



WORKSHOP REPORT

LINKING SMALL PRODUCERS TO MODERN MARKETS: POLICY AND INSTITUTIONAL MAPPING WORKSHOP

May 23-25, 2007

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This report records views and opinions shared at the workshop. These may not necessarily reflect the views of the sponsors, the Government of the Republic of the Philippines or those of the Regoverning Markets Programme as a whole.

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I. Background

Increasing urban population and the demand for safe and healthy food have caused changes in the way food are produced, handled and sold. The agri-food systems have changed rapidly paving an increasing role for food processors, fast food outlets, restaurants and modern retail outlets. With these changes, the rules of the game have also changed. Quality standards have become stricter and pressures on improving efficiency in supply chain are mounting as competition becomes stiffer. While increasing demand opens opportunities, small scale producers are increasingly challenged to meet requirements in terms of volume and quality standards and the financial prerequisites to meet these.

The Philippines is also experiencing the global trend where supermarkets are getting a bigger share of the retail base. Over the years, the number of supermarkets has increased in the urban areas servicing the needs of consumers.

A policy and institutional mapping toolkit was developed to provide a framework and a set of supportive tools that enable understanding of policies and institutions affecting access of small farmers to modern markets. The approach has been applied and refined with the conduct of policy and institutional mapping workshops in Turkey, Indonesia, Indonesia, South Africa and Morocco. Outputs from the applications contributed significantly to subsequent high level national medium term planning meeting in these countries. The processes undertaken also showed potential to develop new alliances, enhance the research work of the Regoverning Markets Program and gain insights into formal and informal institutions not captured in other processes.

In the Philippines, the policy and institutional mapping workshop invited participants from various groups- supermarkets, fastfood outlets, food processors, consolidators, small scale vegetable and mango producers, government, non-government organizations and academe. Challenges in linking small scale producers in modern markets were discussed in the hope of identifying entry points to meet these challenges.

II. Objectives

Consistent with the main objectives of the Regoverning Markets Program, the workshop aimed at identifying the issues, challenges and opportunities that affect participation of small scale producers in modern markets. Specifically, the objectives of the workshop are the following:

1. Identify policies and institutions that affect the role of private sector (modern markets) to take part in supporting the inclusion of small-scale farmers in modern markets.
2. Identify key trends and drivers affecting fresh high value commodity procurement for the modern market in the next 10 years
3. Identify strategies, programs, policies and institutions that increase the chance of small farmers to participate in modern markets.
4. Discuss opportunities, threats and issues that affect small-scale producers linkage to the modern market
5. Increase awareness of stakeholders in the vegetable industry on issues affecting small scale producers participation in modern markets and provide a venue for dialogue and discussion with the public sector to contribute to wider policy discussions at the local and national levels
6. Use issues, challenges and opportunities identified as inputs to the agenda/work program of the reference group and inputs to Phase 2 of the collaborative project between the International Federation of Agricultural Producers (IFAP), Federation of Free Farmers in the Philippines and Regoverning Markets Program

III. Workshop Preparation

A number of factors were considered in designing the program of the workshop. It was envisioned that the discussions on issues affecting small scale producer access to modern markets should be sustained after the workshop. Thus, it was important to scan the gaps and opportunities to maximize contribution of the project in this area. The key is to link this with a reference group which is a multistakeholder group that would help champion issues that come out of the workshop. In fact as stated in objective 6, the outputs of the workshop also serve as inputs to the policy agenda of the reference group as well as to Phase 2 of the IFAP-FFF-Regov project. Scanning included a review of the policy consultations conducted under Phase 1 of IFAP-FFF-Regov with the vegetable industry to avoid duplications and pursue areas that need further follow-up. Membership of the reference group organized under Phase 1 of the IFAP-FFF-Regov project was also reviewed and was expanded to include representatives from the retailer group and the department of trade and industry which is in charge of processed food products. It was also necessary to consider the researches done under regoverning markets in the Philippines and the gaps or opportunities to contribute in policy discussions. There are three industries covered in the Regov research in the Philippines – vegetables, mango and organic rice. The first two have been done and the one on rice is currently being finalized. Given these factors to consider, it was decided to focus on vegetables and mango in the workshop.

The capacity building on policy and institutional mapping which was held last May 2-4, 2007 provided opportunity for the facilitators in the workshop to understand principles in handling multistakeholder processes and the tools that can help facilitate these processes and at the same time get a better idea of the work of the regoverning markets program. This provided an opportunity to invite participants from the Philippines who would be partners in the policy and learning platforms of Regov. Thus, some members of the reference group were invited to attend the training and eventually became facilitators or resource persons in the workshop (Appendix 1). Through the workshop, the reference group was exposed in facilitating a multistakeholder process, gained a deeper understanding and appreciation of the issues involved in linking small scale producers in dynamic markets and reinforced learning from the training. This sets the ground towards stronger partnership and greater involvement after the workshop.

The workshop program was initially given to the reference group members as well as to Dr. Bill Vorley and Dr. Felicity Proctor for comments via email. Changes in the program were discussed and finalized by the reference group in two meetings, one in Davao and the other one in Manila which was also attended by Dr. Bill Vorley. These meetings also discussed expectations and concerns of the reference group, clarified objectives and expected outputs of the workshop, the roles of facilitators, plenary moderators and resource persons, options on materials needed in the workshop, list of invited workshop participants and updates on reference group activities. A separate meeting with the documentation team was held in Manila.

Invitations to the modern markets (modern retail, processor and fast food outlets) and producer groups' representatives were coursed through the Agribusiness and Marketing Assistance Service of the Department of Agriculture (DA-AMAS) based in Manila.

The initial plan for the workshop was to hold it in a conference room at the national office of the Department of Agriculture. However, due to unexpected circumstances, the venue was changed to the University Hotel (for May 23 and 24) and at Balay Kalinaw (May 25) at the University of the Philippines, Diliman, Quezon City two days before the actual workshop.

IV. Workshop Program

The program was designed to run for three days. The first two days were allotted for the modern markets and producers meetings while the third day served as a venue for participants in the first two days to converge and present synthesis of their outputs and interact with policy makers. Below is the general overview of the program. Details are shown in Appendix 2.

Modern Markets Meeting

May 23, 2007, Time: 8:00- 4:00

Venue: University Hotel, University of the Philippines Diliman, Quezon City

Participants: Supermarkets, food processors, fast food outlets, wholesalers, government officials, academe, NGO/development agencies

Producers' Meeting

May 24, 2007, Time: 8:00- 4:00

Venue: University Hotel, University of the Philippines Diliman, Quezon City

Participants: vegetable and mango producers and producer organizations and government officials, academe, NGO/development agencies

Multistakeholder and Reference Group Meeting

May 25, 2007, Time: 8:00- 4:00

Venue: University Hotel, University of the Philippines Diliman, Quezon City

Participants: Supermarkets, food processors, fast food outlets, wholesalers, vegetable and mango producers and producer organizations and government officials, academe, NGO/development agencies

V. Modern Markets Workshop

Day 1 (May 23, 2007) of the workshop with modern markets participants started with the invocation and the singing of the national anthem. This was followed by the opening remarks of John Y. Gaisano, Jr, President of JSGaisano Inc. (a large retail group), Director of the Philippine Retailers Association and chair of the board of the Davao Chamber of Commerce and Industry. He highlighted the importance as well as the objectives of the workshop. Participants were introduced by the host/emcee Ms. Engie Santos. A total of 22 participants attended the workshop (See Appendix 3).



An overview of the Regoverning Markets Program-Global was presented by Dr. Bill Vorley, Program Team Leader of the Regoverning Markets Program (Appendix 5) followed by a presentation on Southeast Asia Regov by Larry Digal, Southeast Asia Regional Coordinator of Regov (Appendix 6). The director of the Agribusiness and Marketing Assistance Service of the Department of Agriculture, Mr. Francisco Ramos III also presented some government programs and policies that are relevant to access of small farmers to modern markets (Appendix 7).

After the three speakers, there was an open forum for questions regarding the presentations or clarifications regarding objectives of the workshop. Table 1 outlines the highlights of the open forum.

Table 1. Highlights of Modern Markets Open Forum

Questions	Responses / Reactions/Discussions
How is BFT actually managed? (ie roles of organizations who might want to participate in the program)	<ul style="list-style-type: none"> The Barangay Food Terminal (BFT) project of DA-AMAS constructs facilities that are managed by the barangay¹ through organizations with trading experiences. The concept of the BFT is that it serves as a trading center for local farmers where they can sell their produce and at the same time, serve as a market for the local population.
What is the main problem faced by wholesalers?	<ul style="list-style-type: none"> The prices in Metro Manila remain high while prices in Baguio have gone down because of the increase in the number of 'checkpoints'. The problem with the 'checkpoints' is enforcement. The Department of Interior and Local Governance have issued a memorandum circular that local government units should no longer charge 'pass through' fees. The DA-AMAS is making signage for trucks that have the picture of the President of the Philippines that can indicate that the truck is accredited.
How do we make sure that the small farmers can get the information that can help them negotiate to the buyers?	<ul style="list-style-type: none"> In terms of market information, there are a lot of interesting things happening in terms of information technology that needs to be checked. The idea of a specialized wholesale market like what NorminVeggies does is a very important step. Farmers using the food terminal can have the power of 'future-selling'. The power of negotiation can be provided once the barangay food terminals are in place. This is one thing that is not being done yet by small farmers. A private counterpart can be placed in order to facilitate future-selling.

Workshop 1: Mapping Policies and Institutions

After the forum and coffee break, the first workshop on mapping institutions started with Engr. Merly Cruz, Assistant Secretary² of the Department of Trade and Industry as the facilitator. Engr. Cruz made a brief presentation to clarify concepts/definitions of policy and institution and presented value chain examples in mangoes, banana and vegetables. (Appendix 8).

The question asked to the participants was: "*What are the policies and institutions that affect the role of private sector (modern markets) to take part in supporting the inclusion of small-scale farmers in the supply chain to modern market?*" Identification of these policies and institutions was done per node (production, consolidation, wholesale, etc) in the value chain.

Participants were made to write ideas on cards with markers. After they have written down the ideas, these were posted on the board and the facilitator identified and grouped the similar concepts. Discussions were held to clarify the ideas written on the cards. Workshop output is presented as Figure 1 and the processed output with categories are Figure 2.



¹ Smallest political unit in the Philippines.

² Third highest ranking official of the department

Figure 1. Workshop Output: Policies and Institutions

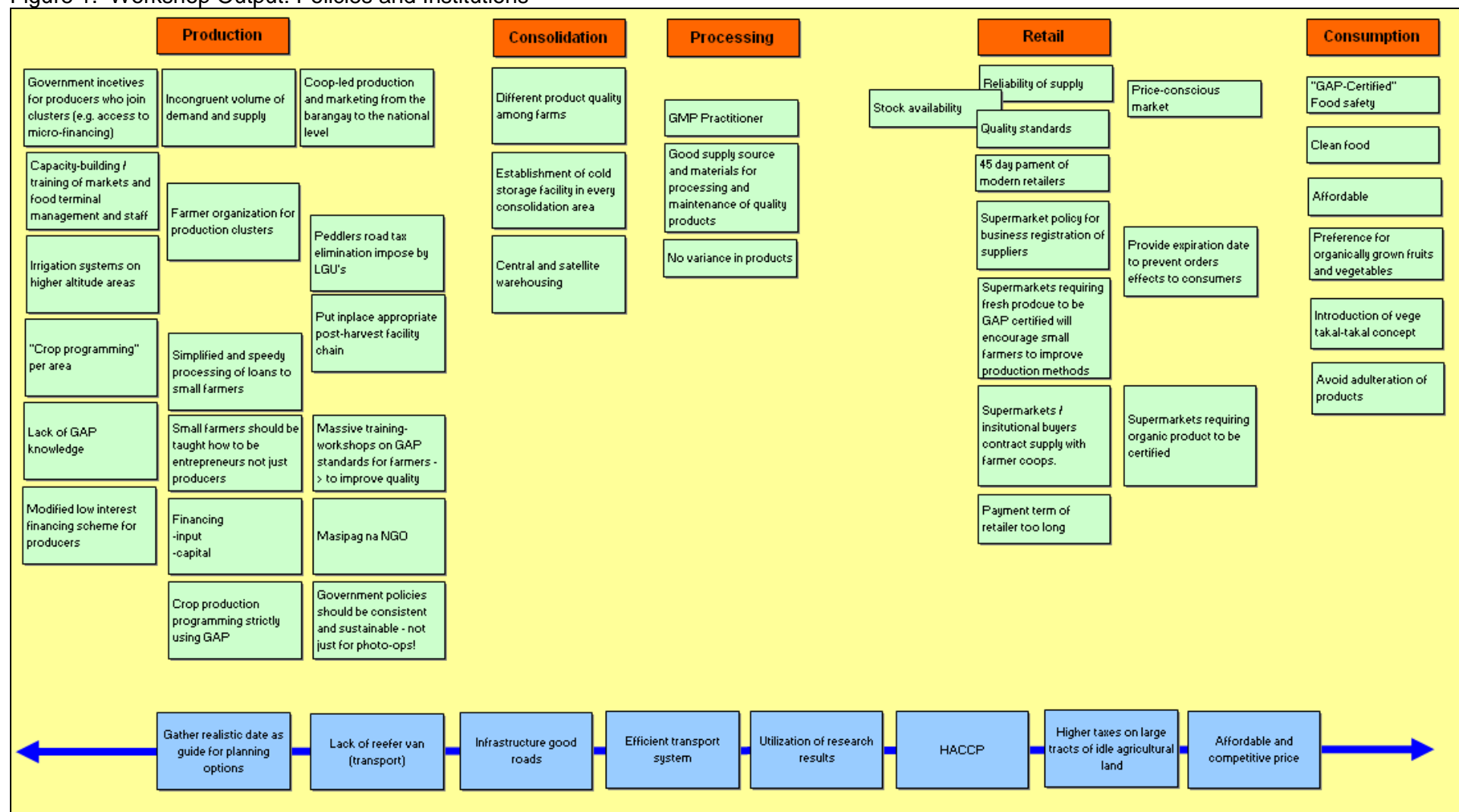
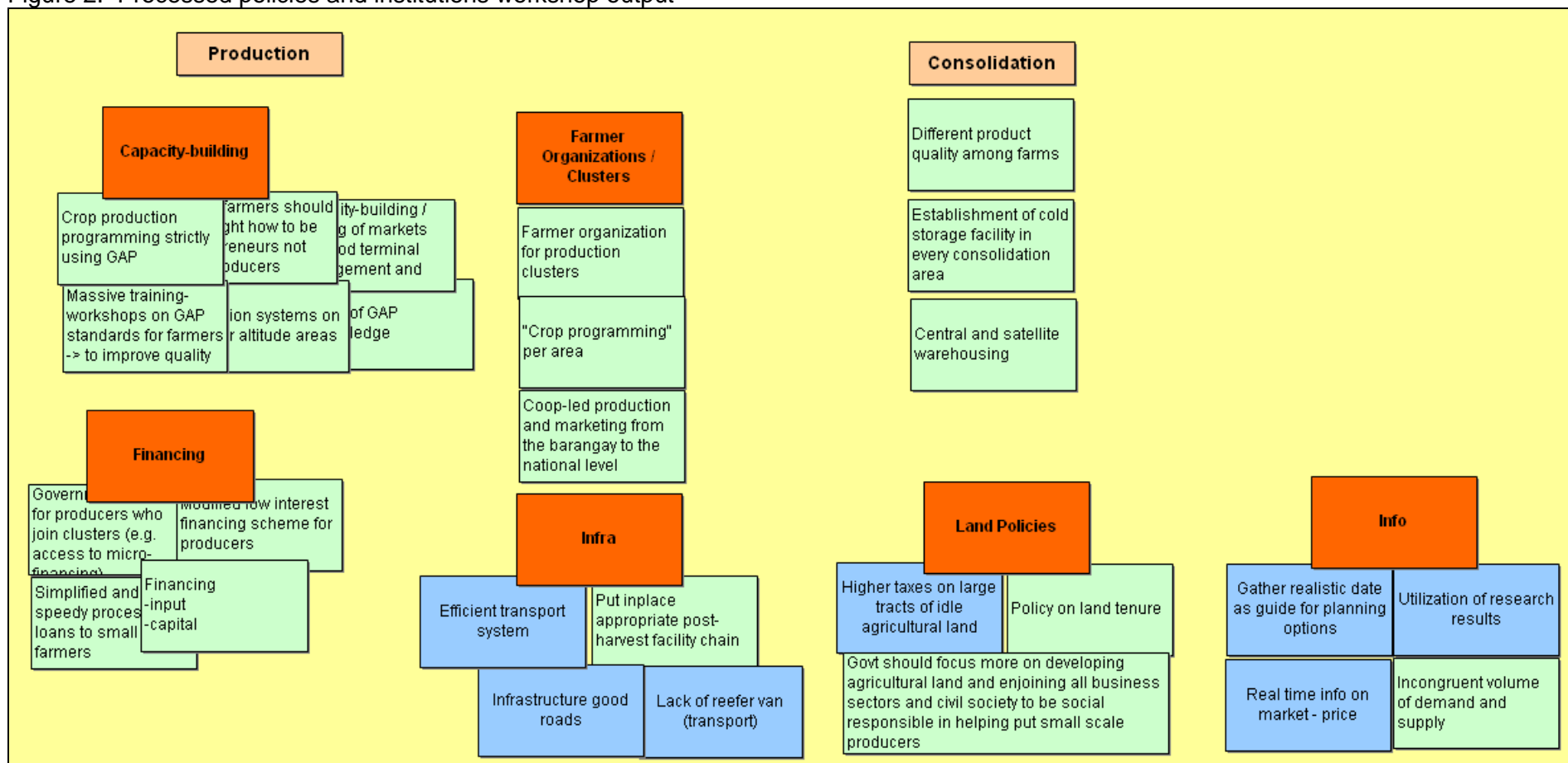


Figure 2. Processed policies and institutions workshop output

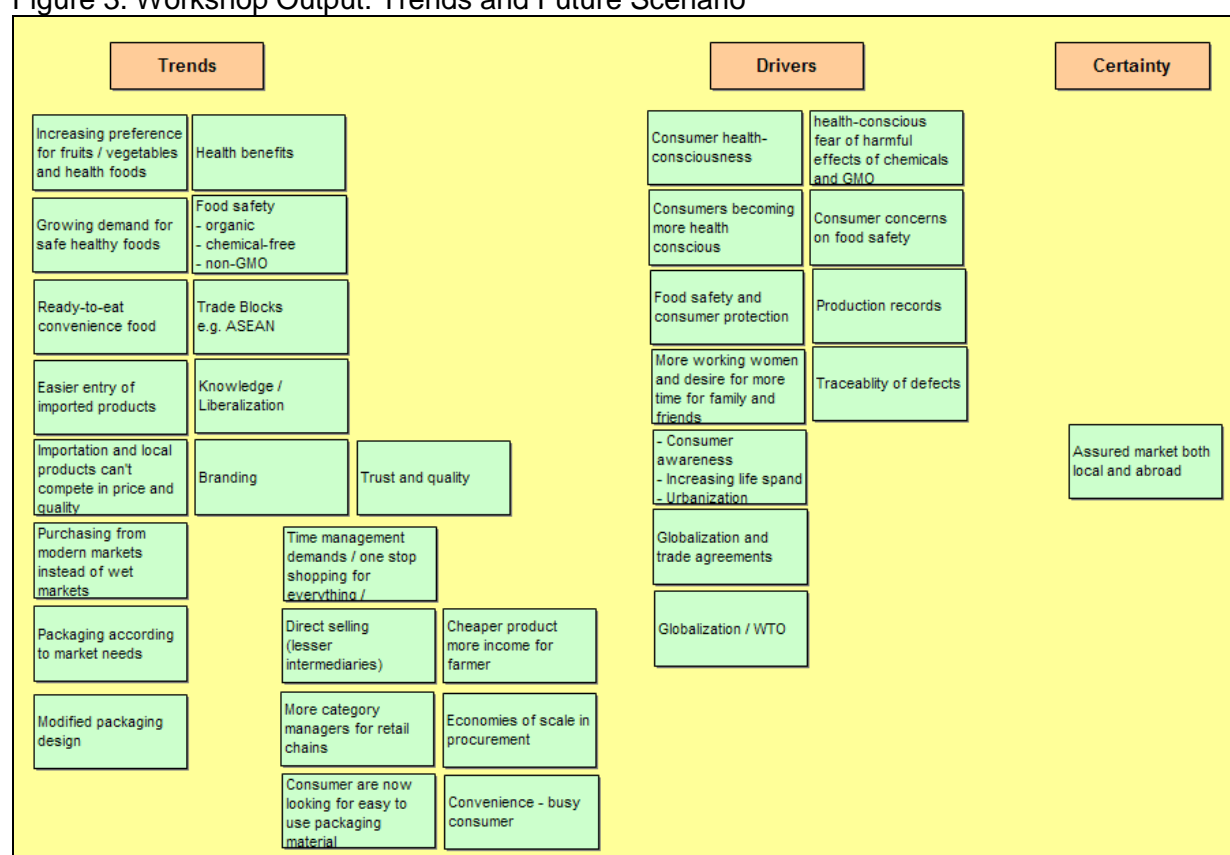


Workshop 2: Mapping Trends and future scenario

The workshop on trends and future scenario was facilitated by Ms. Natalie Macawaris, Business Development Analyst of the International Finance Corporation – World Bank (IFC-WB). This workshop identified the trends in the market that are being felt by the modern markets representatives. The question asked to the participant was: *“What will be the key drivers affecting fresh high value commodity procurement for the modern market in the next 10 years?”*

Scenario thinking is the key concept in the trends and future scenario workshop. Scenario mapping helped the participants visualize the situation of the market given conditions of the key drivers. In the example presented by Ms. Macawaris, she showed how a scenario map can be drawn using the concepts of entrepreneurship and infrastructure. What will the situation be if there were good roads or bad roads, or if small producers have good entrepreneurship skills or lack these skills? The likely outcomes of the combinations of these conditions are drawn onto a map with four quadrants. Please see Appendix 9 for presentation that explained the details of the workshop method. For results of the trends and scenario workshop, please refer to Figure 3.

Figure 3. Workshop Output: Trends and Future Scenario



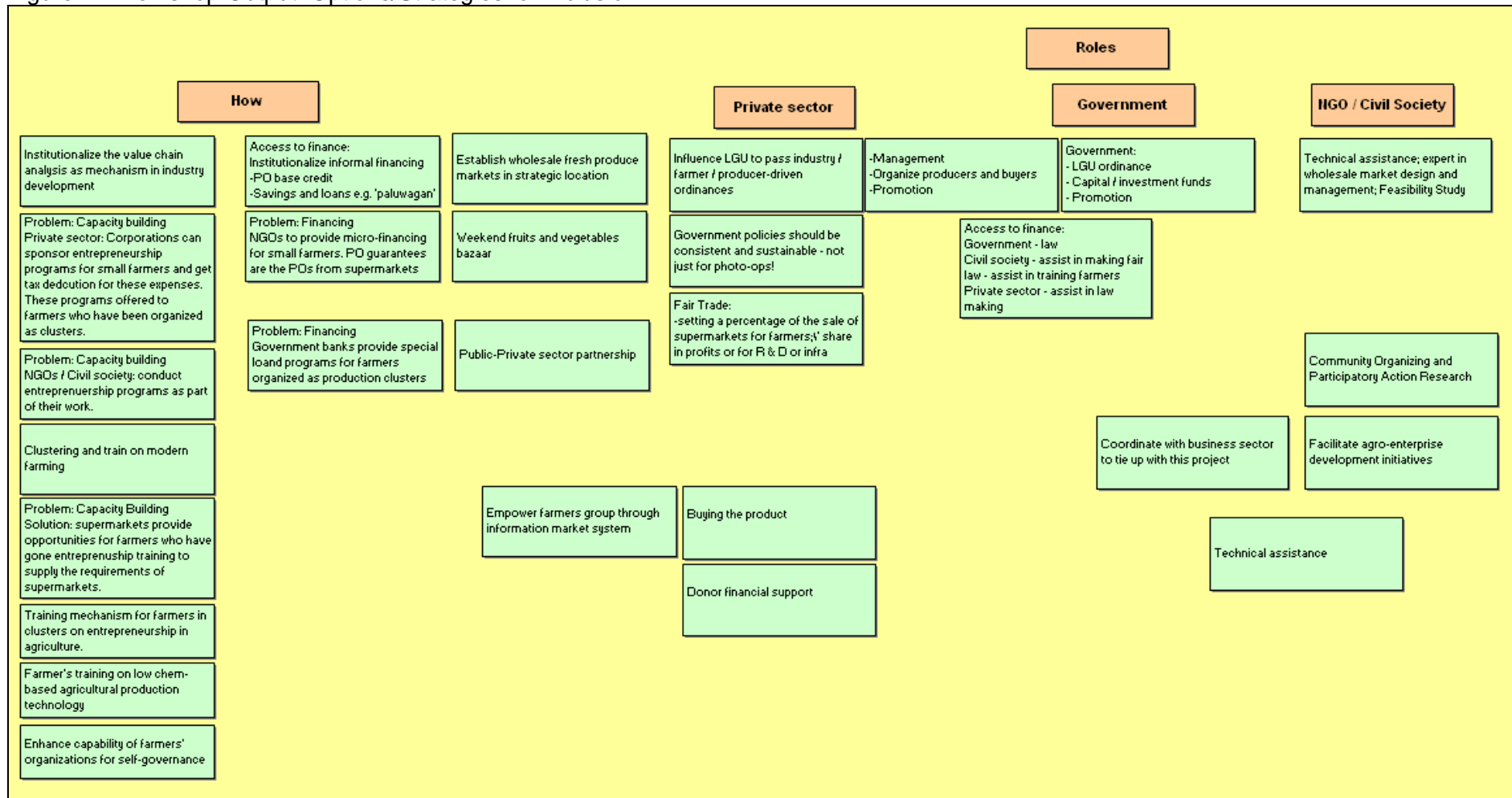
Workshop 3: Options/Strategies for Greater Inclusion

Workshop 3 was supposed to be facilitated by Mr. Rogelio Gualberto, but due to commitments with the 3rd Southern Mindanao Vegetable Congress and the delay in the workshop, he had to leave to be able to catch his flight. Larry Digal took over the facilitation. The outputs of the first two workshops were reviewed as these provide some ideas

particularly on issues, challenges and opportunities that would help in identifying options for greater inclusion of small scale producers in modern markets.

Figure 4 presents the output of the workshop. It should be noted that all the options/strategies identified in the workshop require private-public partnership so it was not necessary to specify the exact roles but instead focused on discussing various options to enhance participation of small scale producers in modern markets.

Figure 4. Workshop Output: Options/Strategies for Inclusion



VI. Producers' Workshop

The producers' workshop was held on the second day of the activity (May 24, 2007) at the University Hotel. Vegetable and mango producers came from Central Luzon, Cordillera Administrative Region (CAR) and Metro Manila. These participants represent the major vegetable and mango producing areas of the country. Total number of participants was sixty nine with twenty (20) vegetable producers and sixteen (16) mango growers. Other participants came from the Department of Agriculture Regional Field Units and Offices of Provincial Agriculturists, development organizations, academe and private organizations (Please see Appendix 4 for details).

Before the workshops were conducted, a presentation of the Regoverning Markets Programme was made by Dr. Bill Vorley. This was followed by a presentation of the Regoverning Markets Programme for Southeast Asia by Dr. Larry Digal. Mr. Francisco Ramos III of DA-AMAS then presented the programs and projects of the Department of Agriculture that are relevant to linking small farmers with markets.



After the presentations, an open forum was conducted in order to answer questions from the participants. The open forum presented an opportunity to clarify the objectives of the workshop, and at the same time, information on the purchasing system of supermarkets through the perspective of producers is also gathered. A summary of the responses and reactions to the question on payments is presented in Table 2.

Table 2. Summary of producer open forum

Question	Response / Reaction
How long does it take before producers are paid after delivery?	<ul style="list-style-type: none">- Depends on the commodity. We have a commodity that we are the only one who has it. If we demand cash, the buyer pays in cash. There are also some who pay within 30 days.- I heard stories that SM pays as long as 8 months.- I don't know of any producer who delivers directly to SM. We usually pass through Dizon Farms or UBM, and they deliver to the SM malls. Maybe there are a lot of requirements why producers don't deliver directly to SM.

After the open forum, participants were asked to form the vegetable and mango groups for the workshops.

Workshop 1: Threats and Opportunities, Issues (Vegetable Group)

Dr. Donato del Castillo and Mr. John Y. Gaisano, Jr. facilitated the vegetable group in identifying the opportunities and then the threats in the vegetable industry. The main question asked was: "Why are only a few small-scale farmers connected to the modern market? List the issues, threats and opportunities that affect participation of small-scale farmers into the modern market supply chain? Figure 5 shows the opportunities identified and Figure 6 shows the identified threats and issues that cause them. Figure 7, shows the forcefield analysis that combine outputs on opportunities, threats and factors/causes that affect inclusion of small scale producers in modern markets.

Figure 5: Vegetable group opportunities identification results

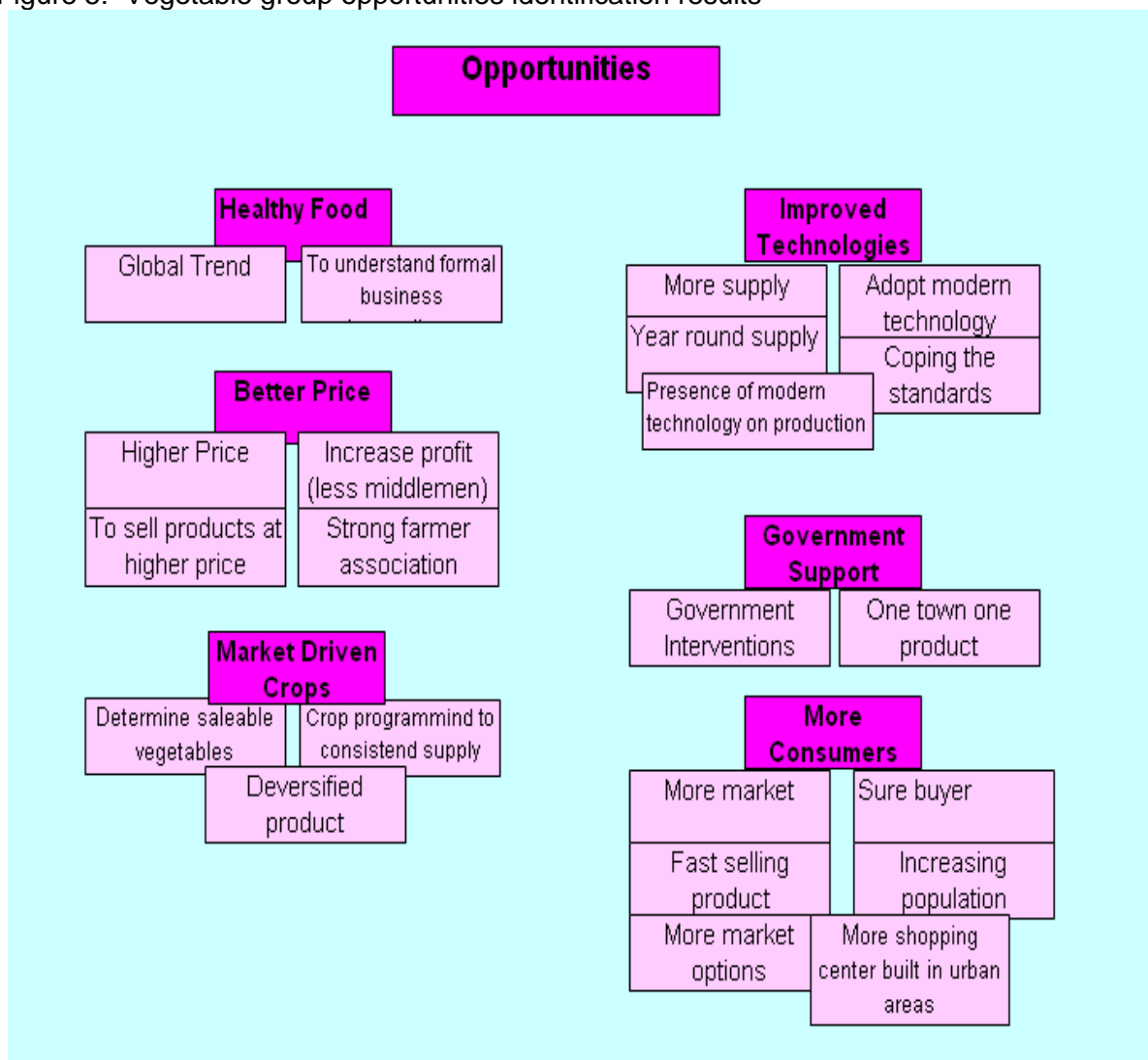
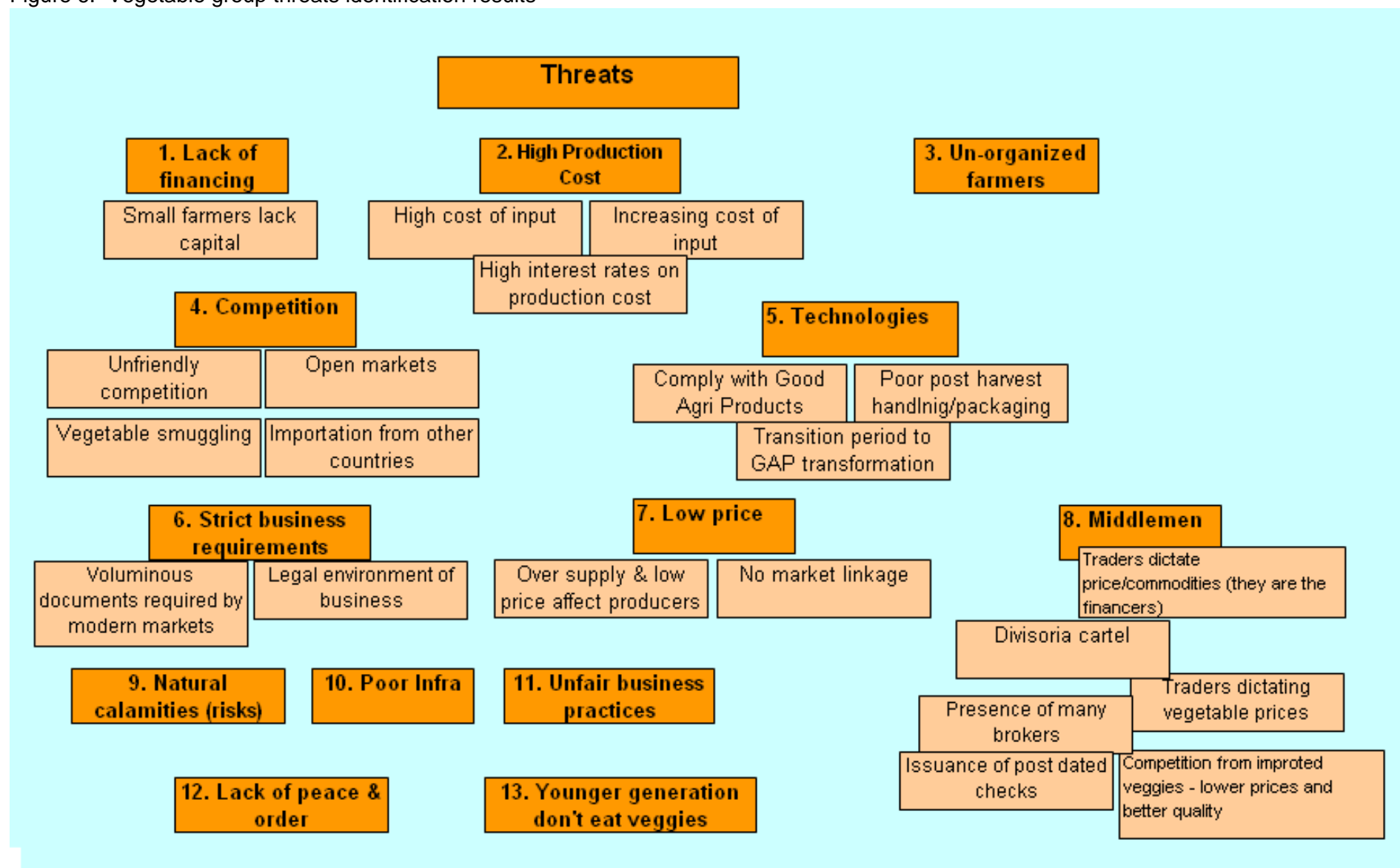


Figure 6: Vegetable group threats identification results

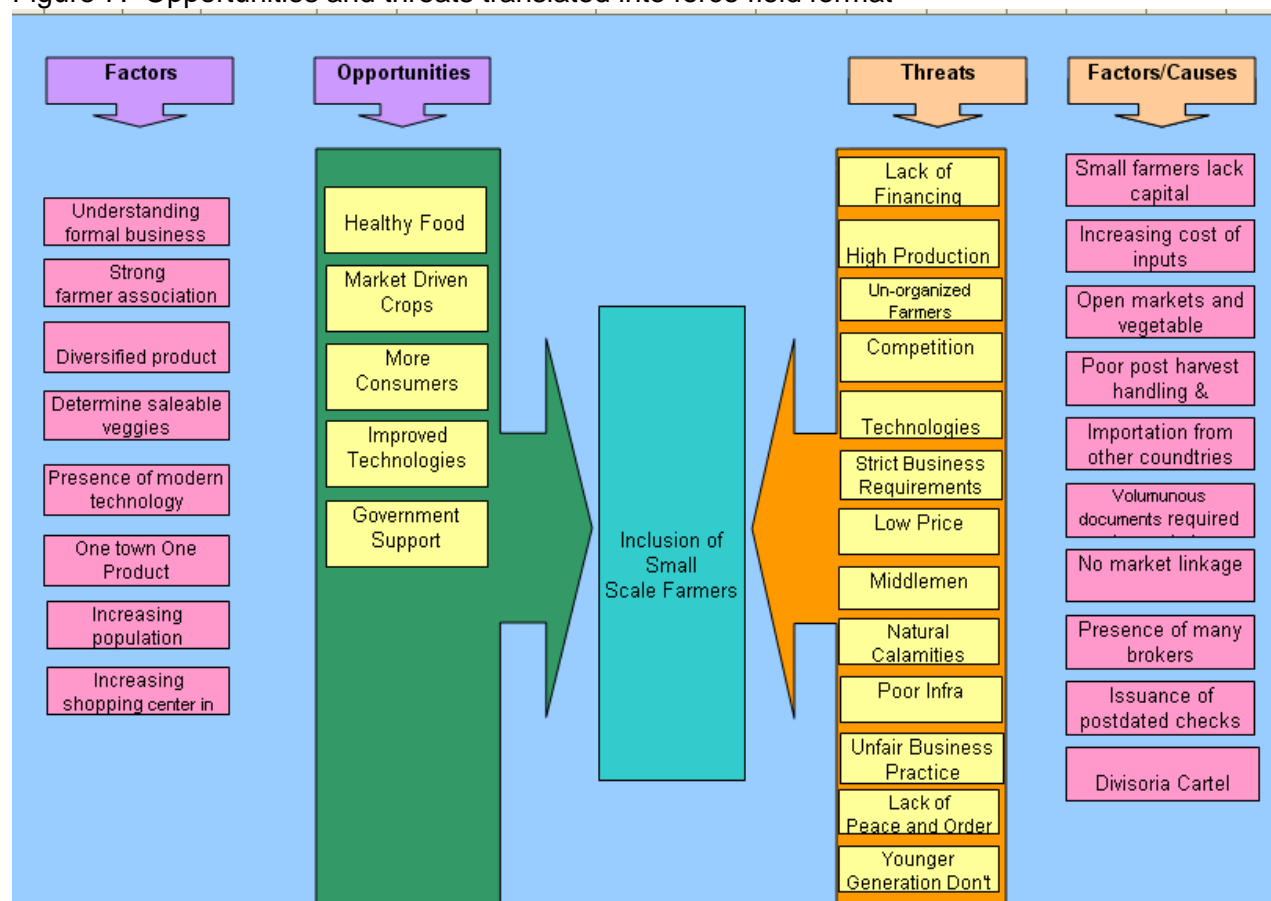


The group had agreed to rank the identified threats. They were asked to identify the 3 major threats and rated 3 points to the first choice, 2 points for the second choice and 1 point for the third choice. The number of votes will be multiplied to the assigned points and sum it all up to get the total score. Table 3 below shows the result of ranking:

Table 3: Ranking of vegetable producer group identified threats

Threats (from Figure 7)	1 st 3points)	2 nd (2points)	3 rd (1 point)	total	Rank
Lack of financing	21	4	1	72	1
High Production cost	2	17	2	42	2
Un-organized farmers	1	X	4	7	
Competition	X	X	2	2	
Technologies	3	1	X	11	6
Strict business requirements	X	X	1	1	
Low price	7	5	2	33	4
Middlemen	9	3	4	37	3
Natural calamities	X	X	4	4	
Poor infra	3	X	3	12	5
Unfair business practices	X	X	X	0	
Lack peace & order	X	X	X	0	
Younger generation don't eat veggies	1	X	X	3	

Figure 7. Opportunities and threats translated into force field format



Workshop 2. Options for Greater Inclusion (Vegetable Group)

Workshop 2 was facilitated by Ms. Jasmin Agbon. The participants were asked the question *“What are the strategies, programs, policies and institutions that increase the chance of small farmers to participate in modern markets?”* To address the concerns in workshop 1, the group had proposed strategies with the roles of the NGO’s/Civil Society, government and private sectors. Table 4 shows the output from the vegetable producer group.

Table 4: Solutions from the vegetable producer group

How	Roles		
	Private	Government	NGO/Civil Society
1. Access to financing <ul style="list-style-type: none"> Financial assistance to farmers Soft loans from the agency concern Government should give subsidy in form of soft loan Lack of financing (using PO as loan guarantees) MOA can avail loan to government like Quedancor Continue training and seminar regarding technology Give subsidy to farmers re: inputs Provide farm machinery 	<ul style="list-style-type: none"> Other trade financing incentives 	<ul style="list-style-type: none"> Lead Program DA-Past approval of ACEF loan 	<ul style="list-style-type: none"> Business Advisory Services Micro financing
2. Production and Packaging technology <ul style="list-style-type: none"> Modernize farming method Improve packaging to minimize losses 	<ul style="list-style-type: none"> R & D 	<ul style="list-style-type: none"> Product Standards Training and Extension 	<ul style="list-style-type: none"> Technology and Diffusion
3. Organized Producers <ul style="list-style-type: none"> Farmers must unite into strong association to reach high end consumers Farmers coop as consolidator Forming a group of producers Cluster production/marketing 	Organizer	Facilitator and monitoring	Facilitator, monitoring, funding, organizing
4. Advocacy <ul style="list-style-type: none"> Teach children vegetable subject in early stage Introduction of MAS (Mgt. Advisory Service) Advertise product through internet High cost of production (minimize use of 	Implementation	<ul style="list-style-type: none"> Info Dissemination Policy formulation 	implementation

How	Roles		
	Private	Government	NGO/Civil Society
chemicals by producing organic veggies			
5. Produce Quality Vegetables <ul style="list-style-type: none"> • Low price (farmer association based production programming) • Compliance to product requirement • Must have produce vegetable with quality • Knowing the demands on vegetable of modern markets 	<ul style="list-style-type: none"> • Quality standards • Invest in technology • Training 	Training	Support in Training
6. Market Matching & Development <ul style="list-style-type: none"> • Form an association of small producers and retailers • Conduct of investment forum • Availability of retailers need and specification with directories and contact person • Organize buyers forum (hotels, restaurants and hypermarkets) • The LGU's should make necessary program regarding modern marketing trend • Assist farmers to conduct business dealings with modern markets from DA 	<ul style="list-style-type: none"> • E-commerce (selling thru internet) • Directory of buyers 	<ul style="list-style-type: none"> • Facilitate market matching • Directory of buyers 	<ul style="list-style-type: none"> • Market Trends and info • Directory of buyers

Mango Group Workshop

The mango producer workshop was facilitated by Dr. Sylvia Concepcion and Atty. Conrado Apuzen. Participants were first asked to identify opportunities, threats and underlying causes. After doing these, solutions are mapped out to enhance participation of small scale producers in modern markets. Figure 8, shows the output of the group while Figure 9 shows the forcefield analysis produced by the group.

Figure 8. Mango Group Workshop Output

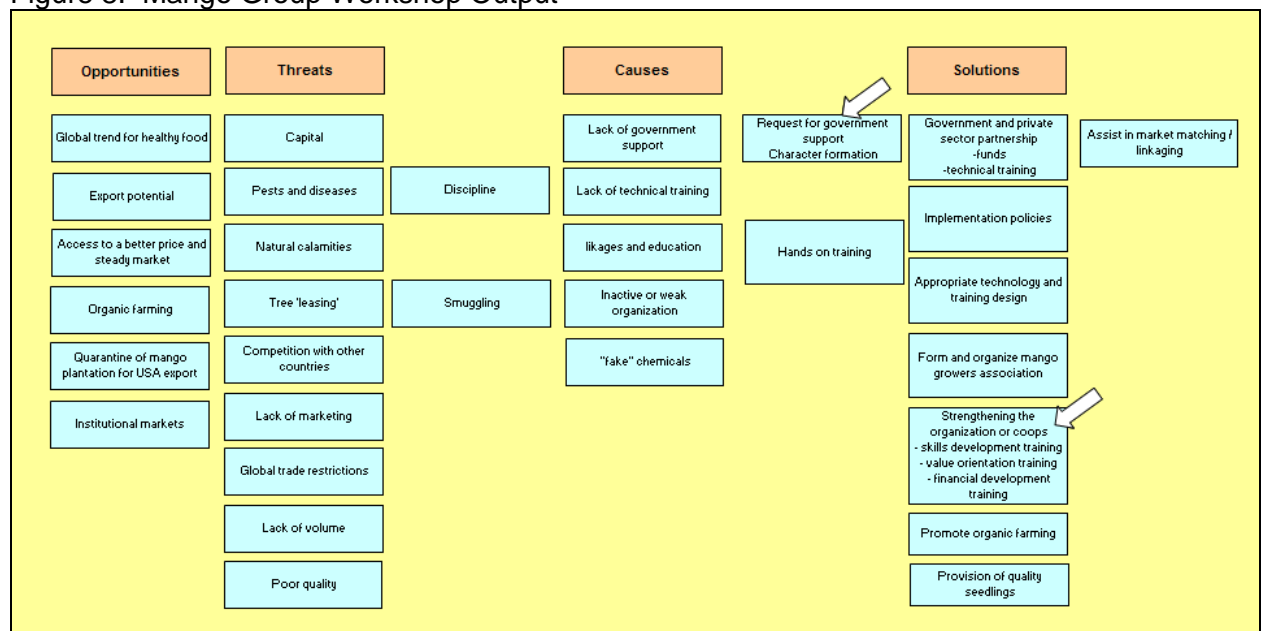
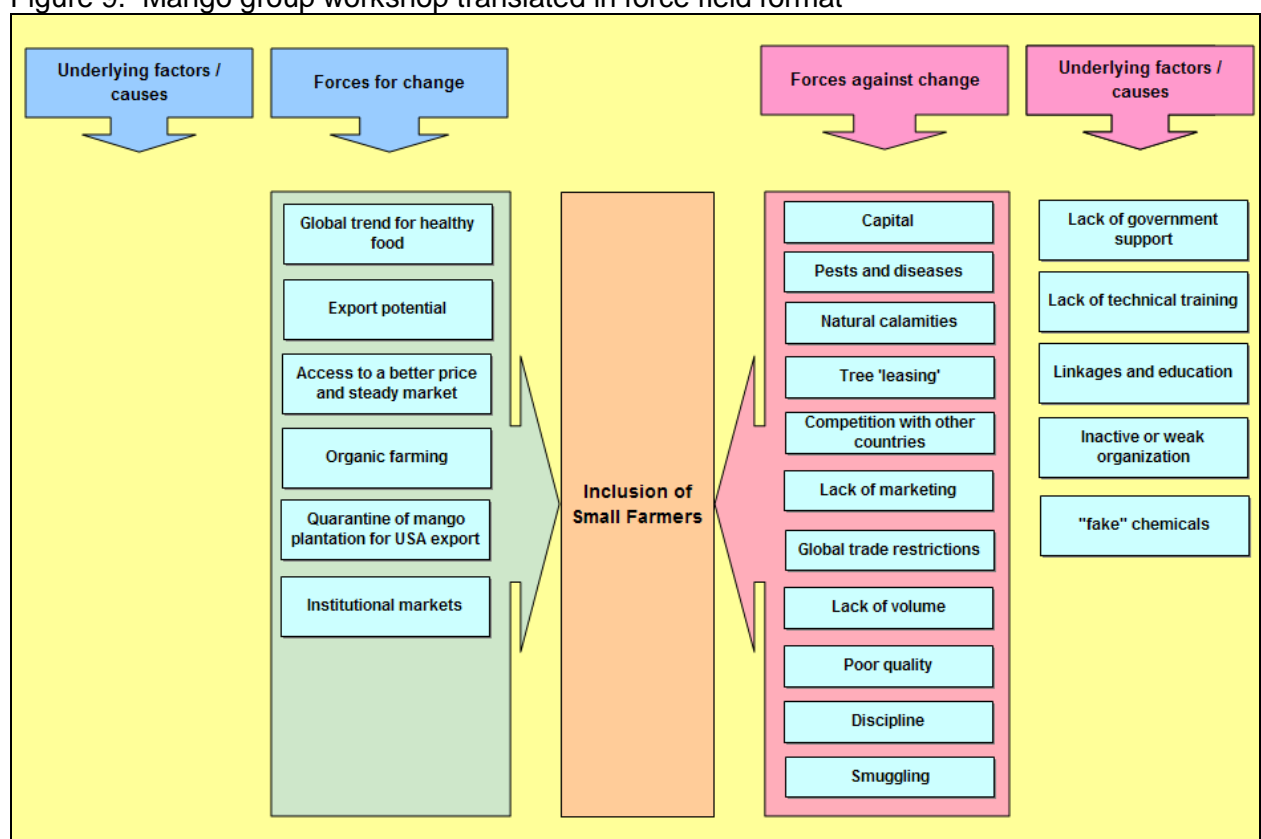


Figure 9. Mango group workshop translated in force field format



One of the highlighted opportunities that were identified by the mango producer group is the presence of an export market that they can tap. However, they also feel that they are facing competition with other countries in their markets. Global trade restrictions also hinder the farmers from sending their fruits to some parts of the globe.

Aside from the export markets, they also recognize the potential of the domestic market for the off-sized fruits. They have mentioned that there is a market potential in the form of restaurants and hotels. They also said that the local price is sometimes higher than the export price.



The group also stated that there are mango farmers who engage in 'tree leasing' wherein the farmer who owns the land and planted the tree will be paid PhP 500.00 per tree per cropping season. In this arrangement, the farmer gives up ownership of the tree which means that all of the fruits harvested will go directly to the lessee. Farmers may find this deal more lucrative than maintaining the trees themselves but there are accompanying disadvantages. The lessee can do anything that they want with the trees including inducing flowering, which as the farmers

have observed, is detrimental to the tree.

VII. Multistakeholder Meeting

The third day (May 25, 2007) is the multistakeholder meeting where producers, participants from the modern markets, government and other sectors converge to discuss the outputs of the first two days – the issues, challenges, opportunities and options/strategies. It was held in Balay Kalinaw at the University of the Philippines, Diliman, Quezon City.



It started with the opening remarks of Francisco Ramos III, Director of the Agribusiness Marketing Assistance Service of the Department of Agriculture. This was followed by a presentation of the Regoverning Markets Program at the global level by Dr. Bill Vorley and at the regional level (Southeast Asia) by Larry Digal.

The synthesis of the outputs of the first two days was presented by John Y. Gaisano, Jr., President of JSGaisano Inc. (a large retail group), Director of the Philippine Retailers Association and chair of the board of the Davao Chamber of Commerce and Industry. The presentation on the integration of the issues, challenges, opportunities, trends, drivers and options for enhancing participation of small scale producers in modern markets was made for validation among participants, inputs for discussion as well as for comments and reaction from the Undersecretary (2nd highest ranking official of the Department of Agriculture) for Policy for comments and reactions. For details of the presentation, please refer to Appendix 10.



After the synthesis was presented, Undersecretary Segfredo Serrano gave a response to the issues that were raised. Highlights of Undersecretary Serrano's response are as follows:

- Small farmers or producers compete with each other by producing the same products. When one ventures into a new but small business (like “litson manok” or grilled chicken), many copy and venture into the same business eventually killing each other’s business. Business attitudes of small producers must be developed and the confidence of farmers must be restored.
- Crop insurance is supposed to lower risk. However, the government cannot cover crop insurance because government is not able to comply with its equity.
- There will come a time that tariffs will not be the issue. In this case, the government must invest in regulatory systems, and the national standards must be in line with international standards.
- There is a need for differentiation in modern markets. Customers must get the quality that they want.
- Penetrate the high urban markets and put stories in products.
- Invest in technology to increase productivity of the land.
- Information is important. The country has good scientists but they are removed³ from the farmers.

After the response of Undersecretary Serrano, an open forum was conducted which gave the audience the opportunity to raise additional issues and ask questions to the panel. This



was moderated by Dr. Sylvia Concepcion, Vice-Chancellor for Administration of the University of the Philippines in Mindanao. Noting that questions and comments made by participants were long, participants were asked to write down questions/comments so similar questions/comments can be grouped together. The open forum lasted for almost two hours. A summary of the issues discussed in the forum is presented in Table 6.

Table 5. Summary of the Multistakeholder Open Forum

Question	Responses / Reactions
What can we do about trade liberalization?	<ul style="list-style-type: none"> • NorminVeggies has not expressed sentiments about trade liberalization but they have tried sending trial shipments to Taiwan. They would like to advocate to the government to provide special funds for business incubation because it is expensive to fund trial shipments. • There are private standards like the EurepGAP that is in effect a technical barrier to trade but does not come up with the WTO because it is a voluntary standard. But, if you don’t have it, you cannot sell in a supermarket in Europe. This is a very tough standard for small scale producers. There is a role for developing countries to lobby these standards in a committee to the WTO to bring down the cost of certification for small producers and organizations.
How do you compete with imports?	<ul style="list-style-type: none"> • You must be able to produce products of the same quality if not better. You must be able to produce products at a lower cost if not lower. There is an advantage to local producers because they are already inside while producers from other countries have to bring them in.

³ Refers to not being in direct contact or communication.

	<ul style="list-style-type: none"> There is a sustaining problem with quarantine and inspection and customs administration. The Philippines is the only country that when imports come in, it passes through customs first before quarantine and inspections.
How can we empower the key players in the supply chain?	<ul style="list-style-type: none"> The commodities that small producers sell must not be priced higher than imported products. Producers must target production that is competitively priced. Modern markets are the supermarkets, restaurants and farmers must also have a modern thinking. This can be achieved by capacity-building and provision of information and knowledge. Farmers should know the advantages of convergence and knowing what they need. The government is not just the national government but there is also a local government unit. Farmers can influence local ordinances that are according to their needs.
Why was the item for operating capital removed from ACEF?	<ul style="list-style-type: none"> This was a decision of the Executive Committee that is composed of the Secretary of Agriculture, Chair of House Committee on Agriculture and the Chair of the Senate Committee on Agriculture. The core or most important element is the capital equipment because it is the only modernizing element. A loan can be made with other banks and use ACEF to dilute the interest. ACEF has a regular loan and a grant with the discretion of the Secretary.
How can farmers get education on WTO?	<ul style="list-style-type: none"> Request the Department of Agriculture to provide a resource person on WTO. The DA is also starting to develop 'trade desks' wherein trade officers are assigned to produce an inventory of trade regulations from other countries.

VIII. Evaluation and Reflection

Dr. Bill Vorley joined some members of the reference group, facilitation and documentation teams in the evaluation of the workshop. These include Raul Montemayor, John Y. Gaisano Jr., Sylvia Concepcion, Danny Ocampo, Don del Castillo, Merly Cruz, Conrado Apuzen, Engie Santos, Luis Hualda, Carol Balgos. Larry Digal facilitated the discussion.

As a whole, the workshop was able to achieve its objectives. Outputs were generated on policies, institutions, issues, opportunities, trends, drivers, challenges/threats, options and strategies to increase participation of small scale producers in modern markets and through discussions and interactions, awareness of multistakeholders on these issues is enhanced. The workshop also provided a venue for dialogue with policy makers. Through sharing of lessons learned, for example in the case of Normin Veggies' documentation of best practice in linking small producers to modern markets, participants were able to pick up ideas that were reflected in the workshop outputs (eg farmers' organization) and discussions.

In addition, the workshop provided opportunities for the reference group to appreciate the spectrum of issues and opportunities that would form part of its agenda and the interactions and discussions that enrich its understanding of the challenges that small scale producers face in rapidly changing markets. Thus, the results and outputs of the workshop are fed into the policy and learning platforms component of Phase 2 of the International Federation of Agricultural Producers, Free Farmers Federation, Catholic Relief Service and Regoverning Markets Program collaborative project on linking small farmers to modern markets (see section on next steps).

There were, however, a number of problems that were observed. First was the low turn-out of participants from the modern markets (supermarkets, fastfood outlets, processors)

although key players such as Supervalu (SM Group) sent two. There were almost 30 participants who confirmed but only 7 attended the workshop. Expected number of participants for both modern markets and producers meeting was 40 but invitations were sent to 80 modern market institutions and 80 producer/producer associations, 40 in vegetables and 40 in mango to account for those who do not confirm. The low turnout may be attributed to the change in venue (the air-condition system of the original venue broke down a week before the workshop and needed sometime to repair) and the heavy rain on the day of the workshop. The group in charge of invitation who has handled many similar activities was surprised since based on their experience, confirmed participants almost always attend. The attendance of 7 from almost 30 confirmed was extremely low. One observation made was that inviting participants from modern markets in this type of activity may not be appropriate. Key informants or small group discussions may be more effective to attract them to attend. One suggestion was to send the invitation to their organizations (eg Philippine Retailers Association) and not directly to the firms and that the benefits that they can get from the workshop should be clear in the invitation. Nevertheless, the low turn out gives an indication of the level of willingness, appreciation and involvement of modern market players in this type of activity involving market access of small scale producers.

Discussion on the individual workshops particularly on the effectiveness of tools used was not discussed in the evaluation. However, comments on the toolkit were given by some participants in the training on Policy and Institutional mapping. Instead, the discussion focused more on the next steps which are discussed in the next section.

The three day workshop provided the reference group with insights that is essential in finding options to link small farmers with modern markets. Producers even with different crops share the same issues and concerns. However, there are also identified differences in issues and concerns. One example is the need for infrastructure. This need was explicitly mentioned by the vegetable producers but is not significant for the mango producers.

The need that is given emphasis by the farmers is access to financial support or services. Financial support means loans that can be accessed by producers that can be used for capitalization. There is a lack of institutionalized financial assistance mechanism in the country that is geared towards the need of small producers.

Globalization and trade liberalization is perceived to give both positive and negative sides. Mango producers generally see this as an opportunity but they also acknowledge of the threats of competition. The competition that they've mentioned is placed in the global arena where they are competing with other countries for foreign markets. The same cannot be said with vegetable producers. There issue of private standards also emerged in the picture and can be considered as a big threat.

IX. Next Steps

Based on the outputs of the workshop, an integration of key issues and opportunities/options to improve access of small scale producers to modern markets was done and presented to the reference group as inputs for next steps (See Appendix 11). These may form part of the reference group agenda and Phase 2 of the collaborative project between the International Federation of Agricultural Producers (IFAP), Federation of Free Farmers in the Philippines and Regoverning Markets Program involving the Catholic Relief Service. The key message of the integration is to anchor the entry point for the reference group on prioritizing clusters for development. Issues and options/strategies for inclusion raised in the workshop are integrated in this strategy, for eg, access to credit and the option to consider purchase order as collateral. The reference group, after endorsing the concept, identified priority clusters to be developed which may be considered for funding under Phase 2 of the IFAP-Regov-FFF-

CRS project. These are the vegetables, mango, organic rice, banana, calamansi and coffee clusters.

It was also suggested that a copy of the report of the workshop which includes all the issues and recommendations/options/strategies should be given to concerned agencies and participants. It was also suggested that in the future, a meeting with modern market representatives should be done to discuss for example the feasibility of making purchase order as collateral for credit as long as suppliers/producers belong to priority clusters.

Appendix 1. Reference group members who attended the capacity building on policy and institutional mapping and their roles in the workshop

Name	Roles	Designation/Organization
Mr. Raul Montemayor	Resource Person	Vice President, International Federation of Agricultural Producers, National Business Manager, Free Farmers Federation, Vice Chair National Marketing Umbrella Committee
Mr. John Y. Gaisano, Jr.	Resource Person/Facilitator	President, JS Gaisano Inc, Director, Philippine Retailers Association, Chairman of the Board, Davao City Chamber of Commerce and Industry
Engr. Merly Cruz	Facilitator	Assistant Secretary, Department of Trade and Industry
Dr. Sylvia B. Concepcion	Facilitator, Moderator	Vice-Chancellor for Administration, University of the Philippines in Mindanao
Atty. Koronado Apuzen	Facilitator	Executive Director, Foundation for Agrarian Reform Cooperatives in Mindanao (FARMCOOP)
Mr. Rogelio Gualberto	Facilitator	Vice-Chair, Global Learning Network President, Vegetable Industry Council of Southern Mindanao, Inc. (VICSMIN)
Ms. Natalie Macawaris	Facilitator	Business Development Analyst, International Finance Corporation – World Bank (IFC-WB)
Dr. Donato Romulo del Castillo	Facilitator	Program Advisor, Catholic Relief Services
Engie Santos	Moderator	Division Chief, Agribusiness Marketing Assistance Service, Department of Agriculture (National Office)

APPENDIX 2: Workshop Program



Linking Small Agricultural Producers to Modern Markets: Policy and Institutional Mapping Workshop

May 23-25, 2007 University of the Philippines, Diliman, Quezon City

May 23, 2007 University Hotel, UP Diliman, Quezon City

MODERN MARKETS MEETING (Supermarkets, Processors, Fastfood Outlets and Wholesalers)

PROGRAM

WHEN	WHAT	WHO
8:00-8:30	Registration	Secretariat
8:30-8:35	Invocation	Secretariat
8:35-8:40	National Anthem	Secretariat
8:40-8:50	Welcome Remarks	John Y. Gaisano, Jr. <i>Director, Philippine Retailers Association President, JSGaisano Inc Chair, DCCCI Board</i>
	Introduction of Participants	Rowena S. Genete , Emcee / Host
8:50-9:10	Overview and objectives of the Workshop	Rowena S. Genete , Emcee / Host
9:10-9:40	Regoverning Markets Program-Global	Bill Vorley, Ph. D. <i>Program Team Leader, Regoverning Markets Program-Global</i>
9:40-9:50	Regoverning Markets Program: Southeast Asia/Philippines	Larry Digal, Ph. D. <i>Regoverning Markets Program, Regional, SE Asia</i>
9:50-10:10	Government Programs/Policies Relevant to Access of Small Farmers to Modern Markets	Francisco A. Ramos III <i>Director, Agribusiness and Marketing Assistance Service Department of Agriculture</i>
10:10-10:30	Open Forum and Break	Rowena S. Genete , Emcee / Host
	Workshops (Simultaneous)	
10:30-10:35	Workshop Mechanics	Rowena S. Genete , Emcee / Host
10:35-1:30	Workshop 1: Mapping Institutions and Policies <i>What are the policies and institutions that affect the role of private sector (modern markets) to take part in supporting the inclusion of small-scale farmers in the supply chain to modern market?</i>	Engr. Merly Cruz <i>Assistant Secretary, Department of Trade and Industry</i>
	Workshop 2: Mapping trends and future scenarios <i>What will be the key drivers affecting fresh high value commodity procurement for the modern market in the next 10 years?</i>	Natalie Macawaris <i>Business Development Analyst, IFC-World Bank</i>
	Workshop 3: Options/Strategies for Greater Inclusion <i>What are the strategies, programs, policies and institutions that increase the chance of small farmers to participate in modern markets?</i>	Roger Gualberto <i>Vice-Chair, Global Learning Network and Chair, Vegetable Industry Council of Southern Mindanao, Inc. (VICSMIN)</i>
12:00-1:00	Lunch	
	Presentation of Workshop Outputs	
1:30-1:45	Workshop 1 output and open forum	Rapportoire

1:45-2:05	Open Forum	Rowena S. Genete , Emcee / Host
2:05-2:25	Workshop 2 output and open forum	Rapportaire
2:25-2:45	Open Forum	Rowena S. Genete , Emcee / Host
2:45-3:00	Workshop 3 output and open forum	Rapportaire
3:00-3:15	Break	
3:15-3:30	Open Forum	Rowena S. Genete , Emcee / Host
3:30-4:00	Synthesis and Closing Remarks	Sylvia Concepcion, Ph.D. <i>Vice-Chancellor, UP in Mindanao</i>



Linking Small Agricultural Producers to Modern Markets: Policy and Institutional Mapping Workshop

May 23-25, 2007 University of the Philippines, Diliman, Quezon City

May 24, 2007 University Hotel, UP Diliman, Quezon City

PRODUCERS / SUPPLIERS MEETING

PROGRAM

WHEN	WHAT	WHO
8:00-8:30	Registration	Secretariat
8:30-8:35	Invocation	Secretariat
8:35-8:40	National Anthem	Secretariat
8:40-8:50	Welcome Remarks	Raul Montemayor , <i>Vice President, International Federation of Agri. Producers, National Business Manager, Federation of Free Farmers</i>
	Introduction of Participants	Rowena S. Genete , Emcee / Host
8:50-9:10	Overview and objectives of the Workshop	Rowena S. Genete , Emcee / Host
9:10-9:40	Regoverning Markets Program-Global	Bill Vorley, Ph.D. <i>Program Team Leader, Regoverning Markets Program</i>
9:40-9:50	Regoverning Markets Program: Southeast Asia/Philippines	Larry Digal, Ph.D. <i>Regoverning Markets Program, Regional Coordinator, SE Asia</i>
9:50-10:10	Government Programs/Policies Relevant to Access of Small Farmers to Modern Markets	Francisco A. Ramos III <i>Director, Agribusiness and Marketing Assistance Service Department of Agriculture</i>
10:10-10:30	Open Forum and Break	Rowena S. Genete , Emcee / Host
	Workshops (Simultaneous)	
10:30-10:35	Workshop Mechanics	Rowena S. Genete , Emcee / Host
10:10-10:30	Break and Open Forum	Rowena S. Genete , Emcee / Host
	Workshops (Simultaneous)	
10:30-2:00	Workshop 1:Threats and Opportunities, Issues <i>Why are only a few small-scale farmers connected to the modern market, list the main problems that create an exclusion of small-scale farmers into the modern market supply chain?</i>	Don del Castillo, Ph.D. <i>Program Advisor, CRS</i> Atty. Conrado Apuzen <i>Executive Director, FARMCOOP</i>
	Workshop 2:Options for Greater Inclusion <i>What are the strategies, programs, policies and institutions that increase the chance of small farmers to participate in modern markets?</i>	Jasmin Agbon <i>Advisor for Veg. Council, GEM</i> Sylvia Concepcion, Ph.D. <i>Vice-Chancellor, UP in Mindanao</i>
12:00-1:00	Lunch	
	Presentation of Workshop Outputs	

2:00-2:15	Workshop 1 output (Vegetable)	Rapporteur
2:20-2:35	Open Forum	Rowena S. Genete , Emcee / Host
2:35-2:50	Workshop 1 output (Fruits/mango)	Rapporteur
2:50-3:05	Open Forum	Rowena S. Genete , Emcee / Host
3:05-3:15	Break	
3:15-3:30	Workshop 2 output (Vegetable)	Rapporteur
3:30-3:45	Open Forum	Rowena S. Genete , Emcee / Host
3:45-4:00	Workshop 2 output (Fruits/mango)	Rapporteur
4:00-4:15	Open Forum	Rowena S. Genete , Emcee / Host
4:15-4:30	Synthesis and Closing Remarks	John Y. Gaisano, Jr. <i>Director, Philippine Retailers Association</i> <i>President, JSGaisano Inc</i> <i>Chair, DCCCI Board</i>



Linking Small Agricultural Producers to Modern Markets: Policy and Institutional Mapping Workshop

May 23-25, 2007 University of the Philippines, Diliman, Quezon City

May 25, 2007 Balay Kalinaw, UP Diliman, Quezon City

MULTI-STAKEHOLDERS MEETING

PROGRAM

WHEN	WHAT	WHO
8:00-8:30	Registration	Secretariat
8:30-8:35	Invocation	Secretariat
8:35-8:40	National Anthem	Secretariat
8:40-8:50	Welcome Remarks	Undersecretary Salvador Salacup <i>Department of Agriculture</i>
8:50-9:00	Introduction of Participants	Rowena S. Genete , Emcee / Host
	Overview and objectives of the Workshop	Rowena S. Genete , Emcee / Host
9:00-9:20	Regoverning Markets Program-Global	Bill Vorley, Ph.D. <i>Program Team Leader, Regoverning Markets Program</i>
9:20-9:30	Regoverning Markets Program: Southeast Asia/Philippines	Larry Digal, Ph.D. <i>Regoverning Markets Program, Regional Coordinator, SE Asia</i>
9:30-9:10:00	Presentation of Synthesis of the 2-day Workshops	John Y. Gaisano, Jr. <i>Director, Philippine Retailers Association</i> <i>President, JSGaisano Inc</i> <i>Chair, DCCCI Board</i>
9:45-10:00	Working Break	
10:00-10:45	Message/Response of the DA Secretary	Secretary Arthur Yap <i>Secretary, Dept of Agriculture</i>
10:45-11:45	Open Forum	Sylvia Concepcion, Ph.D. <i>Vice-Chancellor, UP in Mindanao</i>
11:45-12:00	Closing Remarks	Undersecretary Segfredo Serrano <i>Policy, Dept. of Agriculture</i>
12:00-1:00	Lunch	
1:00-5:00	Program Evaluation/Planning with Reference Group for Next Steps	

APPENDIX 3. Modern Markets Workshop Participants

Number	Name	Organization	Position
1	Augusto B. Daria IV	SM Supermarket (Supervalue, Inc.)	Assistant Store Manager
2	Lawrence C. Nahial	SM Supermarket (Supervalue, Inc.)	Front End Supervisor
3	Mila Locquiao	DA-AMAS	
4	Christine L. Francisco	DA-AMAS	
5	Bill Vorley	IIED	
6	Bonnie Begonia	Guaranfood Marketing	
7	Estrella D. Tuazon	Dole	Consultant
8	John Gaisano Jr.		
9	Natalie Macawaris	International Finance Corporation	
10	Don del Castillo	CRS	
11	Roger Gualberto	VICSMIN	
12	Koronado Apuzen	FARMCOOP	Executive Director
13	Jasmin Agbon	GEM Program	Advisor
14	Sylvia Concepcion	UP Mindanao	
15	Merly Cruz	DTI	Assistant Secretary
16	Florena Pedro	DA-CAR	Agriculturist II
17	Patricio Arroyo	DA-CAR	Chief, AMAD Agri Marketing Specialist
18	Marilou Reyes	GEM Program	Chief, AMAD
19	Ponciano M. Vinuya	DA-RFU III	COO
20	Bess Gan	Cebu Legacy Marketing Corporation	
21	Lizzie M. Chua	Cebu Legacy Marketing Corporation	
22	Normita Z. Lorenzo	DA-RFU III	Agriculturist II

Modern Markets	Representatives
Cebu Legacy Marketing Corporation	2
Supervalue, Inc. (SM Group)	2
Guaranfood Marketing	1
JSGaisano, Inc.	1
Dole	1
Government	
Department of Agriculture (DA)-Agribusiness and Marketing Assistance Service	2
DA-Cordillera Administrative Region	2
DA-Regional Field Unit III	2
Department of Trade and Industry	1
Academe	
University of the Philippines in Mindanao	4
Development Agencies/Program/NGO	
International Finance Corp/Worldbank	1
Growth with Equity in Mindanao/USAID	2
Catholic Relief Service/USDA	1
Total	22

APPENDIX 4: Producer Groups Participants

Number	Name	Organization	Position
1	Jesusa D. Samano	Vegetable Grower	
2	Venar C. Parungao	DA	Agricultural Technician
3	Marilou B. Reyes	GEM	
4	Manuel Sipol		
5	Jo M. Bilag	Benguet Farmers Federation, Inc. (BFFI)	
6	Kristal Lim	ZVG Farm Management	
7	Ida Galdiano	ZVG Farm Management	
8	Maria Ap-apid	Mt. Province Farmers Federation	
9	Thomas C. Reyes	QVIC	
10	Anna Pamela Nova	OPA	
11	Jay Cresencia	OPA	
12	Corazon F. Calabia	OPAg	
13	Soledad E. Leal	OPAg	
14	Peter Consebido	OPAg	
15	Danilo A. Diocamoll	OPAg	
16	Marlow P. Tobias	OPAg	
17	Jayson D. Samano	Laun, Nueva Ecija	SB Member
18	Rolando Villanueva	RAFC	PRO
19	Almario L. Limpin	Farmers' Association of Pampanga Pampanga Mango Growers Association	President
20	Artemio F.S. Arceo	Vegetable Grower	
21	Jose T. Sebastian		
22	John Gaisano Jr.		
23	Virgilio M. Mercado		P.A.
24	Eduardo R. Alub	Vegetable Grower	
25	Fidelina P. Perez	OPA	
26	Rustico H. Prey		
27	Dante De Guzman	OPA	
28	Eligio T. Samano, jr.	Laur, Nueva Ecija	SB Member
29	Koronado Apuzen	FARMCOOP	Executive Director
30	Don del Castillo	CRS	
31	Raul Montemayor	FFF	
32	Luis Antonio T. Hualda	UP Mindanao	URA 1
33	Danny Ocampo	CRS	
34	Jasmin Agbon	GEM Program	
35	Ritchie B. Basa	Mabalacat Farmer Benguet Farmers Federation, Inc. (BFFI)	
36	Bernardo Paleng	Farmer	Vice-President
37	Lilian L. Donato	Farmer	
38	Cristeta S. Locano	Farmer	
39	Marvin C. Dolores	OPA	
40	Loreto C. Buyaen	Benguet Farmers Federation, Inc. (BFFI) Benguet Farmers Federation, Inc. (BFFI)	
41	Manuel Crispe	Mt. Province Farmers Federation	
42	Valentin Lam-osen	OPA	
43	Aileen T. Florante	OPAg	
44	Ligaya A. Polod	OPAg	
45	Alex Alcantara	Cavite Vegetable Industry Council	
46	Eva Pugay	DA-Techgen	
47	Dennis Maccari	Vegetable Grower	
48	Emmanuel Santos	Mango Grower	

49	Francisco S. Tecson	Mango Grower	
50	Moss A Ocatenn	OPAg	
51	Rosario S. dominguez	ZAMPAI	Secretary
52	Agaton Milagroso	Grop Growers Association, Inc.	
53	Evelyn Alegado-Grace	ZAMPAI	Vice-President
54	Arnel Anaud	PMGC	
55	Benjamin T. Alquiza	ZAMPAI	
56	Idydum A. Muyod	SIMPCO	Secretary
57	Onesimo Romano	AID - MPC	Board of Dirrectors
58	Editha M. Salvosa	DA-RFU IV-A	
59	Imelda G. Villanueva	DA-RFU IV-A	
60	Raymundo Z. Andoy	BVIC	Secretary
61	Maria D. Academia	OPA	
62	Ariel Manalac	Sentro Pamilihan ng Quezon	Administrator
63	Eleodoro Trinidad	Mango Grower	
64	Delfin O. San Andre	Mango Grower	
65	Rosalinda P. Pranasia	DA-RFU IV	
66	Normita Z. Lorenzo	DA-RFU III	
67	Desiree Duran	Vegetable Grower	
68	John Likigan	OPAg	
69	George P. Busay	OPAg	
70	John Adair Duran	Mango Grower	
71	Rolando Bruno	Mango Grower	
72	Franco Frankie	Mango Grower	

Producers' Workshop Participants

Sector	Representatives
Producer	36
Government	27
Others	9

APPENDIX 5: Regoverning Markets Programme Presentation by Dr. Bill Vorley

Introduction to the global 'Regoverning Markets' program

Bill Vorley, IIED

Magandang umaga po

Good morning

Markets working for the poor?



Re-structuring, Re-governance ..

1. Marketing strategy built around..

- Trust and assurance to consumers
- Reliability of supply
- Lower prices
- Through:
 - Better performed suppliers
 - Own brands
 - Traceability
 - Private standards
 - Economies of scale
 - Logistics
 - Shaping regulations

- Barriers to entry – technology, organisation, scale, finance
- Collaborative business models
- Importers set price and quality
- Buyer power

2. Deregulation

3. Liberalization

4. Market concentration



Regoverning Markets programme in short..

- Can the new agri-food business drivers be partners in development?
- Can smaller scale producers and their organisations be partners in new business?
- Can anticipatory public policy make any difference?

Program Ingredients

1. What's happening?
 - Empirical research
2. What is best (or better) practice?
 - Case studies (eg NORMINVEGGIES)
3. What should we do?
 - Policy and institutional mapping
 - Policy dialogue



Village-level survey, Shandong



Photo: CCAP

What is best (or better) practice? Case studies



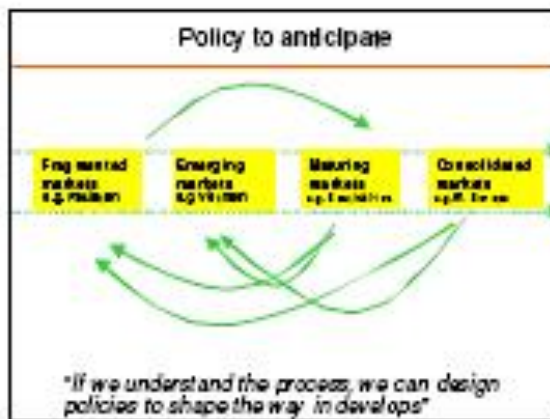
Case study analysis

Business model & collective action



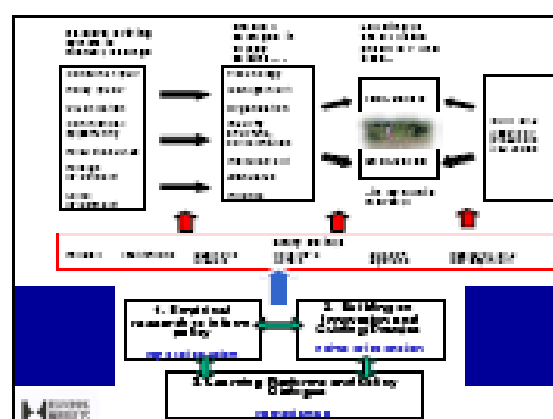
What should we do? Policy mapping



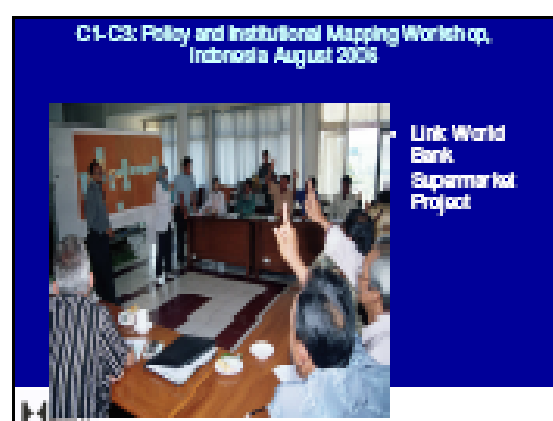
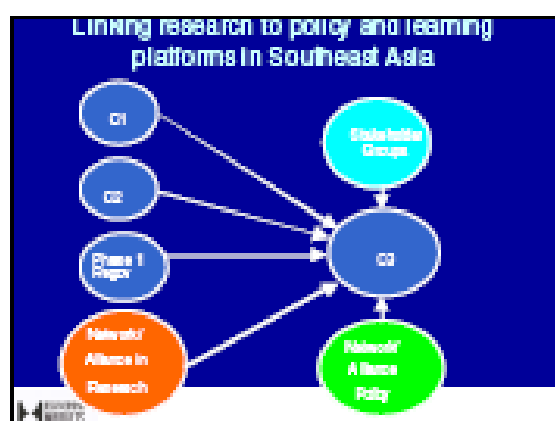




APPENDIX 6: Regoverning Markets Programme Southeast Asia by Dr. Larry Digal



Regoverning Markets Outputs—Southeast Asia			
INDONESIA	THAILAND	PHILIPPINES	VIETNAM
Phase 1 Component 1 (C1): Gap identification and analysis 2006-07 Component 2 (C2): Gap analysis and policy dialogues 2007-2008 Component 3 (C3): Learning Platforms and Policy Dialogues 2007-2008	Phase 1 Component 1 (C1): Gap identification and analysis 2006-07 Component 2 (C2): Gap analysis and policy dialogues 2007-2008 Component 3 (C3): Learning Platforms and Policy Dialogues 2007-2008	Phase 1 Component 1 (C1): Gap identification and analysis 2006-07 Component 2 (C2): Gap analysis and policy dialogues 2007-2008 Component 3 (C3): Learning Platforms and Policy Dialogues 2007-2008	Phase 1 Component 1 (C1): Gap identification and analysis 2006-07 Component 2 (C2): Gap analysis and policy dialogues 2007-2008 Component 3 (C3): Learning Platforms and Policy Dialogues 2007-2008



C2-C3: Normin case: Policy Mapping
Workshop, Sept 2006 Philippines



- Stakeholder groups: No min, Vietnam
- GEM-USAID, CRS-USAID, NGOs, ACD, ACD R
- Mandate: Vegetable Co-operatives, PH, Small Vegetable Co-operatives
- ICAP



C2:C3: Normin case: Supply Chain
Conference August 2006



- AGIAR supply chain project
- Feedback from academia stakeholder groups



Phase 1 Regen/ACIAR Supply Chain Project C3:
Mindanao Agro-enterprise Learning Alliance
March 2006, Philippines



- CRS
USAID
- Partner
NGOs



Phase 1 Regov: C3: 4- National Vegetable Congress April 2006, Philippines



Handled the policy component of the 5th National Vegetable Congress (March 2007)

Table 1. Polysynthesisation participants per session

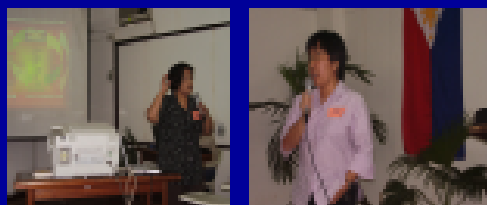
Area	Participants
Bogotá (Northern Low eq)	78
Medellín (Southern Low eq)	85
Cali (Wet eq)	79
Barranquilla (Wet eq)	76
Total	318



Gathered issues and suggestions from the stakeholders in the vegetable industry



Presented research outputs for discussion and validation of issues and recommendations as well sharing of lessons learned from innovations linking small farmers to market during the regional policy dialogue with stakeholders



Key Factors for participation in the modern market chains

INNOVATIONS



Organization (Warin'ny'ny) and the competence building linkage with other groups:



– organized vegetable industry groups (PVIOS)

– government



– research organizations, (IDRC-USAID)

– business sector

– academia

• New business model with Normin Corp as market facilitator & run professionally as a business entity

• Product innovation through clustering of growers. The cluster as a product supply unit.

• Strong support system of shared core values – independence, responsibility, commitment, hard



Key Factors for participation in the modern market chains

INNOVATIONS



Supply chain management



– quality assurance plans



– delivery reliability (seed to table approach)

• Learning organization

– information

– innovation

• A core group of growers providing leadership – passion for the industry development

Benefits for the growers

- Better bargaining power
 - ✓ quality
 - ✓ volume & variety
 - ✓ regularly
- Diversified and more predictable markets
 - ✓ Traditional
 - ✓ Modern
- Better income
 - ✓ Higher price
 - ✓ Reduced loss or higher recovery
- Better relations among growers

15-25%
increase
in profit

Prepared policy paper and set of policy resolutions incorporating issues and recommendations from research and regional consultations for the 8th National Vegetable Congress

Organized "reference group" to help champion policy issues and recommendations identified for the vegetable industry



-National Marketing Umbrella Committee (Paul Montenegro, National Business Manager FRR/ Vice President FRR, Rusty Delaigle of the National Marketing Council, Edwin Andol of COED/FAO)
-Dr. Conde Usada (Univ. of the Philippines in Diliman and Department of Agriculture Consultant)
-Roger Guadalupe (Global Learning Network Vice Chair, Chair of Vegetable Council of Southern Mindanao)
-Jean Uy, Vice President, Growin'Veggies and Consultant Catholic Relief Service
-Darryl Compaog, Senior Program Manager Catholic Relief Service Philippines



Initiated partnerships and alliances with stakeholders in the industry including a possible project implementing innovations to link small farmers to modern markets

- Aside from the reference group, potential partnerships have started to emerge with the Philippine Vegetable Industry Development Board, Growin'Veggies, Grow It with Equity in Mindanao, and the Catholic Relief Service. The latter is part of a proposed project of linking small farmers to modern markets.



APPENDIX 7: DA-AMAS Presentation by Mr. Francisco Ramos III

Department of Agriculture

Government Policies/Programs Relevant to Access of Small Farmers to Modern Markets

FRANCISCO RAMOS III
Director, Agriculture and Marketing Assistance Service

Linking Small Agricultural Producers to Modern Markets Policy and Institutional Mapping Workshop
29-30 May 2007, University of the Philippines - Los Baños, Laguna, Quezon City

AMAS PROGRAMS

- ✓ Market Access and Development
- ✓ Industry Support and Development
- ✓ Investment Promotion
- ✓ Enterprise Development
- ✓ Market Research and Information

PROGRAMS

- ✓ Improving Access to Export Markets
 - Agri-Fishery Products Standards Development
 - GAP Formulation, Training, Accreditation and Implementation
 - Access to Quarantine Treatment Facilities and Protocol

PROGRAMS

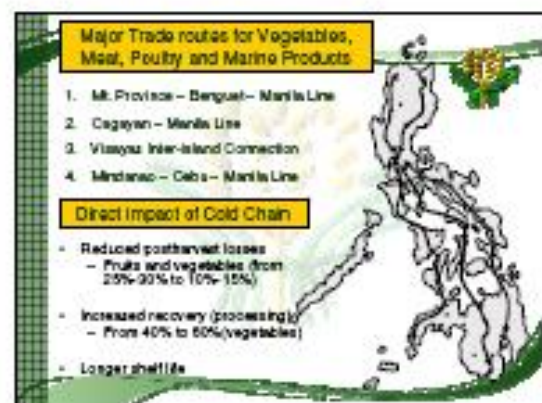
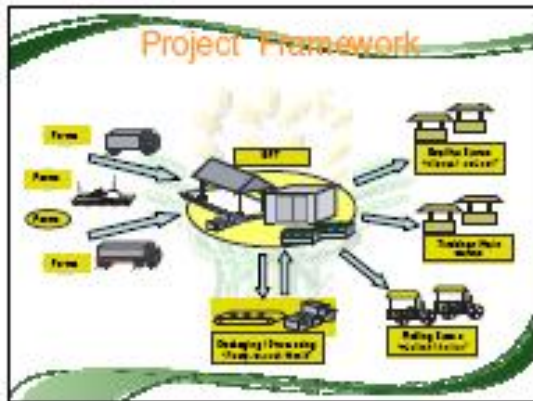
- ✓ Expanding Access to Domestic Markets
 - Developing barangay-based food outlets and its variants (Barangay, Municipal and Provincial Food Terminals)
 - Encouraging direct marketing and distribution (in new and existing outlets)

PROGRAMS

- ✓ Improving transport and logistics
 - Tramline systems (produce and input transport in steep and high elevation areas)
 - Cold Chain systems
 - Transport infrastructure and facilitation (RoRo, Access to trucks and ref vans, food lanes)

Market Access

- Domestic market – enhanced transport efficiency and innovative market linkages
 - ✓ Barangay Food Terminal
 - ✓ Huwarang Palangke
 - ✓ Bagaskan sa Palangke
- International market – streamline regulatory and quarantine procedures and putting up agricultural trade desks in strategic countries



EFFICIENT LOGISTICS AND DISTRIBUTION FOOD LANE

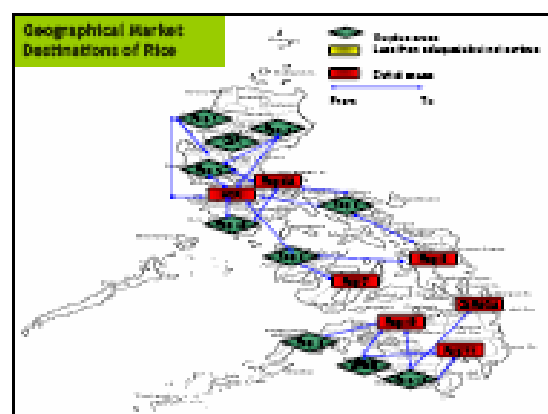
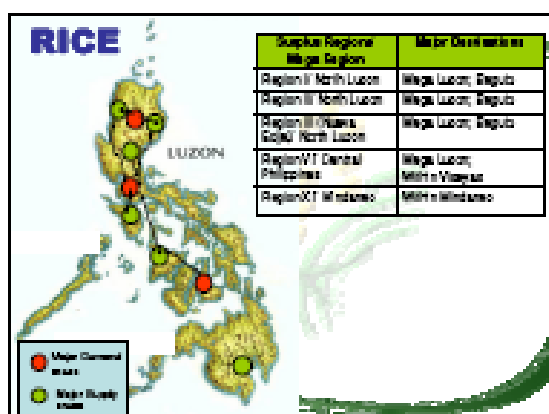
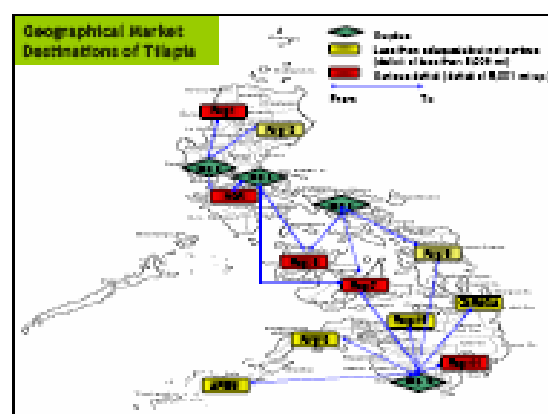
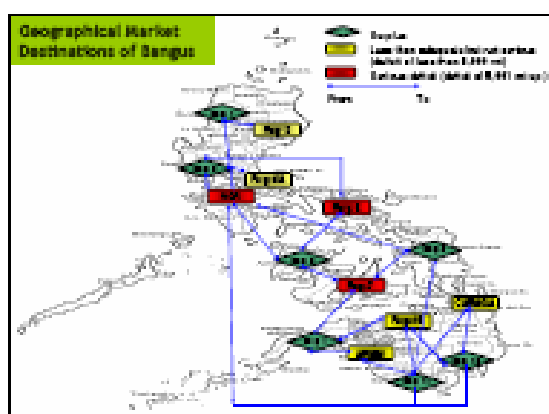
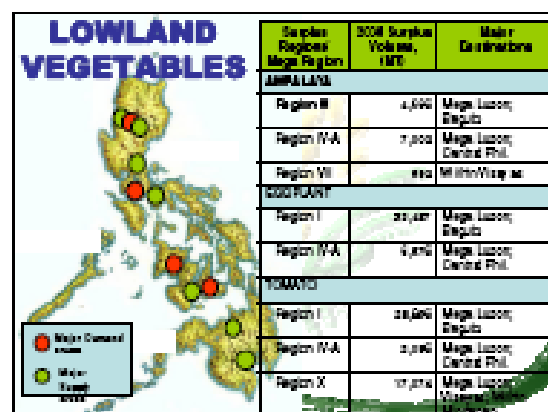
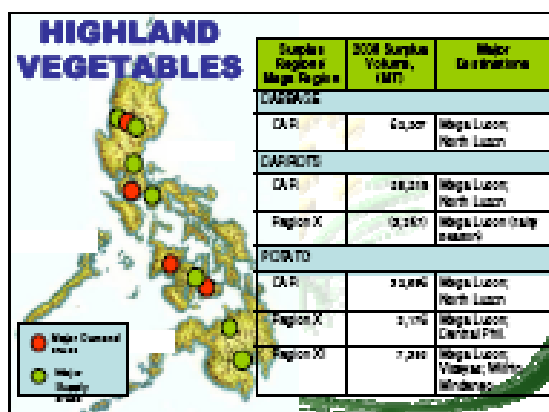
Coordinated with MADA and LGUs to designate routes for more efficient agri-fishery transport to mega Metro Manila.

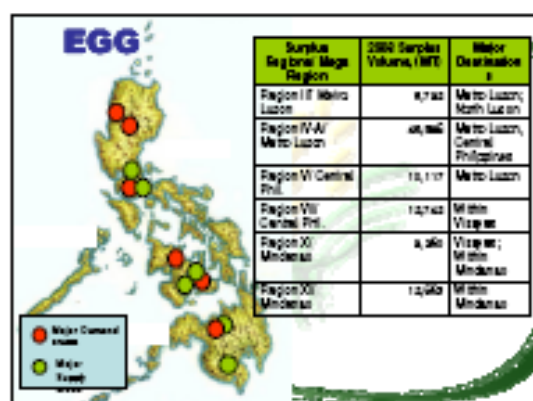
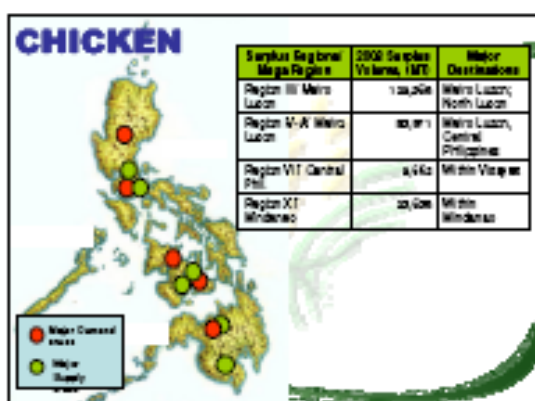
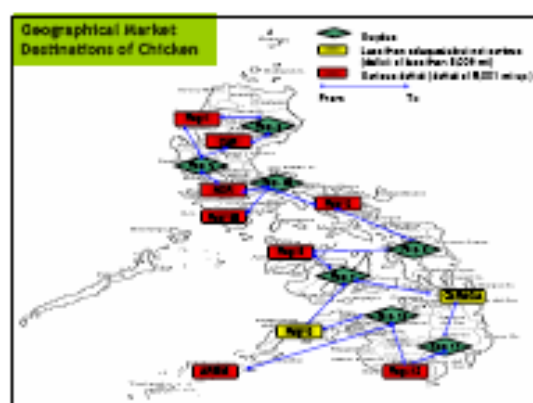
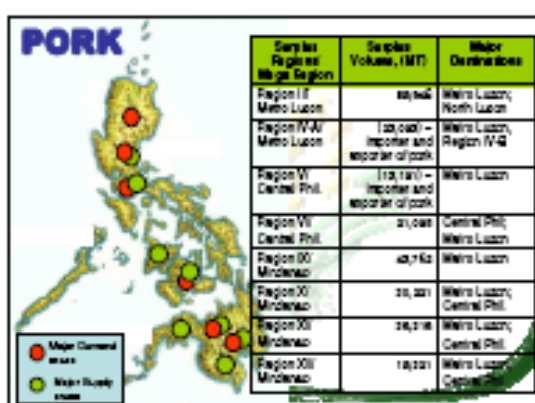
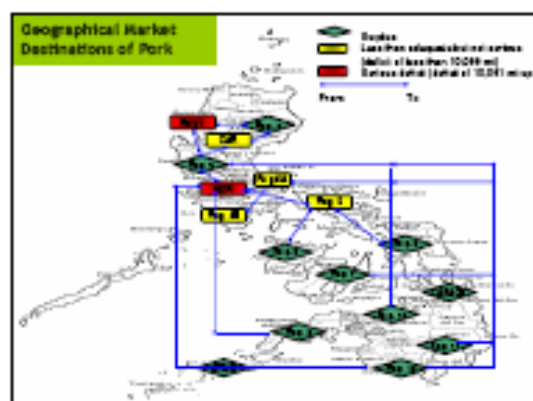
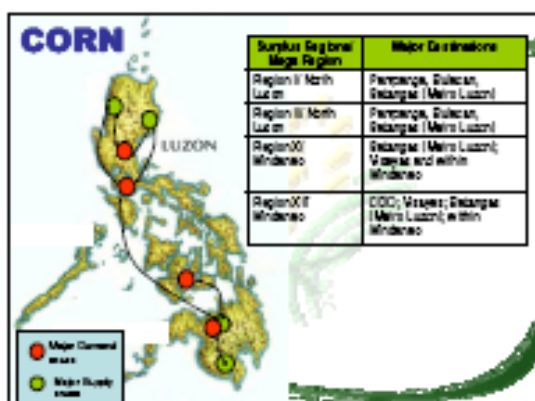
ACCREDITED TRUCKERS
(4,500 kilograms and above)

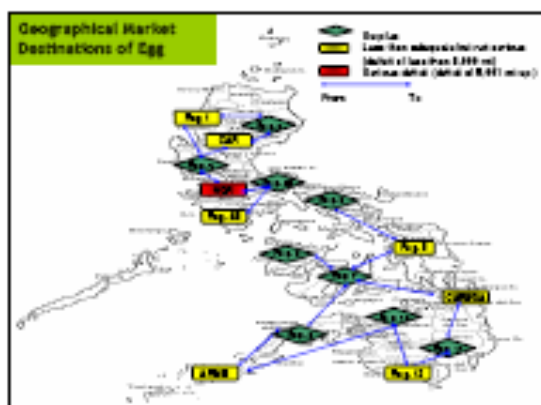
CAR	• 53 trucks accredited (vegetables)
Region 4	• 3 trucks (vegetables) • 3 trucks (fish)
Region 5	• 3 (fruits and vegetables) • 1 (fruit)

TOTAL NO. OF TRUCKS ACCREDITED: 60







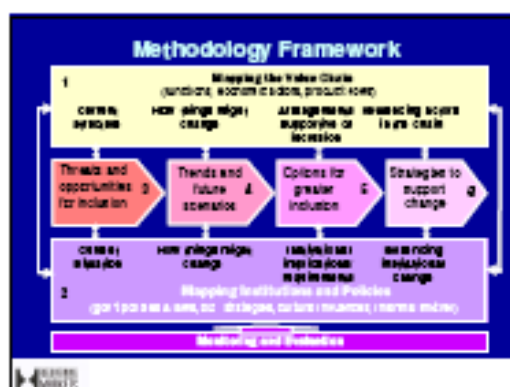
APPENDIX 8: Policy and Institutions presentation by Asst. Sec. Merly Cruz

WORKSHOP 1

Mapping Institutions and Policies

Mapping Institutions & Policies

- Purpose**
To record and sort the institutional and policy factors influencing market inclusion
- Methodology**
Group-wide exercise (by often done by researchers working alone)
- Output**
Annotated list or table of policies and institutions



Definition of Terms

Institutions - "humanly devised constraints that structure human interaction"

- + organisations
- + formal constraints (rules, laws, constitutions)
- + informal constraints (norms, codes of conduct)

... broad sociological sense to mean any established law, custom, social practice or organization that forms part of the social structure and influences the regular patterns of human behaviour. Ex., Newspapers, Parliament, Marriage, Universities, Government Agencies, Market mechanisms

Definition of Terms

Policy - "a plan to guide decisions or activities in order to reach certain objectives"

- + public policy
- + private sector strategies, incl small-scale
- + civil society ("third sector")

... a policy understanding in the development community of the range of policy instruments that are available may facilitate the generation of knowledge on "What works where and why?"

Sample Questions

Public sector: What kinds of gov't policies and policy processes, particularly those beyond the agricultural sector, affect the inclusion of small-scale producers in modern food markets?

Private sector: What kinds of private sector strategies influence the inclusion or exclusion of small-scale producers?

Civil society: Do any social norms or civil society initiatives impact on inclusion of small-scale producers?

Sample Q: Digging deeper

- For buyers who do purchase from small-scale producers, what are the features of their procurement strategy that allow this?
 - Extension services
 - Preferential procurement policies
 - Consumer advertising and awareness
 - Differential standards
 - Out-grower contracts

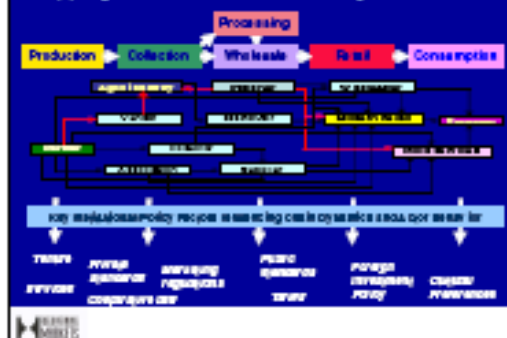
Sample Q: Looking further

- What kinds of extra-sectoral/institutional factors impact on inclusion of small-scale producers in modern markets?
 - Trade channels influenced
 - Image of
- Are there any critical non-institutional issues?
 - Avian flu
 - Antracnose

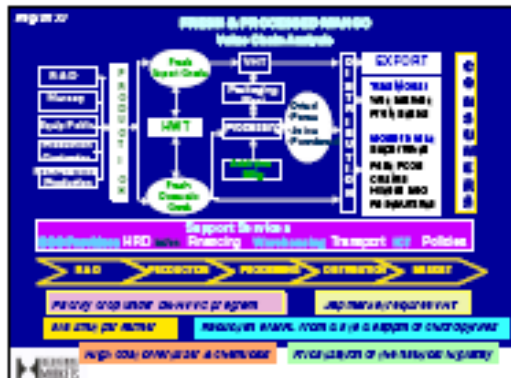
Mapping Technique

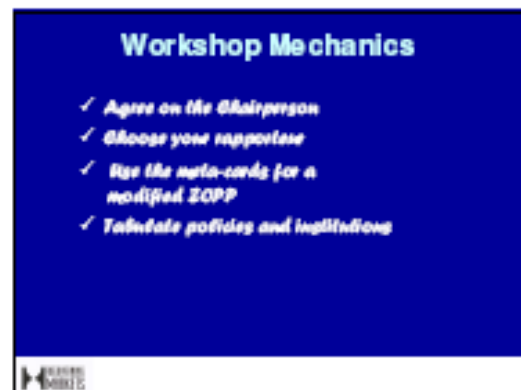
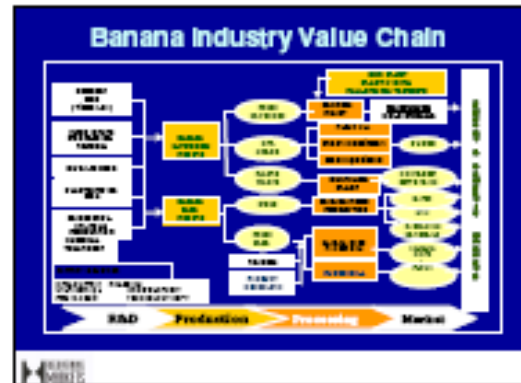
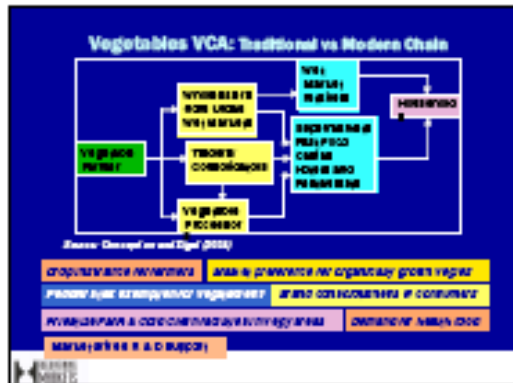
- Case study
- Identification of key institutions (formal, informal, organizations)
- Identification of key policies (public and private)
- Take exercise further by tabulating (see example in draft book)

Mapping the Institutional and Policy Environment

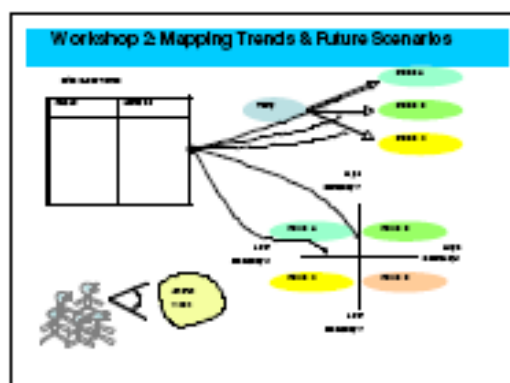


Mango Industry Stakeholders Map





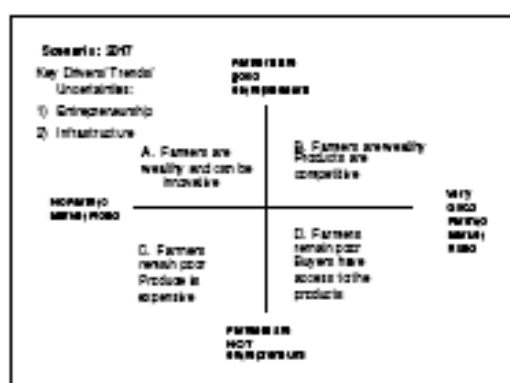
APPENDIX 9: Presentation by Ms. Natalie Macawaris



MARKET/PROCUREMENT Trends and Drivers	
Trends (What's happening now that is different from past years; What are changes)	Drivers (cause of trends; driving factors)
Banana boxes are exported in clusters	Japan, household 3 members only
Banana boxes are packed in small nicely printed boxes of 4, 5, 7 kg	Good for gift-boxes (pasakubong)

Future Trends		
TRENDS	DRIVER	Certain or Uncertain
What will be the trends 10 years from now?	Why will this trend happen? What are/will be factors that will cause it? (urbanization, globalization)	Is this likely to happen or not?

Scenario Thinking
<ul style="list-style-type: none"> What are the driving forces? <ul style="list-style-type: none"> Predetermined elements (e.g. CARL) Critical uncertainties (import tariffs; environment) What are possible future scenarios for institutional markets? What are the procurement systems that will affect future scenarios? What are the implications for domains of research and development or policy-setting?



Some insights gained from Scenario Mapping: Entrepreneurship + Infrastructure
<ul style="list-style-type: none"> Having good infrastructure but low social capital will only skew distribution of benefits to one side. If resources are limited, it would be best to invest in social capital first rather than infrastructure → implications on policies Market Scenarios: Anticipate trends to minimize losses or take advantage of opportunities (e.g. inefficiency of logistics in Pakistan)

Step 1: List Trends

TRENDS	DRIVER	Certain or Uncertain
What will be the trends 10 years from now?	Why will this trend happen? What are/will be factors that will cause it? (urbanization, globalization)	Is this likely to happen or not?

Step 2: Scenario Mapping

- Identify two critical uncertainties



Guide Questions

- What are consumer trends?
(freshness, organic, price, convenience)
 - What are the trends in procurement?
(straight from small holders, wholesalers - market or producer initiated, imports)
 - What is general market trend?
(percent wet market and modern markets)
- Trends Drivers Certainty

APPENDIX 10: Synthesis Presentation

Policy and Institutional Mapping Workshop

May 23-25, 2007

University of the Philippines, Diliman,
Quezon City

Outline

- Process
- Outputs
- Modern Markets Meeting
- Producers Meeting
- Next Steps

Process: What we did

What we did: May 23, 2007

- Conducted workshop with *modern markets* representatives
- Mapped policy and institutional issues
- Mapped trends and future scenarios
- Identified options/strategies for greater inclusion



What we did: May 24, 2007



- Workshop with producers (vegetables and fruits (mango) sector)
- Identified threats/issues, opportunities
- Identified options for greater inclusion
- Workshop with vegetable growers and mango growers

Summary Outputs

Modern Markets: **Issues and Needs**

Production

- **Capacity-building**
- Financing
- Farmers' organizations, clusters
- Infrastructure
- Land policies



Post-production

- Reliability of supply
- Terms of payments
- Business registration of suppliers
- Food standards
- Clean, affordable vegetables
- Convenience for consumers

Modern Markets: **Trends**

■ Consumer Preference

- Growing demand for safe and healthy food
- Convenience and novelty ('*tska-tska*' concept, ready-to-cook)
- Branding (brand central)

■ Globalization

- Importation and exportation

■ E-commerce



Producers: **Threats**

Vegetables

- Lack of financing
- High production cost
- Middlemen
- Low price
- Poor infrastructure



Mango

- Lack of capital
- Discipline
- Competition with other countries
- Lack of access to market
- Lack of production volume



Producers: **Opportunities**

Vegetables

- Healthy food
- Better price
- Market-driven crops
- Improved technologies
- Government support
- More consumers

Mango

- Global trend for healthy food
- Export potential
- Institutional markets (local)

Producers' Options: **Vegetables**

- Access to financing
 - Give subsidy to farmers re: inputs
 - Soft loans from concerned agencies
 - Fast approval of ACEF loans
- Production and packaging technology
- Organized producers
 - Farmers must unite to reach high-end consumers
 - Farmers' coop as consolidator

Producers' Options: **Vegetables**

- Advocacy
 - Teach children at an early stage about vegetables
- Produce quality vegetables
 - Compliance to product requirement
 - Knowing modern markets vegetable demand
- Market matching and development
 - Formation of association of producers and buyers
 - Conduct investors and buyers forum

Modern Markets: Options/Strategies

- Capacity-building
 - Institutionalize value chain analysis as mechanism in industry development
 - Clustering and train on modern farming
 - Training for farmers in clusters on entrepreneurship in agriculture
 - Capability building across the chain with emphasis on farmers groups
- Financing (access to finance)
- Brokering / Trade facilitation (i.e. weekend fruits and vegetables bazaar)



Modern Markets: Options/Strategies

- Information
 - Enable farmers group to access market information system
- Policies (i.e. fair trade)
 - Should be consistent and sustainable
 - Influence LGU to pass industry/farmer/product-driven ordinances

Producers' Options: Mango

- Government and private sector partnership
- Assistance in market matching /linkaging
- Strengthening the organization through
 - Skills development training
 - Value orientation training
 - Financial management training
- Appropriate technology and training design

Next Steps

- Review further outputs (issues, strategies / recommendations) of the workshop
- Conduct research (review of existing policies, issues/resolutions/advocacy initiatives of previous congress/workshops)
- Review by stakeholders/reference group
- Provide Department of Agriculture a copy of recommendations (backed up with research and endorsement by stakeholders)
- Follow-up

Appendix 11. Next Steps/Key strategy

Strategy	Roles		
	Government	Private	NGO/Civil Society/Academe
Development of Priority clusters (vegetables, mango, other products)	<p>1) Department of Agriculture</p> <ul style="list-style-type: none"> • ACEF fund-creation of an express credit lane (eg PO as collateral) • Extension- training -GAP -quality improvement/post harvest technology-assist in the organization of clusters • Market facilitation -market information -market linkage assistance • -Infrastructure-access road, cold chain, infrastructure assist in identification of priority clusters <p>2) Department of Trade and Industry</p> <ul style="list-style-type: none"> • Financial linkage (Small Business Guarantee fund) • Market facilitation -market information -market linkage assistance assist in identification of priority clusters 	<p>1) Farmers/Producers organizations</p> <ul style="list-style-type: none"> -organize -commit to requirements/protocols of clusters; meeting market requirements (discipline and cooperation) <p>2) Modern market</p> <ul style="list-style-type: none"> -consider PO (purchase order) as collateral-provide information on requirements to producers (quality, terms, timing, volume)-review/negotiate 'terms of payment' – win-win under cluster arrangement (lower risk with cooperation and assistance for priority clusters) 	<ul style="list-style-type: none"> • assist in cluster development (eg link their agro-enterprise programs with priority clusters eg Catholic relief service; eg UP in Mindanao) • assist in identification of priority clusters