The Role of Cooperatives and Farmers' Associations in Sustainable Agriculture: The Case of *Gratia Plena* and *Kooperatibang Likas ng Nueva Ecija*, Philippines

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Definition of cooperatives(Chambo, 2009)

- they are formed by groups of people, who have a specified need or problem.
- the organization is formed freely by members after contributing to its assets.
- the organization formed, is governed democratically in order to achieve desired objectives on equitable norms
- it is an independent enterprise promoted, owned and controlled by people to meet their needs (DFID:2008).

- In short, It is about peoples' organization to capture different opportunities in the economy where they can address their economic needs and aspirations.
- Thus cooperatives are formed in any sector of the economy of a country such as agriculture, minerals, industries and service sectors.

Agricultural cooperatives

In almost all Asian countries, cooperatives have been initiated by the government mainly with these objectives:

1. protect the interests of farmers who are major food producers
2. create food self-sufficiency
3. stabilize food prices, and
4. to maintain a steady supply of food for the people.

Table 1. Status of agricultural cooperatives in selected countries of Asia 2006.

Country	National Popu-lation [million]	Average Land-holding [ha]	Share of Agriculture in GDP [%]	Total Number of Coops	Total Coop Members [million]	Total Number of Agricoops	Members of Agricoops [million]
1 Bangladesh	141	0.5	22.3	144,159	7.0	82,640	4.8
2 China	1.300	1.5	19.4	800,000	380	35,200	180
3 India	1,070	1.0	16.7	580,000	360	175,928	181
4 Indonesia	280	0.9	14.6	77,295	30.0	9,150	15.9
5 Iran	71.4	4.3	17.1	49,191	9.6	NA	NA
6 Japan	130.1	1.2	13.1	3,900	50.8	800	9.8
07 Malaysia	27.9	1.8	7.2	4,580	4.9	259	0.186
08 Myanmar	48.6	NA	NA	18,187	2.6	9,422	311,066
09 Nepal	26.6	0.7	35.1	8,445	1.8	3,850	1.4
10 Pakistan	149.1	3.8	23.3	61,870	3.4	48,153	1.9
11 Philippines	90.2	2.0	19.1	65,210	29.8	18,283	13.7
12 Korea	46.7	1.0	4.0	7,669	17.1	NA	NA
13 Sri lanka	21.1	1.2	17.3	12,518	6.9	433	1.3
14 Thailand	68.2	2.9	11.1	6,900	8.9	4,759	5.9
15 Philippines	85.2	0.7	21.3	17,235	13.1	10,920	7.1

Source: Prakash 2009.

Some of the major functions of agricultural cooperatives in the Asian region are as follows:

- Procurement and supply of inputs e.g., seed, fertilizer, pesticides, implements;
- Assistance in production;
- Marketing of farm produce;
- Major input suppliers;
- Procurement agents for government and others for national food stocks;
- Arranging credit for members;
- Extension and advisory services;
- Providing custom hire services for farm and processing machines;
- Value-addition to farm produce.

Sustainable Agriculture

An integrated system of plant and animal production practices having a site-specific application that will, over the long term:

- satisfy human food and fiber needs;
- enhance environmental quality and the natural resource base upon which the agricultural economy depends;
- make the most efficient use of nonrenewable resources and on-farm resources;
- Integrate natural biological cycles;
- sustain the economic viability of farm operations; and,
- enhance the quality of life for farmers and society as a whole

Source: U.S Department of Agriculture 1990 Farm Bill

Sustainable Agriculture

Production methods, systems and approaches of SA that aims to meet the goals of profitability, stewardship, and quality of life:

- Organic farming
- Green agriculture
- Conservation farming
- Natural farming
- Ecological farming
- Low External Input SA (LEISA)

Source: Maghirang, R.G et al., *How Sustainable is Organic Agriculture in the Philippines,* Plenary Session 4

The Case of Full of Grace Organic Agriculture Producers and *Kooperatibang Likas ng Nueva Ecija* (KOOL-NE)

Full of Grace Organic Agriculture Producers

- Organized by Gratia Plena Social Action Center (SAC-GP) in 1996 under the Diocese of San Jose, NE
- Members are from different farmers' cooperatives and People's Organizations (PO) in Nueva Ecija
- To date, there are more or less 40 farmer-cooperators of organic rice
- Developed an Internal Guarantee System and Quality Control Measures to assure organic integrity

Full of Grace Organic Agriculture Producers

- Manufactured organic products: EM Solex, Bio-organic fertilizer, Plantex liquid fertilizer
- Has now ventured in trading other processed organic products aside from rice (i.e. muscovado sugar, purees, condiments, tablea, organic fertilizer and botanical sprays, etc.)

Full of Grace Organic Agriculture Producers

Business Development Services Offered:

TRAININGS
- Organic palay production
- Bio-organic fertilizer and pesticide production
- Philippine National Standards on Organic Agriculture (PNSOA) and Good Agricultural Practices (GAP); and, bio-intensive gardening (BIG)

FINANCING
- Inputs loan (fertilizer and seeds)
- Cash loan at 3%/month-interest payable after harvest season
- Discounted fee on mechanical palay drying service

VALUES FORMATION
- Discussion on the environmental and health benefits of organic agriculture
- Extension service and encouragement to Indigenous People (IPs) to perform organic farming instead of *kaingin system*

MARKETING
- Buys all marketable surplus of the organic rice farmer-cooperators at PhP19/kg for white rice-palay; PhP25/kg for red rice-palay; and, PhP28/kg for black rice-palay (as of 2011)
- Performs the remaining marketing activities such as drying, milling, packaging and delivery
- Milled rice outlet: Metro Manila and provincial supermarkets and retail outlets; and, walk-in buyers

Kooperatibang Likas ng Nueva Ecija (KOOL-NE)

- A joint venture organized by the Philippine Rural Reconstruction Movement (PRRM) and KALIKASAN-NE in 2002
- A social enterprise aiming to support sustainable production & marketing of rice
- Members are from different farmers' cooperatives and People's Organizations (PO) in Nueva Ecija
- To date, there are more or less 130 members from which 26 are farmer-cooperators for organic rice production

Kooperatibang Likas ng Nueva Ecija (KOOL-NE)

Business Development Services Offered:

TRAININGS
- Organic palay production
- Guidelines on using organic fertilizer and bio-organic pesticides
- Good Agricultural Practices (GAP) on organic rice production

FINANCING
- Inputs loan (fertilizer and seeds)
- Cash loan at 4%/month-interest payable after harvest season

MARKETING
- Buys all marketable surplus of the organic rice farmer-cooperators at a price relatively higher than conventional rice (prevailing market price plus one to two-peso premium)
- Performs the remaining marketing activities such as drying, milling, packaging and delivery
- Milled rice outlet: Metro Manila organic products distributors and supermarkets

Figure 1. Organic rice value chain model of Full of Grace Organic Agriculture Producers (Gratia Plena), Nueva Ecija, Region III, Philippines, 2012

Figure 2. Organic rice value chain model of *Kooperatibang Likas ng Nueva Ecija* (KOOL-NE), Nueva Ecija, Region III, Philippines, 2012

Conclusion

- With these two cases, it had been shown that it is possible for cooperatives to go into agricultural production with no chemical fertilizers, preservatives, nor pesticides yet they earn from their economic endeavor and protect mother nature at the same time.