareness raising on high value crops – IEC
2. Organizational Development (Creation of Peoples organization)
3. Strengthening of barangay Development councils in the formulation of Barangay Development Plans and Annual Investment Plans
4. promotion of Organic Farming (through Vermi culture production)

5. Lanao del Norte Workshop Output

(TIPASI Fdn., LDFI, MUCAARD, Maranding Women MPC)

Presentor: Henry de Guzman, LDFI

POLICY PROPOSALS:

1. Integrate in the agri-development framework the Watershed Development (protection, conservation, agriculture related activities)
2. PLGUs and MLGUs shall conduct an assessment and consultation regarding the improvement of the well-being of Lanao del Norte (Quality of Life). Encourage and promote farmers and households to engage into fruit trees production/ planting, and engage into income generating activities.

Services Provided to Farmers:

1. Community involvement in problem identification.
2. Draft animal dispersal
3. Capability Building (values, peace and development)
4. Agroforestry
5. Watershed initiatives (Liangan and Maranding watershed)

Recommendations:

1. Watershed Development
2. LGUs should focus their support on production
3. Infrastructure development (spring development, irrigation)

Workshop 2: Next Steps

Guide Questions:

3. How do you intend to pursue the EPRA advocacy at the provincial level?
4. What are your suggested activities, key processes in the next 12 months?

1. Lanao del Norte Workshop Output

Presentor: Henry de Guzman, LDFI

Lanao del Norte participants strongly advocated for watershed management and protection. Below were the activities and processes they recommended to be undertaken:

1. Regular consultation on watershed management
2. Realignment of provincial, municipal, barangay development plans
3. Facilitate resource accessing to support the initiative
4. Incorporate initiatives on watershed mgt and protection by all local stakeholders (LDN).
5. Resource accessing for plan implementation.
6. Creation of provincial, municipal and barangay taskforces for Watershed Management Planning and Implementation.

2. Misamis Oriental

Reporter: Susano Balais, BMFI

For Misamis Oriental, the CSOs have been working on major development issues through the CONVERSATION Group initiated by the Archdiocese of Cagayan de Oro. They were hopeful that there will be a discussion group that will focus on agriculture development taking into account the forum type discussions involving the CSO, LGUs and business sector. To push through with the initiative, a working committee shall be established to facilitate convening the forum.

On the question of how the CSO intends to pursue the EPRA advocacy at the provincial level, the CSOs of Misamis Oriental would like to undertake the following:

1. Mapping of issues, resources, and stakeholders involve
2. Analyze situation, formulate agri-devt framework, as basis for planning and budgeting and resource mobilization implementation.

For question 2, on the suggested activities, key processes in the next 12 months, the group hopes to implement the following:

1. Conduct training on natural farming system
2. Establish farmer based research institute
3. Conduct provincial EPRA consultation
4. Lobbying of provincial and regional agricultural officer during PDC
5. For DA Region to sit down with DILG to plan for EPRA for the province.

3. *Camiguin*

Reporter: Raymundo C. Agaton, Jr. – PRRM

For the Camiguin participants, they wanted to see two things in the policies and programs of DA: Integration of Sustainable Agriculture in the agri development framework and incorporation of agri-tourism as an enterprise strategy. These concerns should be considered and stipulated in the policies and programs as part of the agri development framework for Region 10.

For suggested activities and key processes, the group would like to undertake the following:

1. Active participation in local development planning
2. Plan implementation and monitoring
3. Pursue advocacy on sustainable agriculture
4. Advocate and lobby to the LGUs to integrate the agri-tourism strategy in the agri-development framework for Camiguin.
5. To mobilize and organize small farmers to engage into social enterprise or joint ventures projects.

4. *Misamis Occidental*

Reporter: John Pelare, MOFECO

Looking back on the contributions of CSOs, Mis. Occ. participants identified the need to focus their intervention on Information Education Campaign (IEC) for EPRA to penetrate at the local level and influence LGUs who are direct implementers of agri development programs in the province. Below were the suggested activities and processes that will be undertaken by the group.

1. Farmers Consultation (Presentation of situationer) – Month 1
2. ABC Meeting on EPRA orientation – Month 2
3. LGU Meeting on EPRA – Month 3
4. Policy Drafting on EPRA – Month 4
5. Policy Advocacy involving all stakeholders – Month 5 - 6
6. Lobbying to SP – Month 7-12

5. Bukidnon

Reporter: Oliver Aldovino, Impasug-ong MPC

For EPRA to materialize in Bukidnon, the participants strongly advocate for DA to have the EPRA discussion with DILG and present results and outputs to influence DILG and the LGUs in the formulation of the Agri development framework for Region 10, and particularly on the implementation at the local level. To carry on the advocacy of EPRA at the provincial level, the following were the suggested activities:

1. Resource Mobilization, implementation and monitoring
2. Planning and budgeting
3. Formulation of agri-development framework
4. Mapping of issues, resources, stakeholders programs and energies
5. Establishment of CSO-LGU working committee
6. Forum on agri-devt (CSO-LGU)

APPENDIX E: DIRECTORY OF PARTICIPANTS

MOU Signing of DA RFU 10, XUCA and CODE-NGO

9 May 2007

Xavier University Boardroom

Cagayan de Oro City

Name	Designation	Organization	Contact Information
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First Stakeholders' Meeting

18 May 2007

SEARSOLIN Oval Room

Cagayan de Oro City

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Barcelo C.		
Jesus Flor	OCV-Mis. Or.	09177167052
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Cynthia Abanil	PPDO-Mis. Or.	

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Farmers/Fishers Consultation

29 June 2007

SEARSOLIN Oval Room

Cagayan de Oro City

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Agri Industry Consultation

29 June 2007

SEARSOLIN Oval Room

Cagayan de Oro City

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CSO Consultation

6 July 2007

Philtown Hotel,
Cagayan de Oro City

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Financial Institution Consultation

16 July 2006

Mallberry Suites Business Hotel

Cagayan de Oro City

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Academe Consultation

Farmers' Training Center
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MS Agriculture, University College Dublin, Ireland

MA Agrarian Studies, University of the Philippines

Mr. Ravanera has had extensive work exposure in South, Southeast and East Asia. He participated in various international training and conferences on food security and sustainable agriculture, natural resource management, capacity building of NGOs and campaigns to reform financial institutions. He has written a number of papers and articles published in NGO journals and magazines on the topic of poverty alleviation, agrarian reform, sustainable agriculture, and NGOs in official development assistance.

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Ms. Soriano is largely involved in politics and women's issues. She is an active member of various political science associations and has been constantly invited to various lectures and seminars as resource person on women and politics, including agro-industrial and cooperative development. Her exposure to global politics includes being the Senior Fulbright-American Political Science Association Congressional fellow, visiting Fulbright researcher and visiting scholar to the US Congress and Foreign Policy. She has written and published several articles on women and governance for "KINAADMAN" (Wisdom), a journal of Southern Philippines.

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Engr. Mosqueda is vastly interested in agribusiness research. She has presented many of her papers on agri-entrepreneurship to international conferences and has participated in different congresses on fruits and vegetables, both international and local. Currently, she is working on two researches for the Mateo Ricci Awards namely, “*Evaluating the Efficiency of Local Vegetable Supply Chains through the System Approach*” and “*Engaging Cagayan de Oro High School Students and the Agribusiness Sector in Participatory Action Research*,” which she is doing with Mr. Ravanera.

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Mr. Dalapag has had considerable experience with farmer groups and agri-industries. He is a member of the Regional Agriculture and Fishery Council of Region 10, and is directly involved with farmers at the grassroots level. His expertise is on ornamental crop production, landscape, and cutflower production. He has attended many seminars and conferences relating to his field as participant and more often, as resource person or lecturer. He is the proprietor of Greenmix Farm and Garden Maintenance in Manolo, Fortich, Bukidnon, which offers services in ornamental crop production, landscaping, training and consultancy.