Getting Ready the Cooperatives to Venture into Organic Agriculture Enterprise

The case of the rice farmers in Oriental Mindoro, Philippines

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- Organic agriculture (OA) is viewed as a sustainable farming production and viable enterprise for the cooperatives
- promotes good health for the environment and people
- Hence, RA 10068 or OA Act of 2010 was enacted

Research issue

- It seems promotion and development of OA in placed with its multiple potential benefits and policy support

- **How to get ready the rice farming coops in Oriental Mindoro to venture into OA enterprise?**

- Characteristics of 10 cooperatives
  - Livelihood analysis (social, human, financial, physical and natural resource assets)
  - SWOT analysis
- Needs towards enterprising coops
- Conclusions

Methodology

- FGDs with officers of each coop
- Survey in agrarian reform communities; total respondents of 130
- Descriptive statistics

Number of respondents from agrarian reform (AR) communities

Cooperatives	Communities	Total
Guinobatan AR Community Cooperative (GARCCO)	Pag-asa	9
Sta Maria AR Community Cooperative (SMARCC)	Naujan East	31
General Esco Multi-Purpose Cooperative (GEMPCO)	Naujan	10
Bigaan AR Community Cooperative (BARCCO)	Tacligan	8
Samahang Nayon AR Community Cooperative (SNARCCO)	Tacligan	9
AR Community Cooperative of Water (ARCCOW)	Water	10
Villa Cerveza AR Community Credit Cooperative (VARCCCO)	Villalon	10
Community Multi-Purpose Cooperative (CMPC)	Gloria	6
Mansalay Agriculture and Fisheries Farmers Development Cooperative (MAFDECO)	Marbriba	7
Mina de Oro AR Beneficiaries Multipurpose Cooperative (MAREBEMCO)	Bongabong	30
	Total	**130**

Results & Discussion - Strengths

- **Established linkage with local institutions and AR communities**

- helped coops acquire equipment, fund, land, coop building and new knowledge through trainings

Results & Discussion - Strengths

- **Experience in managing businesses**

e.g.SMARCC (**rice seed drying**), BARCCO (**coconut-based products production** e.g. virgin coconut oil and soap), SNARCCO (**smoke fish making**), CMPC (*Bio-N* organic **fertilizer production** and **coconut coir production**) and MAREBEMCO (**hardware, agricultural supplies store, rice milling**)

Experience in managing a small business may **suggest strength in venturing in OA businesses ie fertilizer and rice production and livestock-raising**

Results & Discussion - Strengths

- **Access to agricultural land**

- operated only 1 piece of land; 5 highest number of parcels
- access to agricultural land, either through the agrarian reform, inheritance or verbal agreement
- shows that farmers have access to land with mean sizes ranging from 0.66 to 2.46 has

More members with active status

Location and membership status of cooperatives

Cooperative	District/ Municipality	Membership Status		Total
		Active	Inactive	
GARCCO	I/Calapan City	39	23	62
SMARCC	I/Naujan East	84		84
GEMPCO	I/Naujan	39	23	62
BARCCO	I/San Teodoro	35	63	98
SNARCCO	I/San Teodoro	14	47	61
ARCCOW	I/Baco	70	75	145
VARCCCO	I/Victoria	113		113
CMPC	II/Gloria	81	191	272
MAFDECO	II/Mansalay	90	70	160
MAREBEMCO	II/Bongabong	184	44	228

"Good" impression rating by ARCs

Communities' impression rating on cooperatives in percentage

Cooperative	Very Good	Good	Neutral	Bad	Very Bad
GARCCO		100.0			
SMARCC	25.9	70.4			3.7
GEMPCO		37.5		62.5	
BARCCO		40.0		40.0	20.0
SNARCCO		50.0		50.0	
ARCCOW		66.7		33.3	
VARCCCO		88.9		11.1	
CMPC		83.3		16.7	
MAFDECO		71.4		28.6	
MAREBEMCO		76.7	3.0	3.0	3.3

Results & Discussion - Weaknesses

- **Insufficient funds to operate credit facility**

-due to failure of the borrowers to pay; non-payment due to many reasons

- But rather than dwell on this constraint, it is wiser for the cooperative to assist its members by engaging them in income-generating activities which the cooperatives can put up

Weaknesses

- **No sustainable income for women**

- usual sources of income: farm work, livestock-raising, fishing, service work (laundry, pedicure/manicure or trading/selling)
- not coop-led (except for coconut-based enterprise of BARCCO)

- **Low level of educational attainment**

Highest educational attainment

Levels of educational attainment	Agrarian Reform Communities	Highest percentage
Elementary level	Tacligan2	56.0
Elementary graduate	Tacligan2	44.0
High school level	Naujan, Villanino	30.0
High school graduate	Villanino	50.0
College level	Gloria	33.3
College graduate	Marbriba	28.6
Vocational	Bongabong	10.0

No knowledge about OA

Respondents and household members' attendance to trainings

Agrarian Reform Communities	n	Yes		No	
		Freq	%	Freq	%
Pag-asa	9	6	66.7	3	33.3
Naujan East	31	19	61.3	12	38.7
Naujan	10	5	50.0	5	50.0
Tacligan1	8	3	37.5	5	62.5
Tacligan2	9	2	22.2	7	77.8
Water	10	1	10.0	9	90.0
Villanino	10	3	30.0	7	70.0
Gloria	6	3	50.0	3	50.0
Marbriba	7	2	28.6	5	71.4
Bongabong	30	13	43.3	17	56.7
Total	130	57	43.8	73	56.2

Topics of trainings attended

ARCs	n	Organic farming		Pest & diseases		Cooperative management		Climate change		Livelihood	
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Pag-asa	6	2	33.3	2	33.3	2	33.4				
Naujan East	19	3	15.7	14	73.7	1	5.3	1	5.3		
Naujan	5	2	40.0	2	40.0	1	20.0				
Tacligan1	3			3							
Tacligan2	2			1	50.00	1	50.00				
Water	1			1	100.0						
Villanino	3	1	33.3	1	33.3					1	33.4
Gloria	3			2	66.7					1	33.3
Marbriba	2			1	50.0	1	50.0				
Bongabong	13	1	7.7	9	69.2	3	23.1				
Total	57	9	15.8	36	63.2	9	15.8	1	1.7	2	3.5

Results & Discussion - Opportunities

- **Inclusion to DAR Agrarian Reform Community Connectivity and Economic Support Services program**

- collective action is necessary; coops will establish farms as "local input supply centers"

- acceptability of the program; coop officials expressed their interest on businesses related to OA

- expressed interest may be considered acceptance of and conversion to OA from conventional farming; suggest positive outlook towards OA and laws implementation

- **Diversified possible local sources of income**

Estimated mean household income in 2011

Agrarian Reform Communities	On-farm activities	Off-farm activities	Non-farm activities
Pag-asa	61,751.83	14,666.67	76,566.67
Naujan East	111,554.84	28,941.94	59,765.61
Naujan	101,175.30	24,765.00	51,948.80
Tacligan1	31,850.19	10,796.88	92,241.00
Tacligan2	30,857.56	30,855.56	62,217.11
Water	22,872.60	28,220.40	64,850.00
Villalon	46,012.85	20,110.00	82,710.00
Gloria	125,905.00		99,200.00
Marbriba	118,692.29		99,040.00
Bongabong Central	81,923.42	35,332.00	33,173.13

Results & Discussion - Threats

- **Occurrence of rice production problems**

- high cost of producing rice
- pests (rats) and diseases (yellowing of leaves)
- natural calamities (flooding, typhoons)
- lack of water supply

- **Inadequate support services**

Limitation of support services in communities

ARCs	n	Post-harvest facility		Farm-to-market road		Irrigation System		Seed provision	
		Freq	%	Freq	%	Freq	%	Freq	%
Pag-asa	9	8	88.9			7	77.8	8	88.9
Naujan East	31	23	74.2	25	80.6	31	100.0	28	90.0
Naujan	10	9	90.0	7	70.0	10	100.0	8	80.0
Tacligan1	8	8	100.0	6	75.0	7	87.5	7	87.5
Tacligan2	9	8	88.9	5	55.6	9	100.0	9	100.0
Water	10	10	100.0	9	90.0	10	100.0	10	100.0
Villanino	10	8	80.0	6	60.0	8	80.0	8	80.0
Gloria	6	5	83.3	6	100.0	5	83.3	5	83.3
Marbriba	7	7	100.0	5	71.4	4	57.1	5	71.4
Bongabong	30	28	93.3	23	76.7	15	50.0	29	96.7

Credit dependence on other institution

Sources of credit in communities

ARCs	n	Cooperative		Traders/ Middlemen		Cardbank		Others (gov't)		No answer	
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Pag-asa	9	4	44.4	2	22.2					3	33.4
Naujan East	31	12	38.7	10	32.3	2	6.4	7	22.6		
Naujan	10			8	80.0					2	20.0
Tacligan1	8			1	12.5	4	50.0			3	37.5
Tacligan2	9	1	11.1	3	33.3			1	11.1	4	44.5
Water	10			3	30.0	1	10.0			6	60.0
Villanino	10	3	30.0	2	20.0	2	20.0	1	10.0	2	20.0
Gloria	6			2	33.3	1	16.7			3	50.0
Marbriba	7	1	14.3	2	28.6			1	14.3	3	42.8
Bongabong	30	1	33.3	10	33.3	4	13.3	2	6.7	13	43.4

Needs of the coops and ARCs

Capability-building support needs
Refresher courses on cooperative development: bookkeeping, record keeping, financial management, leadership, values orientation and policy formulation and governance
Farming technologies: alternate wetting and drying or AWD, aerobic rice varieties, integrated pest management, on-farm research
Livelihood activities especially for the women: squash canton production, coco coir production, handicraft, banana catsup production, coco vinegar production
Organic agriculture: soil management, fertilizer (e.g. vermiculture) and pesticide production, livestock production and certification, crop diversification, marketing

Service and equipment support needs
Community support services: irrigation system, post-harvest facilities, farm-to-market road, seed provision
Equipment support related to organic agriculture enterprise: bio-compost plant, shredder, flatbed dryer, hand tractor, hauling truck, thresher, water pump, planter/reaper, warehouse

Conclusions

- Through continuous acquiring of knowledge and skills, and involving in collaborative research activities, farmers would become ready to engage in OA-related businesses

Conclusions

- Experiential activities whereby farmers and subject matter specialists work together will:

a) provide the farmers more in-depth and introspective ways on how OA works as a farming system and an enterprise, and
b) identify best practices on organic farming

- As Leu (2004) concludes, “education on the best practices in OA is a cost-effective and simple method of ensuring high levels of economically, environmentally and socially sustainable production where it is needed”.
- Equally important to ready the farmers is the provision of basic support services to the communities.
- OA should be considered more on its long-term benefits.

Thank you

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