



COMMENTS AND INSIGHTS ON THE PRESENTED ISSUES AND RECOMMENDATIONS

Presented During the “How Modern Is Philippine Agriculture
and Fisheries? THE AGRICULTURE AND FISHERIES
MODERNIZATION ACT AFTER A QUARTER CENTURY”
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Outline:

1. Cited book recommendations with corresponding comments and/or insights.

- Recommendations from Chapter 3
- Recommendations from Chapter 4

2. Key Takeaways from Comments/Reactions

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- Takeaway No. 2
- Takeaway No. 3



RECOMMENDATIONS AND COMMENTS/INSIGHTS

CHAPTER 3:

Recommendation 3-1:

- Introduce innovations in the management of extension programs. Following the implementation of the Mandanas-Garcia ruling, LGUs will have to assume more responsibilities in managing and implementing agriculture, aquatic, and natural resources programs within their localities. It is important that DA, through ATI and regional field offices, proposes innovations in the governance of agriculture, aquatic, and natural resources programs to ensure the transfer of technologies to farmers. *Page 116*

CHAPTER 3:

Comment/Insight 3-1.1:

- The DA regional field offices have already informed the LGU Agriculture Office Heads to prepare for the eventual phase-out of nationally-funded agri-fishery Programs, Projects and Activities (PPAs) embodied in Section 17 of the Local Government Code within a period of 3 years (2023-2025) as the funds intended for the purpose already form part of increased National Tax Allocation (NTA) for LGUs by virtue of the Mandanas-Garcia Ruling.

CHAPTER 3:

Comment/Insight 3-1.2:

- On the other hand, for the lack of specific DBM guidelines allocating a certain percentage for agri-fishery development, like that of the GAD Fund, LDRRM Fund, etc., the notion that the increase in the National Tax Allocation of LGUs due to the Mandanas-Garcia Ruling is a “*manna from heaven*” for devolved offices is far from the truth.
- During the budget process, heads of devolved offices have to beg for a slice of the budget pie.
- More often than not, for lack of LGU Officials’ prioritization, agricultural extension service delivery ends up getting the budget crumb.

CHAPTER 3:

Comment/Insight 3-1.3:

- The Province-led Agriculture and Fisheries Extension System (PAFES) is truly a noble innovation. But still, it is subject to the Provincial Governor's appetite for agri-fishery development.
- More often than not, municipalities and component cities, whose Mayors are not aligned with the Governor's party, end up being sidelined in the PAFES allocations.

CHAPTER 3:

Recommendation 3-2:

- Management of extension programs can be improved by partnering with the “private sector” and maximizing digital platforms. Program implementors may look into updating the current e-extension modules on various technologies and translating them into major dialects. The use of other digital tools such as smartphones and tablets should be maximized. Page 117

CHAPTER 3:

Comment/Insight 3-2.1:

- As an alumnus of the First ICA/Japan Training Course for "Fostering Leaders to Reinforce Business Development of Agricultural Cooperatives in FY-2014" held last July 23-16 August, 2014 at the Institute for the Development of Agricultural Cooperation in Asia (IDACA) in Tokyo, Japan, I can confidently say that the Japan Agricultural Extension Model is best suited for the current Philippine Agricultural Extension situation.
- In Japan, **Agricultural Extension Officers** are employed by the government while the **Farm Advisors** are connected with the various agricultural cooperatives.
- Lamac Multi-Purpose Cooperative (LMPC) in Pinamungajan, Cebu, whose General Manager is also an IDACA alumna, employs their own Agricultural Technicians.

CHAPTER 4:

Recommendation 4-1:

- Vigorously pursue the Farm and Fisheries Clustering and Consolidation (F2C2) Program. [Page 147](#)

Comment/Insight 4-1:

- Former DA Secretary William Dar launched the F2C2 last 2020 but until the present, the program has not gained the expected traction due mainly to the reason that Agro-Enterprise Clustering Approach (AECA) requires “**vigorous communitity organizing**” which, unfortunately, does not belong to the domain of the government.
- The Agro-Enterprise Development Program in Cebu and other parts of the Visayas is highly successful as it is being implemented by the Lamac Multi-Pupose Cooperative with the guidance of a Consultant from the Jollibee Foods Corporation.

CHAPTER 4:

Recommendation 4-2.1:

- **Boost management capability of agricultural cooperatives.** Solutions to the inherent weaknesses of Small Farmers and Fisherfolk (SFFs) need to go beyond traditional management training of cooperative leaders. Innovative, scalable solutions must be implemented in the shortest possible time to capture available opportunities. Among these are:

- 1. Joint management.** Big cooperatives that partner with small cooperatives in the supply of agricultural products may assign an experienced manager to help the latter run the business side of their operations. The aim is to improve the management capability of the small cooperatives through mentoring and shared decision making. This arrangement enables big cooperatives to accumulate larger supply of their products while increasing the management capability of smaller cooperatives. *Page 147*

CHAPTER 4:

Comment/Insight 4-2.1:

- Undoubtedly, large cooperatives are created in the pursuit of the Universal Cooperative Principles as opposed to being just organized to serve as conduit for government programs and projects.
- By engaging in business with ethics and of trust, they have withstood the test of time.
- Through the years, they have accumulated vast amount of wealth not just in terms of current and non-current assets but also a treasure trove of governance and managerial knowledge, attitudes and skills.
- While it is true that large cooperatives can act as big brother/sister to small agricultural cooperatives but only a few of them are engaged into agribusiness.
- Unless large cooperatives are “incentivized,” they tend to be satisfied with past success in credit and savings operations and do nothing to become part and parcel in the pursuit of agriculture and fisheries modernization.

CHAPTER 4:

Recommendation 4-2.2:

- **Boost management capability of agricultural cooperatives.** Solutions to the inherent weaknesses of Small Farmers and Fisherfolk (SFFs) need to go beyond traditional management training of cooperative leaders. Innovative, scalable solutions must be implemented in the shortest possible time to capture available opportunities. Among these are:

2. Social franchising. In this franchising arrangement, the franchisee adopts a business operations system that will enable it to produce the desired quality and volume required by big buyers. An example is the Handholding for Viable Enterprises (HIVE) project of the Federation of Peoples' Sustainable Development Cooperative (FPSDC). This and other similar arrangements can be explored.

CHAPTER 4:

Comment/Insight 4-2.2:

- Truly, the leading cooperative federations in the country in terms of membership, asset size and other parameters are those engaged in credit and savings.
- In fact, the Philippine Family Farmers' Agriculture-Fishery-Forestry Cooperatives Federation (AgriCOOPh) was organized in 2017, through the initiative of the Pambansang Kilusan ng Mga Samahang Magsasaka (PAKISAMA) with the support of international non-government agri-agencies, out of the urgent need to have an agri-based federation that can provide full value chain services to agricultural cooperatives.
- If government can tap these large credit and savings cooperative federations, the social franchising initiative of the Federation of Peoples' Sustainable Development Cooperative (FPSDC) can rapidly be replicated to the benefit of struggling agricultural cooperatives and their Small Farmer and Fisherfolk (SFF) members.

CHAPTER 4:

Recommendation 4-2.3:

- Boost management capability of agricultural cooperatives. Solutions to the inherent weaknesses of Small Farmers and Fisherfolk (SFFs) need to go beyond traditional management training of cooperative leaders. Innovative, scalable solutions must be implemented in the shortest possible time to capture available opportunities. Among these are:

3. Management services contracting. Big federations may opt to establish a management service contracting firm that can deploy trained managers to fledgling cooperatives that have the potential to supply their products to institutional buyers. The small cooperative pays for the compensation of the professional manager and a service fee for the management firm. The service fee can be based on the performance of the professional manager in ensuring that the arrangement is mutually beneficial. *Page 147*

CHAPTER 4:

Comment/Insight 4-2.3:

- As in the case of large savings and credit cooperatives, there is a tendency for large federations to just sit on their laurels.
- Unless there is a compelling reason for them to do otherwise, they would do nothing to help fledgling agricultural cooperatives to stay afloat as for them the 6th Cooperative Principle of Cooperation Among Cooperatives is only applicable to their member-primary cooperatives.
- However, unlike other business models, cooperatives and their federations exercised and lived by heart the 7th Cooperative Principle of Concern for the Community.
- If they would be incentivized, large credit and savings cooperative federations can be a potent force in achieving agri-fishery modernization in the country.

KEY TAKEAWAYS FROM COMMENTS/REACTIONS

Takeaway Number 1:

- The Extension Delivery System in the Philippines is in a total mess. It is not only fragmented but it is shattered due to its devolution to LGUs. Unless the deficiency on the absence of specific percentage allocation for agri-fishery development is cured, the Mandanas-Garcia Ruling would just be adding insult to, instead of healing, the injury.

Key Solution No. 1: Incentivize, through tax breaks for transactions with non-members of cooperatives with more than PhP 10 M. Gen. Reserve Fund or any other forms of motivation, the large credit and savings cooperatives to engage in Agro-Enterprise Clustering Approach (AECA) in their respective areas of operation and hire **Farm Advisors** of their own to serve as “**coaches**” to the farmer-fisherfolk clusters through the Cluster Officers.

Such Farm Advisors are potent partners of government Agricultural Extension Workers (AEW) in the delivery of the needed technology transfers and other support services to Small Farmers and Fisherfolk (SFF) cluster members.

Takeaway Number 2:

- The Farm and Fisheries Clustering and Consolidation (F2C2) Program is bound to fail if the government continue to take the lead, without the support of the cooperative movement, in the 8-Step Agro-Enterprise Clustering Approach (AECA) implementation.

Key Solution No. 2.1: Incentivize, through tax breaks for transactions with non-members of cooperatives with more than PhP 10 M. Gen. Reserve Fund or any other forms of motivation, the large credit and savings cooperatives to organize, on a demand-driven manner (upon LGU request), “**subsidiary agricultural cooperatives**” to spearhead in the Agro-Enterprise Clustering Approach (AECA) implementation in cities and municipalities outside of their area/s of operation.

Organizing subsidiary cooperative/s is allowed pursuant to Item 16, Article 5 of Republic Act No. 7520 and Rule 2 of the Revised Rules and Regulations Implementing Certain and Special Provisions of the Philippine Cooperative Code of 2008 promulgated by the Cooperative Development Authority on March 18, 2015 and approved by the Joint Congressional Oversight Committee on Cooperatives.

Takeaway Number 2:

- The Farm and Fisheries Clustering and Consolidation (F2C2) Program is bound to fail if the government continue to take the lead, without the support of the cooperative movement, in the 8-Step Agro-Enterprise Clustering Approach (AECA) implementation.

Key Solution No. 2.2: Incentivize, through the inclusion of Agro-Enterprise Clustering Approach (AECA) implementation in the Criteria on the **Seal of Good Local Governance (SGLG)**, the Local Government Units (cities and municipalities), who engage/partner with large credit and savings cooperatives to spearhead, either directly on their own or through the organization of subsidiary agricultural cooperative/s, in the successful implementation of the Farm and Fisheries Clustering and Consolidation (F2C2) Program in their respective LGUs.

Providing substantial reward in the form of agri-fishery projects to SGLG Awardees with outstanding AECA implementation is an additional motivation for LGUs.

Takeaway Number 3:

- Government Agencies, Cooperatives and Federations need to collaborate closely to empower Small Farmers and Fisherfolk (SFF).

1. Agricultural Training Institute (ATI):

Key Step No. 3.1: Motivated large credit and savings cooperatives to set-up Agri-Fishery Farm/s for accreditation as Learning Site for Agriculture (LSA) by the Agricultural Training Institute (ATI).

2. Technical Education and Skills Development Authority (TESDA) :

Key Step No. 3.2: TESDA to accredit cooperative-owned Learning Site for Agriculture (LSA) as Farm School.

Key Step No. 3.3: TESDA to allocate numerous slots for Agroentrepreneurship NC IV to existing established Farm Schools in the country like that of the Lamac Multi-Purpose Cooperative in Cebu.

Takeaway Number 3:

- Government Agencies, Cooperatives and Federations need to collaborate closely to empower Small Farmers and Fisherfolk (SFF).

Key Step No. 3.4: Cooperative-Farm School Operators to recruit, through merit-based system, potential Farm Advisors and send them for Agroentrepreneurship NC IV Training and Assessment.

Key Step No. 3.5: TESDA to allocate numerous slots to Cooperative-operated Farm Schools with approved Agroentrepreneurship NC II and Agroentrepreneurship NC III Qualifications.

Key Step No. 3.6: Cooperative-Farm Schools to conduct training and assessment on Agroentrepreneurship NC II and Agroentrepreneurship NC III for Small Farmers and Fisherfolk (SFF).

Key Step No. 3.7: Large cooperatives to engage into Agro-Enterprise Clustering Approach (AECA) among Small Farmers and Fisherfolk (SFF) who are Agroentrepreneurship NC II holders either on their own or through their respective subsidiary cooperatives.

Takeaway Number 3:

- Government Agencies, Cooperatives and Federations need to collaborate closely to empower Small Farmers and Fisherfolk (SFF).

Key Step No. 3.8: Implementing cooperatives to deliberately incorporate the 5 Stages of People Empowerment (*a. Critical Awareness on the underlying factors of powerlessness; b. Acknowledgment of strength in numbers; c. Concrete involvement in group activities; d. Commitment to total human development that transcends over and above personal interest; e. Psychological transformation such that the power that they have had attained enhances their self-dignity and self-reliance*) in the Agro-Enterprise Clustering Approach (AECA) implementation.

3. Agricultural Credit Policy Council (ACPC):

Key Step No. 3.9: ACPC to accredit cooperatives implementing Agro-Enterprise Clustering Approach (AECA) as Partner Lending Conduit (PLC) to provide zero-interest loans to SFF cluster-members.

Takeaway Number 3:

- Government Agencies, Cooperatives and Federations need to collaborate closely to empower Small Farmers and Fisherfolk (SFF).

4. Department of Trade and Industry (DTI):

Key Step No. 3.10: DTI to register subsidiary agricultural cooperatives implementing Agro-Enterprise Clustering Approach (AECA) as Barangay Micro Business Enterprise (BMBE) by virtue of the BMBEs Act of 2002.

5. Department of Agriculture-Regional Office (DA-RO):

Key Step No. 3.11: DA-RFO to accredit, and provide support to, the parent and/or subsidiary cooperative commodity clusters.

Key Step No. 3.12: DA-RFO to accredit, and provide support to, the subsidiary agricultural cooperatives under the Farmers and Fisherfolk Enterprise Development Program by virtue of DA Administrative Order No. 08, Series of 2019 otherwise known as the Implementing Rules and Regulations of the Sagip Saka Act.

Takeaway Number 3:

- Government Agencies, Cooperatives and Federations need to collaborate closely to empower Small Farmers and Fisherfolk (SFF).

5. Bureau of Internal Revenue (BIR):

Key Step No. 3.13: BIR to provide tax incentives for transactions with non-members of cooperatives with more than PhP 10 M. Gen. Reserve Fund, or any other forms of tax breaks, to large cooperatives implementing the Agro-Enterprise Clustering Approach (AECA) either on their own or through their subsidiary cooperatives.

Key Step No. 3.14: BIR to provide tax incentives to accredited subsidiary agricultural cooperatives under the Farmers and Fisherfolk Enterprise Development Program by virtue of the Sagip Saka Act.

Key Step No. 3.15: BIR to provide tax incentives to Cooperative Federations providing support to fledgling agricultural cooperatives implementing the Agro-Enterprise Clustering Approach (AECA).

Takeaway Number 3:

- Government Agencies, Cooperatives and Federations need to collaborate closely to empower Small Farmers and Fisherfolk (SFF).

6. Board of Investments (BOI):

Key Step No. 3.16: BOI to accredit and provide incentives to large cooperatives and federations spearheading/supporting the Agro-Enterprise Clustering Approach (AECA) that are also engaging in big-ticket Food Security Projects.

7. Department of the Interior and Local Government (DILG):

Key Step No. 3.17: DILG to provide incentives to LGUs engaging/partnering with large credit cooperatives in the successful implementation of Agro-Enterprise Clustering Approach (AECA) in their respective jurisdiction by including AECA implementation in the Seal of Local Government (SGLG) Criteria and providing substantial reward, in the form of agri-fishery projects, to SGLG Awardees with outstanding AECA implementation.

Takeaway Number 3:

- Government Agencies, Cooperatives and Federations need to collaborate closely to empower Small Farmers and Fisherfolk (SFF).

8. Cooperative Development Authority (CDA):

Key Step No. 3.18: CDA to spearhead the Creation of a Technical Working Group (TWG) tasked to transform the mentioned insights and key takeaways into tangible Programs, Projects and Activities.

9. Cooperative Federations:

Key Step No. 3.19: Various Cooperative Federations to establish a Consortium/Joint Venture and put up a National Cooperative Academy for Agriculture and Fisheries (NCAAF).

The AgriCOOPh can take the lead in the initial ground working activities towards the establishment of the consortium and eventually the training institution.

Takeaway Number 3:

- Government Agencies, Cooperatives and Federations need to collaborate closely to empower Small Farmers and Fisherfolk (SFF).

For a start, the Academy can discuss with TESDA on the ways and means for the training institution to be accredited to offer Agroentrepreneurship NC IV qualification where cooperatives, who have decided to take the lead in the Agro-Enterprise Clustering Approach (AICA) under F2C2, can send their respective Farm Advisors for training and eventual assessment.

Later on, the academy will offer other cooperative-related training courses.

Long-Term Recommendations:

1. Enactment of the long-overdue Magna Carta for Agricultural Extension Workers (AEWS).
2. Enactment of the Agricultural Cooperative Law.

In a nutshell . . .

Unless the whole-of- government approach in unleashing the power of cooperation shall be adopted,

AFMA's objectives of attaining agriculture and fisheries modernization can never be realized even a century or more from the law's enactment.



Thank You