

INTERNATIONAL CONFERENCE on COOPERATIVE ENTERPRISES  
SEARCA Auditorium, University of the Philippines, Los Baños November 09, 2012

## MOBILIZING THE GOVERNMENT BUREAUCRACY FOR FARMERS' COOPERATIVES

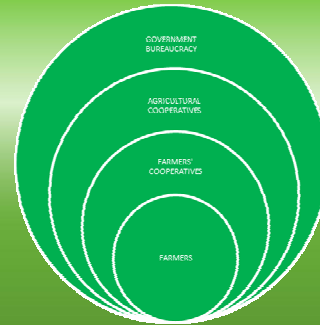
by  
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### THE PLACE OF FARMERS COOPERATIVES



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Definition of a small farmer based on:

#### Republic Act 7607 – Magna Carta for Small Farmers:

*"natural persons dependent on small-scale subsistence farming as their primary source of income and whose sale, barter or exchange of agricultural products do not exceed a gross value of ONE HUNDRED EIGHTY THOUSAND PESOS (PhP 180,000) per annum based on 1992 constant prices."*



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Definition of a farmer, farmers' cooperatives and farmers and fisherfolk organizations and associations based on:

#### Republic Act No. 10000 – Agri-Agra Law:

*"a farmer is defined as a natural person whose primary livelihood is cultivation of land or the production of agricultural crops, agro-forest products, livestock and/or fisheries, either by himself/herself, or primarily with the assistance of his/her immediate farm household, whether the land is owned by him/her or by another person under a leasehold or share tenancy agreement or arrangement with the owner thereof."*

*"a farmer's cooperative on the other hand refers to organizations composed primarily of small agricultural producers, farmers, farm workers, or other agrarian reform beneficiaries who voluntarily organize themselves for the purpose of pooling land, manpower, technological, financial or other economic resources, and operate on the principle of one member, one vote. A juridical person may be a member of a cooperative, with the same rights and duties as a natural person."*

*"farmers' and fisherfolk organizations or associations refer to farmers' and fisherfolk cooperatives, associations or corporations duly registered with appropriate government agencies and which are composed primarily of small agricultural producers, farmers, farm workers, agrarian reform beneficiaries, fisherfolk who voluntarily join together to form business enterprises or non-business organizations which they themselves own, control and patronize."*



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### LIMITS OF THE PAPER/STUDY

Policy Analysis

Identification of Programs and Projects

Identification of Issues and Problems

Policy Recommendations



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### POLICY ENVIRONMENT AND FARMERS' COOPERATIVES

Article XII, Section 1 of the 1987 Constitution: *"the State shall promote industrialization and full employment through private enterprises, including corporations, cooperatives and similar collective organizations."*

•Section 15 of the 1987 Constitution: *"the Congress shall create an agency to promote the viability and growth of cooperatives as instruments for social justice and economic development."*

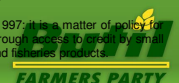
•Republic Act 6938 - Cooperative Code of the Philippines in support of the Comprehensive Agrarian Reform Law passed on June 10, 1988: *"uniting farmers' interest and resources, consolidate the management of land, and make small farming more efficient and productive."*

•Republic Act 7607 – Magna Carta of Small Farmers enacted on June 4, 1992: *"recognizes the right of farmers to organize themselves to promote their welfare and advance or safeguard their interests and compels government to assist small farmers in establishing self-help organizations such as cooperatives and farmers organizations."*

•Local Government Code of 1991: *it is the inalienable right of people and their organizations to effective and reasonable participation in all levels of social, political and economic decision-making (Section 16) and further mandates the promotion and establishment of people's and NGOs to become active partners in the pursuit of local autonomy (Section 34).*

•Republic Act 10000 - Agri-Agra Reform Credit Act: *"creates an agriculture, fisheries and agrarian reform credit system to improve the productivity of the agriculture and fisheries sectors."*

•Republic Act 8435 - Agriculture and Fisheries Modernization Act (AFMA) of 1997: *it is a matter of policy for the State to alleviate poverty and pursue vigorous growth in the countryside through access to credit by small farmers engaging in the production, processing and marketing of agriculture and fisheries products."*



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**CURRENT LEGISLATIVE PROPOSALS PENDING IN CONGRESS:**

**House Bill 118** - compels the Land Bank of the Philippines (LBP) to open a Special Window where farmers and fisherfolk and their cooperatives could acquire soft loans as an amendment required for the extension of its existence which expires by August 8, 2013.

**House Bill 3758** (consolidated bill) - strengthening the Philippine Crop Insurance Corporation (PCIC) to provide more comprehensive insurance packages for the crops, livestock and fisheries sectors. It will include a package for social protection – life and accident insurance packages for small farmers.

Provides for the creation of a one-stop loan, loan guarantee and insurance financial institution termed as the State Agricultural Guarantee and Insurance Protection Fund (SAGIP Fund) and the State Agricultural Guarantee and Insurance Protection Corporation (SAGIP Co.).



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**GOVERNMENT INITIATIVES FOR FARMERS COOPERATIVES**

SPECIFIC FOR COOPERATIVES	
SPECIFIC SERVICE(S)	AGENCY/AGENCIES
Promotion and Development and Regulation of Cooperatives	Cooperatives Development Authority
Infrastructure and Post-Harvest Services	Department of Agriculture – Construction of an Egg Production Plant with counterpart with cooperatives.
Credit and Insurance Services	Department of Agriculture - Agricultural Competitiveness Enhancement Fund (ACEF)
	Department of Agriculture - Agricultural Guarantee Fund Pool (AGFP)
	Landbank of the Philippines (LBP)
	DA - assisted 652 individuals and 50 cooperatives in preparing feasibility studies and project proposals as necessary and important requirements in accessing loans.
	Agricultural Production Loan (APL)
	Working Capital Loan (WCL)
	Rediscouinting Line (RL)
	Countryside Loan Fund (CLF)
	Todo Unlad
	ACCESS Program
Services for Cooperatives with Counterpart from Local Government Units	Bureau of Fisheries and Aquatic Resources – provisions of fish farm inputs and implements to associations and cooperatives under special arrangements or in coordination with local government units. This program also includes the distribution of fingerlings of various species and a variety of seaweeds seedlings.
Extension Support, Education and Training Services	Department of Agriculture – Through its Farmers Education Program: conducts trainings on pest management, nutrient management, farm mechanization and other seminars on cultural practices in corn, entrepreneurship, farm inputs and post-harvest technologies to farmers and farm associations.

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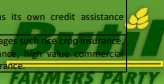


**GOVERNMENT INITIATIVES FOR IN SUPPORT OF AGRICULTURE IN GENERAL**

ASSISTANCE FOR FARMERS AND FISHERFOLK	
Convergence in Agricultural Production Support	DA and its attached agencies support the production of agricultural crops, livestock and fisheries resources. Promotion of organic and upland farming.
	DA attached agencies shall include the Philippine Coconut Authority, Sugar Regulatory Authority, the Bureau of Animal Industry, National Dairy Authority and the Bureau of Fisheries and Aquatic Resources.
	This study covers rice, corn, sugarcane and coconut under agricultural products.
	For sugar cane production, the DA, DAR and DENR jointly promote block farming. Not only are the agencies converging in this program but also the services they provided: production, infrastructural development, training, and creation/organizing of milling districts/block farms.
	DENR – provides financial and technical assistance to upland farmers and growers under its National Greening Program.
Infrastructure and Post-Harvest Development	DA – distributes postharvest equipment and machinery, such as net/laminated sacks, construction and rehabilitation of flatbed dryers, mechanical dryers, bag closers/baggers, threshers, combine harvesters, rice cutter/harvesters, shredders and moisture meters are distributed.
Social Justice	DAR - land acquisition and distribution; agrarian justice delivery; support for agrarian reform communities; upland development program; and land tenure improvement
Credit and Insurance Services	ACPC – administering the Comprehensive Agricultural Loan Fund (CALF)
	Philippine Carabao Center - has its own credit assistance program for dairy farmers.
Disaster Rehabilitation Assistance	PCIC - offers crop insurance packages for rice, corn, sugarcane, corn crop insurance, fish insurance, agricultural commercial crop insurance and livestock insurance.

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**ISSUES AND PROBLEMS**

*“Is there STILL a need to mobilize the bureaucracy for the sake of farmers' cooperatives?”*

*“Isn't the government bureaucracy already visible to the farmers and fisherfolk?”*

*“Are the resources of the government not equally allocated for farmers' cooperatives.”*

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- Dearth of Solid Data On Farmers Cooperatives
- Interest Rates on Loans: Are they Affordable?
- Issues on the monitoring and evaluating impact of trainings provided for cooperative members
- Issues in Accessibility

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**CONCLUSIONS AND RECOMMENDATIONS**

- Solving the dearth in information through the National Farmers Registry System (NFRS).
- Work towards mitigating the burden of interest and amortization payments for loans by small farmers and fisherfolk.
- Strict monitoring and evaluation of education and training programs.
- Building a strong national farmers and fisherfolk organization
- Work towards meaningful representation of small farmers and fisherfolk in governance

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**THANK YOU**

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