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Poverty reduction and the triple bottom line

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The country's rural poverty incidence is high at 30 percent, about twice the average of Indonesia and Thailand. Poverty incidence was 34.3 percent among farmers and 34 percent among fishermen in 2015 based on official statistics. These are down from 38.5 percent and 41.2 percent in 2006, respectively, a slow reduction of only 0.7 percentage-point a year.

The Philippine countryside sorely needs agents for change. Here are three cases that are making a significant impact on poverty reduction. The cases will cover before-and-after intervention and impact on the triple bottom line (TBL).

Lao Integrated Farms

Ben Lao, a former town councilor, transformed an impoverished coconut community into a progressive one. From a farm with senile coconut trees in a poverty-stricken area, Ben ventured into coco sugar. He is now one of the Philippines' largest exporters of coconut sap-based products to Europe and the United States.

How did he swing it?

In 1999, Ben inherited a five-hectare farm in Eman, Bansalan, Davao del Sur. It was practically a barren land with unproductive coconut trees. It was an insurgency area.

Starting with three workers, he planted more coconut trees, fruit trees and raised goats. People in the barangay earned incomes way below the poverty threshold.

Today, Lao Integrated Farms have 110 regular employees in an expanded farm of 14 hectares. This is about eight workers per hectare, or eight times the national average of one worker per hectare.

Some 132 coconut collectors from the surrounding farms deliver saps twice daily to be processed into coco sugar instead of copra. From poverty income, sap collectors now earn P20,000 to P50,000 a month, which is way more than the poverty threshold income of about P10,000 per month per family. They have built concrete houses and have been able to send their children to school.

What were the interventions?

First, increasing farm productivity and intercropping. Second, farm value-adding by converting coconut sap to high-value coco sugar. Third, ensuring global certification to pass European food standards.

What are TBL impact? People—elimination of poverty through full-time employment. Planet—better use of resources through value adding. Profit—higher wages and entrepreneurial incomes.

Because of Ben's outstanding achievements, he has received at least seven national and regional awards. See http://www.laointegrated-farms.com/

Pamora Farms

In the hills of Abra, native Tina Morado and French Gerard Papillon transformed a 3-hectare barren land in Garreta, Pidigan, Abra, into a modern agribusiness. Large-scale plantings of hardwood trees turned the area into an eco-farm tourism site.

Pamora Farm started to raise free-range chicken in 2000. Its production of dressed free-range chicken began in mid-2002 with a monthly capacity of 200 broilers. Today, monthly capacity has reached 3,000 broilers and still increasing due to market demand for quality free-range chicken meat.

The farm's operation is fully integrated from raising/growing of chicken, dressing to packaging, ready-for-distribution, ready-to-cook and ready-to-eat. Pamora sells to 5-star hotels and high-end restaurants in Manila.

Today, six ranges are operating. Each range has between 1,000 and 2,000 chickens. Depending on the topography,

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each range occupies some 1,500 to 2,500 square meters; the birds freely graze and find organic foods to eat.

Pamora employs 10 regular workers and 18 part-time workers on its 3-hectare property, or 9 workers per hectare, some nine times the agriculture norm.

What were the interventions? First is the selection of French chicken breed. Second is farm and pasture management. Third, establishment of modern dressing plant. Finally, marketing and logistics to Manila.

Pamora has received several awards for this commanding achievement. Tina was also awarded by the French government the honor of knight with merits in agriculture. (Chevalier de l'ordre du Merite Agricole). See http://pamorafarm.com/

Piddig Farm Consolidation

Former Mayor Eddie Guillen, a practicing civil engineer, sought the help of agencies for several convergence projects in Piddig, Ilocos Norte. One of the projects is organizing rice farmers who are members of the *zanjera* (Spanish era irrigators association). The current Mayor, Georgina Salazar, provides continuity and is scaling the project.

In 2015, some 196 farmers tilling in total 168 hectares joined the program, which is a partnership between the LGU and the Piddig Basi Multi-Purpose Cooperative.

Before the project, the average yield was only 3.8 tons per hectare with a cropping intensity of 150 percent. The net farm income per year was P50,800 per hectare.

In 2017, the yield rose to 6.5 tons per ha at cropping intensity of 170 percent, and net income of P146,000 per ha per year.

What were the interventions? First was mechanization of land preparation and harvest, which led to lower cost and lower harvest losses. Second, use of similar seeds, which led to higher mill recovery from *palay* to rice. Third, full inputs use and right timing. Fourth, women produced organic fertilizers through vermicasting. Lastly, professional management support to the coop. See https://lga.gov.ph/media/uploads/2/Challenges and Success.pdf (2017)

Key lessons

Agents of change are critical to innovations in the rural areas. These innovations include: defining the product[s], seeking markets, introducing modern technologies, and putting in place the right management systems.

In a country with millions of small, fragmented farms, public policy must provide the right environment for these agents to invest. With a broken agricultural extension system, Philippine agriculture is crying for the engagement of competent managers. The agents of change can be entrepreneurs, coops, LGU hand holding coops, and managers.

The Landbank's corporative scheme is one innovation. The consolidated small farm scheme will be managed by the private sector, assisted by Landbank. Seasoned rural banker Alex Buenaventura has listed projects across many value chains and geography. To refine the business model, he visited the Federal Land Consolidation and Rehabilitation Authority (FELCRA) scheme in Malaysia in July 2017. The scheme is expected to triple small farm lending by 2022. The Davao del Norte banana co-op scheme as an example is a start.

Note. UA&P stands proud to be associated with the above agents of change. Former Mayor Guillen is a graduate of the long-running UA&P Strategic Business Executives Program while Tina and Ben are graduates of the UA&P Agribusiness Executives Program (AEP). The AEP has so far 103 alumni: 29 women and 94 men. The graduates came from three batches in Davao City and one in Baguio City. The fourth batch will start in Davao City in May 2018. INQ