Social and institutional opportunities and constraints of organic agriculture in the Philippines

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Abstract

Organic agriculture is being promoted in many countries for its agro-economic, environmental, and social benefits and consequences at the individual, household, and community levels. In many developing countries like the Philippines, where certification-oriented organic farming is only recently emerging, the extent to which these benefits have been achieved and the conditions under which these are attained remain unclear. Case studies of several types of organic farms and support organizations in the Philippines were conducted to examine the social factors that either facilitate or constrain the development of organic agriculture. Results indicate that low-income smallholders tend to succeed when given adequate training and assured of inputs and markets. Small farmers’ cooperatives and non-governmental networks and organizations are important sources of support. In turn, relatively larger, corporate farms benefit from having access to adequate resources, technological know-how, and an effective marketing system. In general, the development of markets, the formulation of certification standards, and the drive to develop an organic industry in the Philippines have been hastened more through the advocacy of civil society groups, than by government policy and initiative.

2 Background

Organic agriculture is being promoted in many countries not only for its agro-economic and environmental benefits but also for its social consequences (CRUCEFIX, 1998; UNESCAP, 2002). These benefits range from individual and household level-outcomes (e.g., increased employment and income, improved health, nutrition, and education, and enhanced self-esteem and well-being) to broader and community-wide social and environmental consequences (e.g., improved status of women, reduced rural migration, improved biodiversity, and less pollution, among others).

In general, organic agriculture is portrayed as “a holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles, and soil biological activity”. It “emphasizes the use of management practices in preference to the use of off-farm inputs, …[and] where possible, agronomic, biological, and mechanical methods, as opposed to using synthetic materials, to fulfill any specific function within the system” (FAO/WHO, 1999). However, the term is also being used increasingly to refer to production systems that are formally guaranteed as “organic,” following internationally accepted certification standards.

In either case, organic agriculture in many developing countries is only beginning to be examined more closely. Although there are claims that organic agriculture has been around in traditional, indigenous farming systems and in more recent sustainable agriculture programs (BRIONES, 2002), there is wide agreement that in terms of certification, organic agriculture in these countries is only recently emerging. Consequently, the extent to which the alleged social benefits have been achieved and the conditions under which these are attained remain unclear.

This exploratory study, therefore, seeks to describe and analyze selected experiences with organic farming in the Philippines. It examines the social benefits obtained thus far, and analyzes the social factors at the smallholder, institutional and policy levels that either facilitate or constrain the development of organic agriculture in the country.

3 Methods
Case studies of organic farmers and support organizations were conducted, using primary and secondary data. The cases include several types of organic vegetable farms (a low-income smallholder; a sole proprietorship farm; a farmers’ cooperative; and a corporate farm) and a national non-government organization (NGO). In-depth interviews were conducted with farmers, farm managers, NGO representatives, government officials, and other key informants. In addition, on-farm visits and observations of organic outlets and markets were conducted. Secondary data consisted of official reports, empirical studies, and news features. Field data gathering was carried out for two weeks in September 2004, and another three weeks in February-March 2005.

4 Organic agriculture in the Philippines: An overview

Organic agriculture in the Philippines has been described to be in its emergent or incipient phase or, “in its infancy stage” (BRIONES ET AL., N.D.; FAS/USDA, 2000), e.g., in terms of areas such as awareness and understanding, production and marketing, and policies and institutional support.

4.1 Awareness and understanding

The discourse of organic agriculture is fast gaining ground in the country. Media reports on “organic farming” and “organic products” are featured increasingly. However, the public’s attention and understanding are focused on the idea of “chemical-free products”, on associated stereotypes such as organic products being mostly for the urban elite and health buffs, or on a particular farming practice or technique such as the use of animal manure. Evidently, the core orientation that organic agriculture is a multi-dimensional yet holistic management system is often glossed over.

4.2 Production and marketing

Organic agricultural production is limited though steadily growing, reportedly between 10-20 percent annually (FAS/USDA, 2000), but reliable statistical data are hardly available. One source estimated around 500 organic farms in the country as of 2003, with a total land area of about 2,000 hectares, or roughly 0.02 percent of the country’s total agricultural area (YUSSEFI AND WILLER, 2003). Other sources report “around 2,250 hectares committed to total organic farming” in 1997; 1,897 farmers (and a total of 1,754 hectares) “who are fully adopting organic rice farming” as of 2001, and “at least 47 organizations with a total of 1,300 organic rice farming practitioners” as of 2003 (PhilDHRRA, 2003).

Locally grown organic products are few in variety and quantity, and mostly include fruits and vegetables (both fresh and processed), herbs and spices, along with rice, soybean, and honey. Some livestock and poultry, fish, dairy products, and fertilizers are also sold as organic products. The main organic export products, on the other hand, include muscovado sugar, fresh bananas, banana chips, and coconut oil, with Japan, Western Europe, and the U.S. as the primary destinations.

The organic market in the country has been described as a “niche market”. Organic products were initially available mainly in “weekend markets” frequented by urban, upper middle class and elite shoppers, including many expatriates, who adhere to health-and-wellness lifestyles, and nature- or eco-friendly practices. Some direct selling also occurs in neighborhoods and among networks of friends. A number of organic products are increasingly being sold in major supermarkets in Metro Manila, with a price premium reportedly ranging from 20-30 (FAS/USDA, 2000)) to 30-50% over non-organic products (YUSSEFI AND WILLER, 2003).

The demand for organic products is expected to outpace local production. The value of the domestic organic industry as of 2000 has been estimated at 100 million pesos and imports of processed organic food products at another 150 million pesos (FAS/USDA, 2000).

4.3 Policies and institutional support

In general, there has been a lack of a coherent government policy framework that provides directions, structures, programs, and resources for the country’s organic industry. Recent developments, however, include the establishment of the Organic Certification Center of the Philippines in 2001 and the adoption of the “Philippine National Standards Specification for Organic Agriculture” in 2003 by the Department of Agriculture through the Bureau of Agriculture and Fisheries Product Standards.

For the most part, the development of the country’s organic industry has been jumpstarted through the advocacy of civil society organizations (farmers, community-based groups, academics, and non-government organizations, among others) and the business sector. These groups have engaged in lobbying, consumer awareness campaigns, consultative and training programs for producers and other stakeholders, among many other activities.

5 Results
The social and institutional factors that weigh upon the development of organic agriculture in the Philippines may be gleaned from the experiences of selected organic farms and a national support group, and from an assessment of the policy environment.

5.1 Organic farms

At the farm level, several organic vegetable growers with varying scales of operation have been relatively successful in their endeavor. The study analyzed four different types of vegetable farms: some of their features are summarized in Table 1.

Table 1. Selected features of four different types of vegetable farms

<table>
<thead>
<tr>
<th></th>
<th>Smallholder farmer</th>
<th>Family-owned farm</th>
<th>Corporate-owned farm</th>
<th>Farmers’ cooperative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Operator</td>
<td>Woman-farm manager</td>
<td>Retired foreigner</td>
<td>Corporation</td>
<td>Cooperative of 800 low-to-middle income farmer-members; 120 farmers engaged in organic farming</td>
</tr>
<tr>
<td>Farm area</td>
<td>1,200 square meters</td>
<td>1.5 hectares</td>
<td>3 hectares</td>
<td>500 square meters to 1.0 hectare on the average.</td>
</tr>
<tr>
<td>Support environment</td>
<td>- Underwent training</td>
<td>- Adequate capitalization</td>
<td>- Adequate capitalization</td>
<td>- Assisted by church-affiliated, foreign-funded NGO</td>
</tr>
<tr>
<td></td>
<td>- Closely supervised &amp; assured of market outlets by organic farming advocate &amp; civic leader</td>
<td></td>
<td>- Has contract growing arrangement with low-income farmers</td>
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<tr>
<td>Marketing prospects</td>
<td>- Sells in open market near upper class neighborhood; limited competition</td>
<td>- Sells directly to hotels &amp; restaurants through personal networks with chefs</td>
<td>- Markets to hotels, restaurants &amp; supermarkets, plus special organic outlets</td>
<td>S- Dominant presence in major Metro-Manila supermarkets</td>
</tr>
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<td>Benefits</td>
<td>- Increased income</td>
<td>- Profitable farm</td>
<td>- Profitable, sustained growth since 1987</td>
<td>- Sustained operations since start of organic vegetable production in 2001</td>
</tr>
<tr>
<td></td>
<td>- Supported education of children</td>
<td>- Sustained growth since 1983</td>
<td>- Employs 15 regular staff, plus contractual workers</td>
<td>- Employment and income for coop members</td>
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<tr>
<td></td>
<td>- Purchased vehicle for farm operations</td>
<td></td>
<td>- Provides income to contract growers</td>
<td>- On-farm and non-farm improvements and lifestyle changes</td>
</tr>
</tbody>
</table>

These success cases notwithstanding, there have been numerous reports as well of failed attempts at organic farming. A number of farmers who had hoped to earn profits early on eventually opted out after either incurring financial losses or failing to achieve their expected profit margins.

The avowed benefits of organic farming at the community level also remain to be seen. Except for the larger and more well-known farms, most other farms are relatively small in size and operations, and involve mainly family members. Thus their impact on the wider community in terms of increased employment and revenues, environmental and health improvements, if any, are not yet felt or evident. The lack of interactions and coordination among organic farmers at the local community level also prevents the emergence of a constituency or critical mass that would promote the interests of organic agriculture locally.

5.2 Organizational support

At the national level, several organizations of farmers, traders, and entrepreneurs have emerged in response to the demands and opportunities of organic farming. International development agencies and foreign governments have also been highly supportive.
An example of a national civil society organization is the Organic Producers Trade Association. Formed in 1995 with eleven members, the organization in 2003 had grown to include some 255 “trade members” who are directly involved in organic production and trading, and 109 associate members who are mostly consumers interested in organic farming. Since its establishment, OPTA has been in the forefront of the organic movement, taking active part in drafting the national standards, lobbying the government, establishing and facilitating weekend markets and tradeshows, conducting seminars and workshops, and disseminating information through its regular publication *Organic…Matters*, among many other activities and initiatives. Despite limited resources, OPTA has been able to increase the public’s awareness about organic farming and to orient its members toward product quality improvements through its efforts at developing certification standards.

OPTA recently developed its own quality assurance system which it feels is more accommodating of agro-economic realities in the country. Under this color-coded scheme, products sold at OPTA markets and outlets will be labeled according to the extent to which standards for organic agriculture have been followed. Thus, the blue label is to be given for 100% certified organic products, green for products from farms still in the process of conversion and have not fully complied with the requirements, and yellow for products “with 70% substantially reduced chemical inputs” (OPTA, 2003).

5.3 The policy environment

The policy environment for organic agriculture has recently shown some improvements, but much still remains to be done. There is, for example, the challenge of sustaining policies and programs, given constant turnovers in administrative regimes and bureaucracies.

In any case, a significant policy advancement has been in terms of certification. As mentioned earlier, the “Philippine National Standards Specification for Organic Agriculture” was adopted in 2003 by the Department of Agriculture, through the Bureau of Agriculture and Fisheries Product Standards. The Department of Agriculture has also issued the “Guidelines in the Accreditation of Certifying Bodies for Standards on Organic Agriculture” (Administrative Order No. 13, Series of 2003). The standards were based on guidelines earlier drafted by the Organic Certification Center of the Philippines (OCCP), which was established by key organic practitioners in the country with the support of the Center for International Trade Expositions and Missions (CITEM), the export promotion agency of the government’s Department of Trade and Industry. Efforts to develop these guidelines have been traced back to 1996, when a coalition of civil society organizations (among them FOODWEB and the Organic Producers Trade Association) drafted the first Philippine Standards for Organic Production and Processing based on IFOAM Standards (UNESCAP, 2002).

Apart from certification, the Department of Agriculture has also recently launched a national campaign to produce organic fertilizers, while the Department of Trade and Industry continues to explore the export potential of various organic and natural products.

In terms of legislation, several bills have been proposed to promote bio-organic farming in the country. The bills seek to develop appropriate technologies, provide support services, create research and extension networks, establish fertilizer production centers, and institutionalize a bio-organic farming council, among others. Another bill proposes to establish an organic farming training and production facility in every agricultural *barangay* or village.

Meanwhile, other sectors have been conducting a more thorough look at various aspects of the industry. Studies have been conducted recently on the organic rice industry (PhilDHRRA, 2003) and on “the organic and natural products sector” which includes “organic agriculture products, herbal products and virgin coconut oil” (Pearl2 Project, 2004).

6 Conclusions and recommendations

In sum, it appears that organic farming has yielded both successes and failures. While it has addressed some pressing challenges, it also continues to be burdened by other major constraints. What social-organizational factors then appear to influence the development of organic agriculture?

Small-scale farmers seem most successful when given adequate training and assured of important requirements such as land, seeds, and a secure market. Farmer-cooperatives also illustrate the importance of inter-farm cooperation and coalition-building and the role of support groups or networks. In turn, larger farms have benefited from having access to adequate resources, technological know-how, and an effective marketing system.

The development of markets on the one hand and the certification standards on the other, both illustrate the role of civil society groups, environmental activists among them. Interestingly, often at the forefront of these initiatives are women leaders and activists.
The growth of the organic industry has been fueled by the private sector, particularly the market and various civil society organizations. These groups are motivated not just by economic gains but more importantly, by the benefits to health, environment, and general well-being. These purposes and motivations need to be shared with the larger public, and this can be effectively achieved through consumer education and awareness campaigns. Producers will likewise engage in organic agriculture if appropriate information and support were available regarding matters such as market potentials, technologies, production systems, and the like. Researchers will also need to examine the lessons learned by field practitioners and to develop appropriate technologies and production systems. To meet these aforementioned challenges, it is crucial to have a more proactive government that can steer various stakeholders toward clear alternatives, and provide the policies, institutions and resources that are needed to move forward.

References


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²PHP (Philippine Peso) 56.21= 1 US$ as of September 2004
³PHP (Philippine Peso) 50.96= 1 US$ in 2001