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PHL food security assured despite shrinking number of farmworkers

by Jasper Y. Arcalas - March 14, 2018

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More workers are leaving the farm sector based on data from the Philippine Statistics Authority (PSA), as the sector's share in total employment fell to just 25.43 percent in 2017, from 46.03 percent in 1993. But Agriculture Secretary Emmanuel F. Piñol is not worried, saying this could indicate that agriculture in the Philippines is modernizing.

Labor employment in the farm sector declined for the sixth straight year in 2017 and sunk to a seven-year low of 10.257 million, data from the PSA showed. This was also the first time in 15 years that employment in agriculture fell below 11 million.

In contrast, the share of the services and industry sectors in total employment grew steadily.

Roehlano M. Briones, senior research fellow at Philippine Institute for Development Studies (Pids), said these sectors may have attracted farmworkers who are in search of better pay.

From 2002 to 2016, data from the PSA showed that employment in the services sector recorded an average annual growth of 3.52 percent. Last year it fell by a mere 0.43 percent.

The sector's share in total employment improved to 56.28 percent last year, from 46.62 percent in 2001.

PSA data also revealed that the number of workers in the Industry sector grew by more than half to 7.369 million in 2017, from 4.713 million in 2001. From 2009 to 2017, employment in the industry sector rose by an average of 4.36 percent.

Low wages

Briones told the BusinessMirror that workers may be leaving the farm sector in droves because of low income. "Wages in agriculture, although increasing in real terms, are way, way below than those in the Industry and Services Sectors."

"That's a problem for the farming sector, but that is part of the process of resource allocation," he added.

Briones also said other sectors of Philippine economy may be growing at a much faster rate than agriculture. "People would go to industries that are more productive because these industries are willing to pay more."

While he expects more workers to leave the agriculture sector in the next few years, he said this should not have a drastic impact on production. Briones said wages in the farm sector would naturally go up as the number of workers declines, giving those who remained in agriculture an incentive to stay and produce more.

“Naturally, their wages would go up, and other adjustments will follow such as mechanization. When wages are higher, then it is more worthwhile to adopt labor-saving technologies,” he said.

Data from the PSA showed that the average daily pay of farmworkers rose steadily in 2010 to 2015. In fact, average daily agricultural wage in 2015 reached P189.47, 6.18 percent higher than the P178.44 daily rate recorded in 2014.

Also, the P189.47 per day agricultural wage rate recorded in 2015 was nearly double the P98.24 average daily wage rate of farmworkers recorded in 1975.

‘Not worrisome’

While he acknowledged that the shrinking number of farm workers may be a sign of people’s waning interest in agriculture, the chief of the Department of Agriculture (DA) said this is not a cause for concern.

“It [decline in number of farmworkers] could be also an indication that the agriculture sector is modernizing. Once you modernize agriculture, you will require less manpower,” Piñol told the BusinessMirror.

The DA chief pointed to the possible increase in the income of those living in rural areas as another factor behind the drop in the number of farmworkers.

“Because of the improvement in the economic situation of people in the countryside, they do not have to work anymore, as rice planters or corn harvesters. So, some could be transferring to other sectors,” he said.

Despite the contraction in the number of farmworkers, paddy production reached a record -high 19.276 million metric tons last year. This was 9.35 percent higher than the previous year’s 17.627 MMT. Piñol said high commodity prices encourage farmers to produce more. “When was the last time agriculture was this good? Prices of corn, palay and bananas are really high.”

If this trend continues, Piñol said the youth could be enticed to venture into agriculture. “In fact, with the increase in prices of farm commodities now, I would assume more young people would be involved in modern agriculture.”

Modern farming, he added, would make agriculture profitable and entice the youth to join the sector. Piñol said mechanization and rolling out strategies to make production more efficient would make farming more profitable and change the youth’s perception that it is a labor-intensive venture that pays little.