



Fair Trade and the Role of Small Farmers and ARBs on Food Sovereignty in the Philippines

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ABSTRACT. In light of global economic uncertainties, food shortages in many parts of the world, and climate change that greatly affects global agricultural production, how can small farmers and agrarian reform beneficiaries (ARBs), a large majority of which own one or less than one hectare of land, be truly the champions of food sovereignty and ultimately become the frontrunners of the new agricultural revolution in the Philippines? The answer would lie somehow on how small farmers and ARBs will be motivated to produce and how the government and the private sector will contribute effectively in arresting the decline of agricultural productivity. This paper explores how small farmers and ARBs must take the lead in agricultural development for the country to achieve food sovereignty and win in globalization.

KEYWORDS. agriculture · agrarian reform · small farmers · globalization · trade

INTRODUCTION: REEXAMINING PHILIPPINE AGRICULTURE

Agriculture, which absorbs a third of the total labor force,¹ is considered the most sociopolitically sensitive sector in the Philippines. It is the subject of prominent peasant struggles in the past—for example, the Philippine Revolution of 1896, the Sakdalista movement of the 1930s, the peasant-based Huk rebellion of the 1950s, and the Mendiola uprising in the 1980s (DAR 2006). The sector where greater poverty exists, agriculture is the major source of livelihood for almost two-thirds of the country's rural poor.

Agriculture is also central to the national economy. First, it provides food and vital raw materials. Second, it is a significant market for farm inputs, as well as consumer goods and services produced by the industry and services sectors of the economy. And third, it is a job generator in the countryside (Habito and Briones 2005).

In May 2008, the twin rice and food crises jolted the nation to the reality that all is not well with the Philippine agriculture sector, which

is unable to meet the food and other requirements of the country. Once again, the inherent sensitiveness and/or vulnerabilities of this sector have been exposed. The entire policymaking bureaucracy of the country was grappling for solutions because the crisis had raised doubts about the sustainability of agricultural development and consistency and appropriateness of its policies and programs.

Philippine farming is characterized by declining productivity since the 1980s. Farms are disappearing in most parts of Central Luzon, Southern Luzon, and Mindanao, and some portions of the Visayas because of rapid urbanization. These productive lands are now converted into subdivisions and commercial areas. Investments in agriculture since the structural adjustment programs of the 1980s have also been weak. Even the World Bank in 2007 observed this decline in public-expenditure support for agricultural development. There are also factors such as scarcity of credit windows for farmers, underdeveloped irrigation systems, agricultural deregulation and liberalization, smuggling, and the incomplete and slow-moving Comprehensive Agrarian Reform Program (CARP) implementation. These contributed, in one way or the other, to the decline of agricultural productivity in the country.

But the Philippine experience is not unique, as it is also experienced by other developing countries around the world due to the implementation of agricultural deregulation and liberalization. Perhaps this is the reason why the World Bank released its World Development Report (WDR) 2008, speaking once again of the needed trade, market, land, and rural development reforms to address the gaping development deficits in agriculture. This is timely and relevant because the World Bank now speaks of capacity building and small farmers' importance in addressing these reforms, very much unlike its plantation-type economies-of-scale arguments before. Meaning to say, institutions like the World Bank are slowly reexamining its views and policies on agriculture. The Philippines should do the same.

ACHIEVING FOOD SELF-SUFFICIENCY AS A COMPONENT OF FOOD SOVEREIGNTY

In light of global economic uncertainties, food shortages in many parts of the world, and climate change that greatly affects global agricultural production, how can small farmers and agrarian reform beneficiaries (ARBs), a large majority of which own one or less than one hectare of

Table 1. Rice imports (in tons)

Disport/ Year	Manila	Subic	Batangas	Cebu	Other Ports ^b	Total
2010 ^a	616,095	232,116	161,315	220,814	898,076	2,128,416
2009	490,300	195,150	84,150	206,650	598,750	1,575,000
2008	616,686	346,423	187,053	307,250	883,915	2,341,326
2007	433,865	253,150	135,447	224,658	743,149	1,790,269
2006	544,348	180,785	94,810	175,964	631,793	1,627,700
2005	667,755	177,535	78,838	244,897	584,591	1,753,616
2004	242,556	90,627	22,650	109,600	400,725	866,158

^aActual import arrival as of August 4, 2010.

^bOther ports include the combined arrivals in La Union, Mariveles, Tabaco, Iloilo, Bacolod, Zamboanga, Cagayan de Oro, Surigao, Davao, and General Santos City

land, be truly the champions of food sovereignty and ultimately become the frontrunners of the new agricultural revolution in the Philippines?

The answer would lie somehow on how the country's small farmers and ARBs will be motivated to produce and how the government and the private sector will contribute effectively in arresting the decline of agricultural productivity. In other words, do the farmers have the right attitude? Are they fully equipped with the right technology, the right knowledge, and the right policy environment? If they do, they can greatly help the country become more productive and lead it closer to food self-sufficiency.

In today's highly volatile and unpredictable world, the Fair Trade Alliance agrees with farmers in strongly believing that the Philippines cannot continuously rely on imports and that it should start developing strategies on how it can grow its own food sufficiently. If its production is sufficient, it can survive the vagaries of global volatilities and food-supply shocks. It is unfortunate, however, that the Philippines is now the world's biggest importer of rice, from having been a net exporter in the 1970s and 1980s. The National Food Authority (NFA) data show (see table 1) how the country has become dependent on rice importation over the years to the detriment of countryside production. Now, is this how to motivate farmers to plant?

The Philippines has become dependent on importation because some policymakers and economists have a misplaced notion of what food security means. They seem to dislike the idea of food self-

sufficiency or food sovereignty for that matter. For them, if a nation has the resources to purchase food anywhere, then that country is food secure. But Fair Trade Alliance does not subscribe to this narrow and lazy view of food security. Consider this: what would happen to the Philippines if rice production in Vietnam or Thailand suddenly declined and the country, consequently, could no longer export rice? It could fare much worse than it did two years ago during the food and rice crises.

And yet, the capacity to grow one's own food is also not enough. Small farmers and ARBs should also have enough lands to grow the people's food requirements. This cannot be done if prime agricultural lands in different parts of the country are being converted for non-agricultural purposes such as real estate development. The biofuel craze in the Philippines is compromising food sovereignty because lands that should be devoted to rice and corn production are being utilized for biofuel production. Moreover, in light of the strong opposition of the farmers, the civil society, and, at one time, the UN Rapporteur for Food, who claimed that biofuel production is a crime to humanity, the biofuel craze should be suspended, pending thorough scientific review. With a scarcity of land, there must be a moratorium on land conversion until there is a clear and strict implementation of a national land-use plan.² This plan should be able to identify the specific areas—by municipality or province—where to concentrate production of staple crops (such as rice, corn, sugar, and vegetables) and where to plant export commodities (such as banana, mango, and pineapple) so that there will be no confusion nationwide.

Food sovereignty also means sustainable agriculture. Small farmers and ARBs must now start practicing sustainable agriculture. Too much chemicals in the soil will make farming unsustainable in the long run, and with climate change impacting on the chains of production, farmers will be much worse off. According to the Rice Watch and Action Network, all of the programs that were implemented (Masagana 99, Rice Production Enhancement Program, Grains Production Enhancement Program, and the Ginuntuang Masaganang Ani) encouraged the use of synthetic farm inputs and high-yielding varieties. This technology of rice production that has been propagated for almost four decades has significantly contributed to the degradation of the soil's fertility and the erosion of the almost three thousand indigenous varieties before.³ Since these were mostly based on nitrogen, phosphorus, and potassium (NPK), the soils' other micronutrients

were soon depleted and acidification increased. The accompanying chemical pesticides as a means of pest control eventually spawned pesticide-resistant insects.⁴ It is time then that we consider the appropriateness and opportunities of going organic.

ROLE OF SMALL FARMERS AND ARBs IN AGRICULTURAL REVOLUTION

As stated earlier, the country can get closer to achieving food sovereignty if farmers are motivated to produce. Farmers are also expected to become active in leading the renewal and transformation of Philippine agriculture (Ofreneo, Ramos, and Serrano 2008). In the meantime, here are some of the success stories of small farmers and agrarian reform beneficiaries,⁵ and how they managed to succeed despite the huge handicaps in agriculture. Some useful insights can be drawn from their experiences, particularly on the exact roles they should play in achieving the twin objective of food sovereignty and agricultural transformation.

1. *Promoters of organic farming as the key to sustainable agriculture.* A lot of farmers and farmers' cooperatives are now into organic farming and now marketing organically grown rice. The Kalipunan ng mga Magsasaka ng Likas-kayang Sakahan-Nueva Ecija⁶ is a farmers' organization in Nueva Ecija advocating organic farming as a way of slowly turning away from chemical dependency, the price of which is getting higher and higher, fetching as high as PHP 1,500 per sack. The benefits of organic farming are paying off. Aside from reviving the soil's fertilization, it increased farm yield and decreased the cost of farming, thus increasing the farmers' income.
2. *Organizers of cooperatives and profitable enterprises.* While bringing more investments in the rural areas is crucial, it is the motivation of these women entrepreneurs to expand their incomes by organizing themselves and coming up with a profitable business venture which is key to reviving rural productivity. A group of thirty-six women farmers in Nueva Ecija, located in an agrarian reform community, has now a profitable dairy cooperative-enterprise.⁷ Helped by the Philippine

Carabao Center through its credit facility, it was able to acquire a seed capital of twenty-five carabaos, with which to start a business. Giving the women entrepreneurs the proper training, technology, and the market for their dairy produce, each woman-farmer of the cooperative now earns at the minimum PHP 11,000 per month (2008) or as high as PHP 18,000 every fifteen days (*kinsenas*).

3. *Developers of Small Sister–Big Brother Business Partnerships.* Amadeo is a small rural town in Cavite known for its coffee industry. Actually, it is the coffee capital of the Philippines. When the industry almost collapsed in the 1990s due to increased importation and depressed international market prices, the local government of Amadeo, with the prodding of coffee farmers, invited Figaro Coffee, Nestle, and others companies to their Adopt-a-Farm Program. This program is now the cornerstone of the booming coffee industry in Cavite. The objective of this program is for the corporations to “adopt” a farm (and its farmers), invest in it, and give technology and training to the farmers. During the harvest season, the corporations provide a fair share of the produce at market value. In the case of the Figaro Coffee, through its investment in the rural Amadeo, it was able to create three to four jobs per hectare. Incidentally, this is also a good model of a private corporation willing to contribute to the economic development of a rural area by believing that it can make a greater economic difference by investing in the countryside.

In other words, for the country to achieve food sovereignty and win against globalization, small farmers and ARBs must take the lead in agricultural development. This should be their new strategic role in Philippine economy. Agricultural development fails precisely because of the national leadership’s failure to mobilize small farmers and ARBs into taking a leadership role in agricultural revolution. In the case of ARBs, they are often treated as “objects” of social justice and “beneficiaries” of support, but overlooked at the same time as potential leaders in agricultural production, value-adding processing, and domestic

and global marketing. Of course, a small farmer/ARB-led agricultural transformation would not be possible if the right framework of national development and support is not there. That framework should be equitable, inclusive, and progressive. It requires

- recognizing the collective productive strength and skills of small farmers and ARBs;
- giving them a fair chance to compete on both the domestic and global markets;
- carrying out linking or partnership programs between farmer cooperatives and corporations to facilitate rural investment and increase rural productivity;
- emphasizing sustainable agriculture as a profitable business, especially in this challenging environment of climate change; and
- providing for just and humane working conditions for all people engaged in agricultural production.

Now is the time to turn our farmers and ARBs into active and successful agribusiness entrepreneurs. Such perspective will be in the best interest of the Philippines toward a more balanced, value-adding, and pro-Filipino development in this era of economic and food uncertainties and global competition. ❁

NOTES

1. According to the Bureau of Agricultural Statistics there are 11.82 million Filipinos employed in agriculture in 2006.
2. The national land-use bill has been pending in Congress since 1988.
3. This is specifically quoted from the case study done by Shubert Ciencia of the Philippine Rural Reconstruction Movement on the farming methods in Nueva Ecija.
4. Ibid.
5. Culled from the research undertaken by Ofreneo, Ramos, and Serrano (2008) on National Roadmapping for Rural Philippines
6. KALIKASAN-NE is one of the organizations heavily involved in the development and organization of farmers in Nueva Ecija for the past fifteen years. Formed in 1993, the organization advocates the promotion of sustainable agriculture as an alternative way of increasing farm productivity. To the farmers that they were able to organize, they provide farm-support services, which should have been otherwise provided by the government. They offer training on sustainable agriculture, crop production loan, trading, and marketing.

7. The Angat Buhay Cooperative is a dairy cooperative organized on January 10, 2001, with fifteen women/housewives as initial members. Its membership grew to twenty-five in September 2001. Based in Barangay Calabalabaan, Nueva Ecija, the idea of forming a cooperative was pushed by the extreme poverty being experienced by their families, whose income only comes from either rice or onion planting. Since their husbands' incomes from farming were not enough to make both ends meet for their families, the women/housewives thought of looking for alternative sources of income. On average, a housewife-entrepreneur who manages between two and four carabaos is earning at least PHP 11,250 monthly.

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