

Social Dimensions of Philippine Agriculture 2020

THE ENABLING STRATEGIES

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The Philippine Agriculture 2020 long-term plan of the National Academy of Science & Technology comes in a period of mediocre performance of the agricultural sector. Agricultural productivity has been low particularly in the 1990s and poverty in the sector is becoming more pervasive. The anticipated changes in productivity and efficiency are far from realized.

The PA 2020 therefore, envisions to provide the necessary reforms to make the sector an engine of growth by the year 2020. The approach is to first integrate agriculture, environment and natural resources sector and the social systems follows using three enabling strategies of technology development, investment and governance reforms. This plan is welcome and timely. It is timely in part as it addresses the urgent need for agricultural reforms in a changing global environment. It is also a welcome endeavor primarily because it improves the well-being of the real stakeholders in agriculture—the farmers, the business managers, extension workers, civil society, academicians and scientists.

Considering the complexity of the plan, I will not address all the issues on social concerns particularly those I am in broad agreement with the writing panel such as those addressing governance, technology development and the transformation of production areas in less favorable environment. Instead, I will focus my discussion on the enabling strategies of the PA 2020.

I will deal with the specific strategies related to the goals of the plan to improve human well being and that is reduction in poverty, enhancing food security and improving the sectors' competitiveness. There are probably several measures of poverty and I believe that the plan follows the purchasing

power of parity indicator used by the World Bank and the U.N. Millennium Development goals, that is, the number of people whose per capita daily consumption is less than one dollar per day. This measure however, reflects only the level of income but there are other equally important dimensions of poverty such as health, education, justice, and the environment.

To combine all these poverty dimensions into one measure will be difficult but more relevant in terms of gauging the general well-being of a person. Poverty as envisioned in the PA 2020 strategies is more of “income deprivation” although one can argue that this can have the greatest weight among the dimensions. By promoting “productivity enhancement programs” in the agriculture and forestry sectors, poverty is addressed in the long-term plan as productivity translates to higher farm income. However, studies have shown a weak correlation between poverty and income. Even in large increases in real income, farmers may still not feel better off simply because of their present circumstance other than income which is outside the realm of agriculture.

Second, food security is addressed in the PA 2020 through food self-sufficiency programs that can be achieved by raising the level of productivity and efficiency in the food sector. The objective is to increase agricultural production by 10% and the gross value-added of agriculture by 30% of Gross Domestic Product (GDP). I consider this as modest targets for the strategies proposed in the plan. For example, planting all of our corn areas with Bt corn can already satisfy the 10% increase in production as it can increase yield by as much as 37%.

But raising the level of output does not readily translate to higher income. Given the existing traditional markets, the expansion in production may drive prices to very low levels in the local markets unless safeguards are put in place e.g. better post-harvest facilities and market information. There are now testimonies to support this, e.g., the tomatoes in Northern Luzon, calamansi in Mindoro, and vegetables in Central Mindanao. To address the increase in output, the broadening of alternative markets need to be developed. These may include export, retail and other consumer markets. As a strategy therefore, market development will be a key instrument for farmers to realize the income generated by the additional supply.

Third, the role of the LGUs will be instrumental in the implementation of the technology development strategy for they now perform the agricultural extension function as a consequence of the devolution law. Technologies and programs are developed by the DA in tandem with state universities

and colleges (SUCs) but, the actual delivery to small farmers is mainly the function of the LGUs agricultural technicians. In the extension continuum, they represent the final link to the farmers. The strong linkage between DA and the LGU will then be a major determining factor in the continuum.

I just came from a field survey for a research in agricultural marketing and requested for the assistance of the agricultural extension officers in the field. In most cases, the assistance was either delayed or limited. Farmers also complained on the quality, quantity and timeliness of technical assistance delivered to them. Since their functions have been devolved to the local government units, their full assistance may sometimes falter particularly in LGUs with little appreciation of agriculture. In addition, their extension activities are very much constrained by the limited resource allocated to the unit. The investment capabilities of the LGUs can also be harnessed to develop and improve local agricultural infrastructure, human capital, and institutions. This is now piloted, I think, in Mindanao by the World Bank. Agricultural policies will also play a key role in the development of the agricultural sector by strengthening the environment where production, marketing and investment take place. Many of these policies and program are now in action but, policy reforms will be necessary to make them consistent with the goals of PA 2020.

There is now an urgent need to review these policies and programs due to conflicting objectives by some of these policies while others are no longer relevant to the present conditions. And equally important, it goes without saying, that these policy-reforms should be implemented as planned.

The last is on the issue of competitiveness. I dwell on the role of the cooperatives and how they operate as a business as participated in by small farmers. Due to smallness and limited resources, farmers cannot ordinarily compete in the market place. The needed investments to make them more efficient are not within their reach. To operate and compete as a business, they have to act collectively and pool their resources to improve their bargaining power. Considering their operational structure, this will be difficult to achieve without the necessary management skills.

Agricultural cooperatives with production, credit and marketing functions are now in operation but, many have become insolvent due to mismanagement. Two years ago, we had a chance to evaluate 10 out of the 40 cooperatives that were given public funds for post harvest facilities to include transport, buying and selling, milling, and facilities for grading and standardization. Out of the 10 that we have evaluated, only 1 was

profitable and the others were either inefficient or simply mismanaged. Many of these cooperatives simply do not know how to operate the business side of the postharvest scheme.

As a strategy on competitiveness, the PA 2020 should have a second look at these cooperatives and explore the role they can play in the development of the agricultural sector. Thank you.