

***“How Modern Is Philippine Agriculture and Fisheries?
The Agriculture and Fisheries Modernization Act after a Quarter Century”***

Panelist Comments



Emil Q. Javier
National Scientist and
Chair, Coalition for Agriculture Modernization in the
Philippines, Inc. (CAMP)



PIDS Virtual Book Launch, 16 March 2023



Strategic Challenges/Opportunities

1. Challenge of further elevating our primary productivity to extract more produce from our limited natural resources, without destroying them;
2. Challenge of commodity diversification and promotion of exports to generate more employment and incomes, and minimizing food imports in the process;
3. Challenge of industrialization with mechanization, postharvest, processing, inclusive digitalization and precision agriculture to raise efficiency, reduce losses, and generate more employment and value beyond the farm;



Enabling Conditions

4. Clustering and consolidating the farming operation of small farms to achieve economies of scale;
5. Unifying our small farm operations with the modern corporate sector into stronger, more resilient and globally competitive supply chains;
6. Mobilizing the local governments to drive the modernization of agriculture in their constituencies, particularly the Provincial Governors through Province-led Agriculture and Fishery Extension Systems;



Enabling Conditions

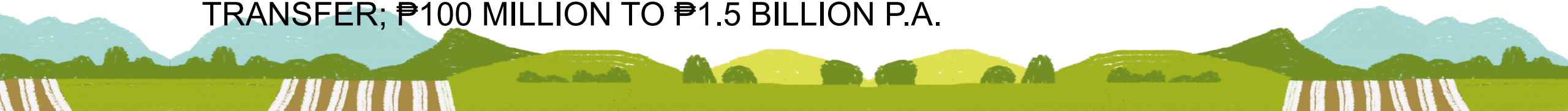
7. Increasing share of agriculture in investments by making small farmers credit-worthy in the first place, raising the ante by way of public expenditures in the General Appropriations Act (GAA), with Land Bank of the Philippines leading the way;
8. Re-capacitating the Department of Agriculture, Department of Science and Technology, the national and local agencies, particularly the state universities and colleges to supply the human resources and technology requirements of a modern agricultural sector, and finally
9. Caution on REORGANIZATION.



Specific Actions/Programs


Further Elevating Our Primary Productivity

- National crop yield averages are below regional benchmarks and below demonstrated potentials in experiment stations
- Principal factors are seeds, fertilizers, water
- Robust private and public seed sectors
- Major culprit—relatively low commercial fertilizer application
 - Indonesia 248 kg/ha
 - Vietnam 408 kg/ha
 - Philippines 209 kg/ha
- TEMPORARILY SUBSIDIZE COMMERCIAL FERTILIZER USE BY SMALL FARMERS; PROMOTE BIOFERTILIZERS AND MANURES
- CONTINUE NATIONAL POLICY OF INVESTING IN IRRIGATION DEVELOPMENT AND MANAGEMENT; ₱30 BILLION P.A.
- RELATEDLY, NIA TO RE-ALIGN BUDGET FOR IRRIGATION MANAGEMENT TRANSFER; ₱100 MILLION TO ₱1.5 BILLION P.A.




Specific Actions/Programs

Commodity Diversification and Promotion of Exports

- Good growing conditions all-year round provide huge opportunities for commodity diversification through multiple cropping in rice, corn and coconut, provided there is supplemental water during the dry season
 - Succession cropping between and after main rice and corn crops
 - Intercropping between canopies of coconut
 - EMBED SMALL IRRIGATION UNITS INTO LARGE SYSTEMS (NIS/CIS); Re-align NIA budget to provide more SIUs
 - CLEARLY SPELL OUT DIVERSIFICATION OBJECTIVE IN THE RICE, CORN, COCONUT COMMODITY ROADMAPS
 - *Example: Coconut/coffee towns program*
 - WITH INDUSTRY ASSOCIATIONS IN THE LEAD, JOINTLY IDENTIFY AND TARGET COMMODITIES FOR EXPORT
- 

Specific Actions/Programs

Industrialization and Processing

- Growing scarcity of farm labor; huge post-harvest losses; low value-adding
 - Need more tractors, planters, harvesters, dryers, feed mills, cold stores, processing plants
 - CONTINUE PROGRAM OF PARTLY SUBSIDIZING MACHINERIES FOR SMALL FARMERS BUT THROUGH THEIR COOPERATIVES
 - MORE APPLIED AND ADAPTIVE R&D AND COMMERCIAL DEMONSTRATIONS ON FOOD PROCESSING AND PACKAGING, PARTICULARLY AT TOWNSHIP SCALE
 - EMPOWER LIVESTOCK COOPERATIVES WITH GRAIN FACILITIES AND FEED MILLS
 - PROCEED WITH INCLUSIVE DIGITALIZATION AND ADOPTION OF PRECISION AGRICULTURE
- 

Specific Actions/Programs

Clustering and Consolidating Farming Operations of Small farmers to Achieve Economies of Scale

- So much opportunity to achieve higher efficiency and productivity at various stages of the value chain with collective action
- Modalities of clustering/consolidation: farm leasing; cooperatives; contract growing schemes with corporate integrators
- CONTINUE PROGRAM OF COURSING GOVERNMENT SUPPORT AND SUBSIDIES THROUGH IRRIGATORS ASSOCIATIONS (IAs), AGRARIAN REFORM BENEFICIARY ORGANIZATIONS (ARBOs) AND COOPERATIVES
- RE-ESTABLISH THE BUREAU OF AGRI-INDUSTRIAL COOPERATIVES IN THE DEPARTMENT OF AGRICULTURE
- LIFT LIMITS TO FARM HOLDINGS IMPOSED BY AGRARIAN REFORM



Specific Actions/Programs

Unifying Small Farms Operations with Modern Corporate Sector into Competitive Supply Chains

- With market liberalization and our accession to WTO, our food supply chains have to compete and hold their own against foreign competition;
- Small farms on their own are at a serious disadvantage
- Good examples of domestic banana, pineapple, food and beverage corporations holding their own in regional/global markets; also supermarket chains
- **PROVIDE INCENTIVES TO CORPORATE SECTOR TO ENGAGE IN CONTRACT GROWING AND INCLUSION OF SMALL FARMERS COOPS IN THEIR SUPPLY CHAINS**



Specific Actions/Programs


Mobilizing the Local Governments to Drive Modernization in Their Constituencies, Particularly the Governors through PAFES

- Mandate (and budgets) for rural development and extension had been devolved to local governments
- More effective if locus of direction, coordination and implementation were at provincial level (PAFES)
- SCALE UP PAFES; Exploit prospect of 81 provincial CHAMPIONS for agriculture modernization
- FORMALIZE MATCHING GRANTS PROGRAM BETWEEN DA WITH LGUs



Specific Actions/Programs

Increasing Share of Agriculture in Investments

- Currently only 1.3% of total bank lending (ACPC 2018)
 - Immediate challenge of making small farmers credit-worthy
 - Agriculture short-changed in public expenditures all these years; less than 2.0% vs 4 to 6% ASEAN
 - Land Bank doing well the last two years but can do much more
 - **DOUBLE GAA FOR AGRICULTURE**
 - **EXEMPT LANDBANK FROM REMITTING HALF OF INCOME TO NATIONAL TREASURY, WITH WHICH TO CROSS-SUBSIDIZE AND FURTHER EXPAND RURAL LENDING (₱15 billion 2022)**
 - **EARMARK FOOD IMPORT TARIFFS FOR RE-INVESTMENT IN AGRICULTURE**
(pioneer provision in Rice Tariffication Law)
- 

Specific Actions/Programs

Re-Capacitating DA, DOST, National and Local Agencies, and SUCs to Supply Trained Manpower and TECHNOLOGY Needed by Modern Agri Sector

- SUC and DOST scientific institutions in place; stagnation and professional in-breeding getting to be a problem
- Unfortunately, graduate level expertise in DA and its agencies is scarce
- RAISE R&D AND HIGHER EDUCATION APPROPRIATIONS FOR AGRICULTURE
- SUCS TO SCALE UP IN-SERVICE SHORT TERM SPECIALIST TRAININGS FOR DA PERSONNEL
- SUCs TO INSTITUTE MASTERAL LEVEL PROFESSIONAL (NON-THESIS) DEGREE PROGRAMS FOR DA PERSONNEL
- REINSTITUTE PROGRAM TO SEND PhD LEVEL SCHOLARS TO ADVANCED COUNTRIES

Specific Actions/Programs to Address

Caution on REORGANIZATION

- Previous reorganizations of DA have not worked and were ill-advised
 - *Examples: phase-out of BAEcon; BAEX; Bureau of Agricultural Statistics; Bureau of Agricultural Cooperatives*
- No substitute for good leaders, managers, team building and change of mind sets
- Nothing wrong with commodity programs provided they are planned in the context of supply chains
- “Over investment” in rice



CAMP

c/o Institute of Plant Breeding

UP Los Baños

College, Laguna, 4031, Philippines

Tel. No.: +63-49-5439478

Email: campinc2014@gmail.com

