

# Food & Nutrition Security and Agriculture Recovery vis-a-vis COVID-19

Policy Brief for Near-Term Recovery (2020 to 2022)

from the INCITEGov Ad Hoc Committee on COVID-19 Subgroup on Food and Nutrition Security<sup>1</sup>

In this brief, policies are proposed that will hopefully enhance the strategies and programs for food & nutrition security and agriculture recovery vis-a-vis the COVID-19 pandemic and its aftermath. The recommendations focus on the family farmers, fishers, and agro-foresters, who are the backbone of the country's food supply. These producers are the most marginalized sector of the economy and are at the lowest survival income level, with high financial debts, and with very little or no social protection.

While primarily addressed to national government, through the Department of Agriculture and related financing institutions, and local governments, the policy proposals and program strategies may also be adopted by private business and civil society organizations, for their advocacies and partnerships with national and local governments.

**INCITEGov** is a community of advocates and leaders who believes in the democratic process and the rule of law as the bedrock of our society. It serves as an institutional nucleus for a reform-centered democratic movement in the Philippines. INCITEGov links democratic politics, good governance, and development outcomes (P-G-D framework) in key reform areas.

## OVERVIEW OF RECOMMENDATIONS

1

**Support intensified organizing and capacity-building of farmers and fishers organizations**

Recommendations are outlined for farmers and fishers to be equipped to organize, register and manage their organizations or cooperatives; sustainably develop their farms or fisheries; and negotiate better terms and support for their food production enterprises, including financing, technology and market information.

2

**Support farmer/fisher-to-consumers market linkage, with less intermediaries and better access to nutritious food**

Outlined in this area are ways the national government led by DA with LGUs, farmers' organizations/cooperatives, NGOs and private business groups can work together and craft local (municipal or inter-local) agriculture and fisheries development plans taking into consideration the lessons of organizing and multi-pronged interventions (e.g. irrigation, productivity enhancement, harvest/post-harvest processing, marketing, credit, technology, logistics) that have proven to make farmers/fishers competitive and equipped to improve and sustain their income streams.

3

**Provide open, easy and flexible access to credit and capacity-building grants to cooperatives and organizations**

This presents proposals towards adaptability and agility of farmers and fishers to bounce back to their production systems, with better capacities for improving their food supply chain and managing their operations; better and resilient capacities of cooperatives and MFIs to service the credit and capacity-building needs of their members/clients; more flexible and adapted government lending to agriculture and fishery producers and micro-enterprises; and complementation of "transition-to-recovery" financing of large wholesale lenders (mostly government and international aid organizations) with the NGO funding mechanisms, cooperative federations and MFIs.

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## POLICY AREA 1

### Support intensified organizing and capacity-building of farmers and fishers organizations for resilient recovery

In the initial weeks of regional and national lockdowns, the flow of food products from farmers to consumers was impeded. Small farmers were cut off from their usual trading routes - either through the entrenched commodity traders or to local markets in the town centers. Without pre-existing links to cooperatives or federations, most small farmers/fishers are unregistered in local government bodies and thus had no access to requisite documents for inter-LGU and inter-regional travel passes. This resulted in the farmers' surplus produce bound for disposal at rock-bottom prices, left unsold, or end up as waste.

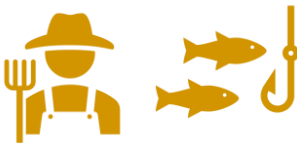
### RECOMMENDATIONS



The national government, through the Department of Agriculture (DA), Bureau of Fishery and Aquatic Resources (BFAR), Department of Agrarian Reform (DAR), Department of Interior and Local Government (DILG), Cooperative Development Authority (CDA), and local governments should support the organizing and official registration of majority of small farmers, fishers, agro-foresters and other family-based food producers throughout the country.



Organizing and capacity-building of autonomous, self-reliant associations can be expanded and achieved with the assistance of non-government "intermediary support" organizations, including federations of cooperatives and farmers' organizations. These organizations should be assisted by government so that they can extend services for the farmers'/ fishers' associations and cooperatives, particularly in the basic capabilities of organizational and enterprise management, technology and skills, financing, and networking.



Organizing and capacity-building of farmers' and fishers' organizations should, moreover, enhance inter-local (municipal or provincial) implementing strategies for sustainable agri-fishery development and resilient recovery from the adverse impacts of the COVID-19 pandemic.



Small farmers and fishers associations can be transformed into cooperatives, which are democratic institutions that can serve their members' social and economic needs and ensure equitable benefits accruing to its members.



Peer learning among farmers/ fishers organizations should be encouraged and optimized in technical and organizational management, including improving production, financing and marketing. Lessons and models can come from sustainable organizations, such as irrigators' associations that continue to function, expand, and serve their members for many years and farmers' organizations and cooperatives that have grown considerably and successfully managed their enterprises.

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## POLICY AREA 2

Support farmer/fisher-to-consumers market linkage, with less layers and costs of trading intermediaries, and better sustained access to nutritious food for primary producers, processors, and consumers in the food supply chain.

Lockdown restrictions made it difficult for the production and movement of food supply to markets and consumers, resulting to loss of jobs and livelihoods. To improve and sustain income streams of farmers and fishers, the national government led by DA with LGUs, farmers' organizations/cooperatives, NGOs and private business groups should work together and craft local (municipal or inter-local) agri-fishery development plans taking into consideration the lessons of organizing and multi-pronged interventions.

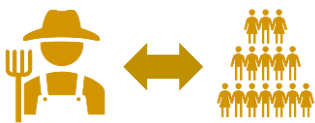
### RECOMMENDATIONS for the local agriculture and fisheries development plan



Replication and enhancement of **more direct farmer/fisher-to-consumer linkages** with social enterprises that were mobilized mostly using digital online marketing platforms during COVID-19 Enhanced/General Community Quarantine (E/GCQ), with less trading or intermediation costs than the traditional trading partners.



The DA, together with cooperative federations and private agricultural enterprises can **establish an agriculture and fisheries marketing information system**, which will include current sources of agriculture/fisheries/agro-forestry products, indicative wholesale/retail prices and other data that producers will need to better target their markets and plan production and logistics needs.



Local governments can **provide trading posts and marketing centers in the local or inter-local trading or commercial centers** that are accessible to small farmers/fishers cooperatives, micro-entrepreneurs, and consumers, wherein they can do direct selling / buying. More immediately and to start off, covered courts or open multi-purpose halls can be converted into weekend markets. The objective is to reduce trading and logistics costs (lower consumer retail to farmgate price ratio), increase net incomes of producers and make fresh, nutritious food more affordable and accessible to consumers.



The DA, private sector and cooperatives should support **efficient and economically sustainable production of organically grown farm products**, which can be competitive in pricing and available to lower-middle income urban consumers. Family farm cooperatives, which have decided to focus on organic rice, vegetables and livestock should be given priority in government's credit and other technical support programs, so that they can build up their competitive advantage over conventional, chemical-dependent farming.



Local governments, the private sector and larger cooperatives/federations can invest in **efficient food supply chain logistics** such as warehouses, cold chain storage/refrigeration, hauling and trucking facilities; and **common-service food processing and packaging facilities** (drying, preservation, packaging, value-added processing), which they can make available on a toll payment system, with preference given to the farmers/fishers cooperatives.

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## POLICY AREA 3

Provide open, easy and flexible access to credit and capacity-building grants for the farmers'/fishers'/agro-foresters' cooperatives, organizations and the federations, micro-financing institutions and NGOs supporting them.

Small family farmers and fishers have no or limited revolving capital and have difficulty accessing flexible credit terms to bounce back and move into better production and marketing systems. Cooperatives and micro-financing institutions (MFIs) cannot immediately provide “transition” or recovery financing because they are also cash-strapped and need to provide emergency assistance to members/clients and staff.

### RECOMMENDATIONS

The established **government financing programs for agriculture and fisheries sector** under the “We Recover as One” Plan being coordinated by NEDA, are: DA-ACPC SURE, LANDBANK I-RESCUE, SBCorp COVID19 P3 ERF.<sup>2</sup> These **should be made readily and quickly available and accessible to the small and medium-sized cooperatives and micro-financing institutions (MFIs)**, who have an established clientele of small farmers, fishers and microentrepreneurs in the agriculture and food supply chain.

For Coops and MFIs, which do micro-lending to their members/clientele, the **wholesale financing institutions should give an adequate allowable re-lending rates or otherwise provide them with “transition-to-recovery” grants**. These could also allow the Coops and MFIs to provide intensive capacity-building, especially for adapting their production and enterprises to the more resilient, “better normal” practices.

The soft loan program should be accompanied with capacity-building grants for the cooperatives and MFIs to strengthen their own organizational capacities. These capacities include:

- ✧ Hiring and training capable managers for adaptive and resilient operations;
- ✧ Planning, implementing, and evaluating their re-lending and microfinancing programs in recovery and transition to the “better normal” business operations;
- ✧ Building their capacities to integrate resilience measures in the event of disasters and health epidemics, such as life and health insurance; hazard and business interruption insurance; and
- ✧ Adopting digital internet-based hardware and software applications for efficient and competitive services to their members/clientele in the “better normal” and information-driven economic environment.

Banks and government financing programs should provide “transition-to-recovery financing” for small farms and fishery production to resume operations in a phased approach. This transition recovery phase will enable farmers to obtain seeds and inputs and pay for labor and provide for their own families’ daily survival needs until the next harvest. During transition as the first stage of recovery, farmers and fishers can first do “fast turn-around” or shorter-cycle production (e.g. vegetables, certain fruits, and livestock, aquaculture). Then, in the second stage of recovery, government financing should move into the bigger lending programs through the cooperatives, federations, and MFIs.



<sup>2</sup> Department of Agriculture - Agricultural Credit Policy Council Survival and Recovery (DA-ACPC SURE) Project; LANDBANK Interim REhabilitation Support to Cushion Unfavorably-affected Enterprises by CoVid-19 (I-RESCUE); Small Business Corporation COVID-19 Pondo sa Pagbabago at Pag-asenso Enterprise Rehabilitation Financing (SB Corp. COVID19 P3 ERF) Program