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Phl on wrong path to agro-industrialization

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Even as the Philippines continues to lag behind its neighbors in the agriculture sector, it is now moving to modernize the industry to keep up with the increasing population and effects of climate change. But unfortunately, its full potential may not be felt any time soon, according to experts.

While the Duterte administration is going full blast to push for industrialization, given its big-ticket infrastructure projects under the Build Build Build program, the Department of Agriculture has yet to come up with a cohesive master plan on where it wants to take the agriculture industry.

Modernizing the agriculture sector is one thing, but pursuing agro-industrialization is another, the latter being a bigger picture of a sector that is anchored on the factors that the industry is yet to fulfill – higher productivity, product diversification and poverty reduction.

From the Marcos administration up to the present, rice self-sufficiency and food security have been the overarching goal, neglecting in the process that the issue of poverty in the countryside should be the focus of every government.

Farming expert and former agriculture secretary William Dar said the Philippines has a long way to go in pursuing agro-industrialization as it still has to address the simplest problems that should pave the way for a truly industrialized farming sector.

"With agro-industrialization as the frame, you need to go beyond food security and food self-sufficiency. Even before and until now with (Secretary Emmanuel) Piñol, they are not developing the sub-sector of the high-value agriculture, which will give you more income security rather than concentrating on a few crops," Dar said in an interview with **The STAR**.

For instance, Dar said, the world is now in the Fourth Industrial Revolution, in which the digital age infuses and encompasses the physical and the digital world, and impacts all disciplines, economies and industries.

Where is the Philippine agriculture sectors, if one refers to the Industrial Revolution that dates back to the 18th century?

Unfortunately, the local agriculture scene, in general, is still in the First Industrial Revolution, Dar said.

"Modernization has many aspects and one is mechanization, but we are still in the carabao and plow system. We are just in the 1.2 horsepower level compared to others that have reached five to seven horsepowers per hectare. We are not even halfway and we are just entering the 2nd Industrial Revolution. We have been totally left behind," Dar said.

University of Asia and Pacific professor and economist Rolando Dy, meanwhile, said Philippine agriculture is only modern by 10 percent compared to the over 50 percent average in Southeast Asia, specifically Vietnam, Thailand and Malaysia.

"The historical baggage has been there for a long long time and you need a certain structure and strategy to diversify. There's really a need to change certain policies. What is our objective? To reduce poverty or just achieve rice self-sufficiency? How will the latter reduce poverty?" Dy asked.

Moving on from the past

Through several administrations, the Philippines has failed to modernize the farm sector, thus resulting in the unaddressed problem of poverty in the country.

Dar said the country got stuck with the idea of mere rice agriculture and being self-sufficient without considering other commodities in which the Philippines may have more comparative advantage.

"Rice agriculture has been the model we have followed all these 50 years, which has led us nowhere. We have to remodel and think of a new frame to ensure our food

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security and generate more income. We now have to approach agriculture in an agribusiness way and do it inclusively because the poorest of the poor are the farmers themselves," said Dar, who is also the president of Inang-Lupa Movement.

Dy echoed the same sentiment, adding the Philippines has a history of low productivity because of the basic factors of water system, terrain, and fragmented farms.

"We don't have the large river system which is a commonality among the large rice exporting countries. That is why we have to maximize productivity within our resources since not all crops are water intensive. Example, we got stuck in just mango production, which right now we are already losing market share," said Dy, UA&P Center for Food and Agri-Business executive director.

The local farm sector employs about 35 percent of the country's total work force, an implication of the sector's importance in achieving food security and employment generation in the rural areas.

However, the sector's contribution to the national economy has been dropping significantly. It only contributes a tenth to the gross domestic product from almost 20 percent in the past 20 years.

Over the years, the Philippines failed to achieve sufficiency in major products, particularly rice, and has even become one of the biggest importers despite being an agricultural country in the first place.

"We also have the highest rural poverty in ASEAN and that is really related to low productivity. We have not diversified, unlike the other countries which are now more diversified. There is global demand for our products, especially coconut, but we are not able to capitalize on expanding our markets because of our low productivity," Dy explained.

"If you have low productivity and less diversified sources of raw materials, there is a cascade. You cannot just put up factories and processing plants because you do not have enough raw materials to process," he said.

Disconnect

While there has been efforts in the past to reach the sector's full potential, there is somewhat a disconnect among government agencies as to the role each needs to fulfil and modernize the industry. It takes an interdepartmental and collaborative effort for the main goal to materialize.

"This is supposedly the period to have the agro-industrial frame put in context with all the effort of the government, the DA in particular. But, there has to be a delineation of responsibility," Dar said.

Apart from the DA, there should be a convergence among the Departments of Trade and Industry, Agrarian Reform, Science and Technology, Interior and Local Government, and Environment and Natural Resources.

However, experts notice that the DA alone, the primary department involved, seems to be in disarray as to its masterplan towards agro-industrialization, or even modernization, at the very least.

"I don't see the program because they are more focused on self-sufficiency. They have their own minds and I'm not seeing a long-term plan. They don't have the long term views and plans that can propel our country to be economically and environmentally resilient. There is no one who has that mindset in the DA right now," Dar said.

"Do they even have a strategic plan for the sector for the next six years? A strategic plan meaning something that highlights your framework, goals, and sets of strategies as one solid agriculture sector. What they are doing and roadmaps for individual commodities, but is there a framework that brings them together? There is none," Dar said.

As majority of the initiatives will come from the DA, Dar worries that if it sticks to what it is doing right now, history may just repeat itself and problems will remain unsolved.

"If they don't rethink and replan now, then it will just be like the other administrations. We will just go back to rice agriculture. They really have to plan well, a good plan that will bring you to where you would like but also a plan that you can redesign once it is not working. It is better to have a plan rather than none at all," Dar said.

(To be continued)