



# AgriCOOPh

Session 4:

## Farm-to-School Programs in Southeast Asia

*The case of the Philippines*



# Outline

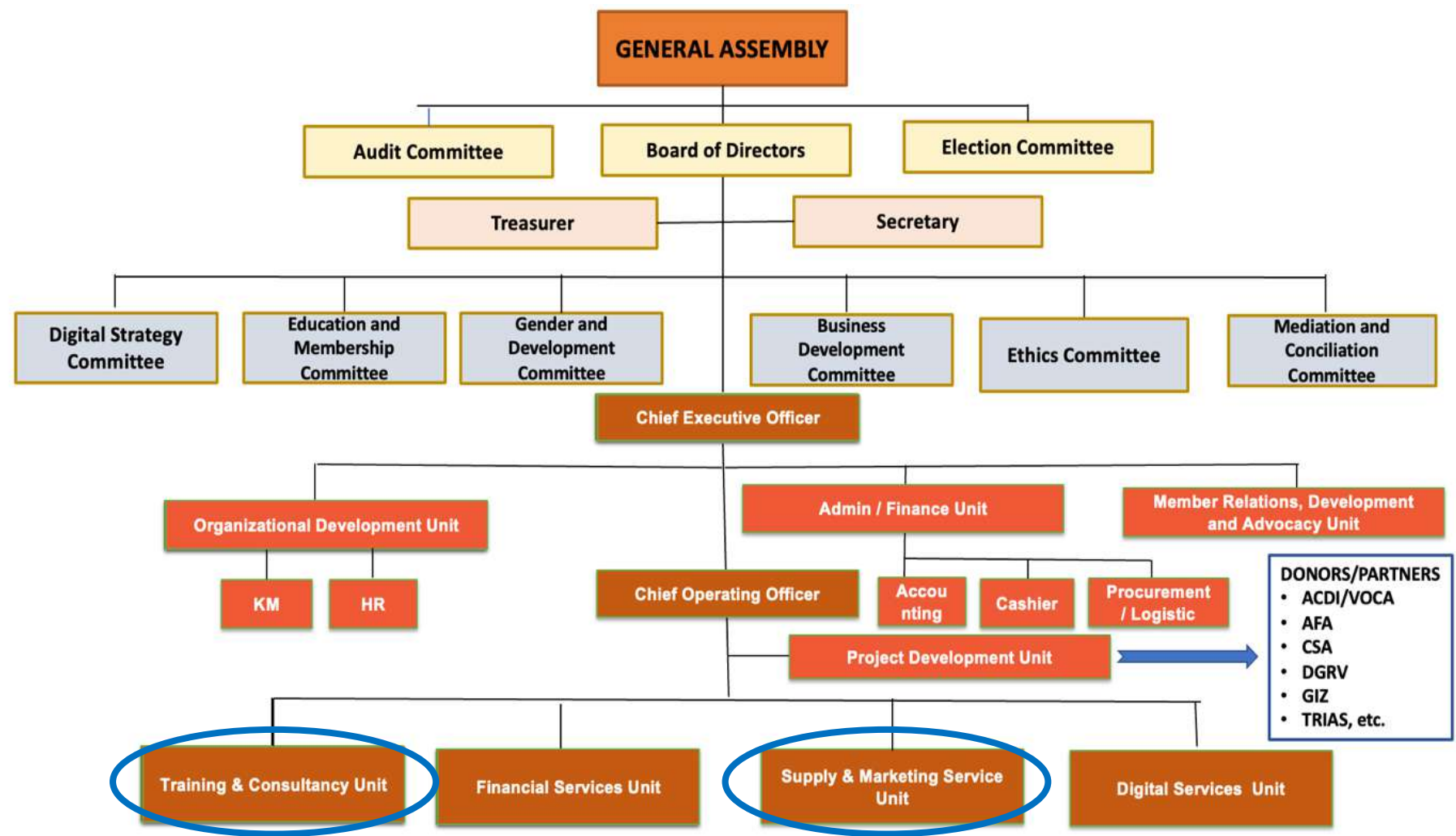
- Introduction of Agricooph and engagement on School-Based Food and Nutrition Programs (SBFN)
- Impact of SBFN to cooperatives and its members and to the schools
  - Beneficiaries
  - Production
  - Market Access
  - Financing Linkages
- Benefits of SBFN to end users
- Proposed Strategies for the Dairy Hub Key Points on Public Food Procurement Forum
- Key lessons
- Challenges and opportunities
- Recommendations

Agricooph



# Philippine Family Farmers' Agriculture Fishery Forestry Cooperatives Federation (Agricooph)

## Introduction of Agricooph





# Philippine Family Farmers' Agriculture Fishery Forestry Cooperatives Federation (Agricooph)

Overall Operations				
# of Cooperatives	# of Members	Commodities	4Ps Contract Established	Financing Support
46	706,898	Cacao, rice, banana, coconut, vegetables, fruits, fish, pigs, chicken, buffalo,	EPAHP from DSWD, LGUs, DSWD	LBP, ACPC, Small Business Corp.

Engagement on School-Based Food and Nutrition Programs				
Commodities under SBFN	# of Cooperatives	# of Members	Contracts with the Government	Total sales generated from SBFN
Toned Milk, Nutribun	7	Est. 700 members	EPAHP from DSWD, LGUs	Php 15.7M reported sales from SBFN (for 2 FOs)

Note: Additional 3 or more FOs are supplying rice, tuna, and other commodities to the government for food packs.

# Philippine Family Farmers' Agriculture Fishery Forestry Cooperatives Federation (Agricooph)

## How AgriCOOPH started SBFN?

With funding support from USAID, AgriCOOPh co-implemented the Dairy Value Chain Project under the GROWCOOP project of Agriterra with seven Agriculture Cooperatives in the Visayas.

Cooperatives are also tapped by the Nutrition Council in their nutrition program for pregnant women (as in the case of Calinog Farmers Agriculture Cooperative)

The 7 partner cooperatives, even prior to the project with Agriterra are already supplying dairy milk in contract with the Feeding program of the Department of Education and the Department of Social Welfare and Development thru the Local Government Units.

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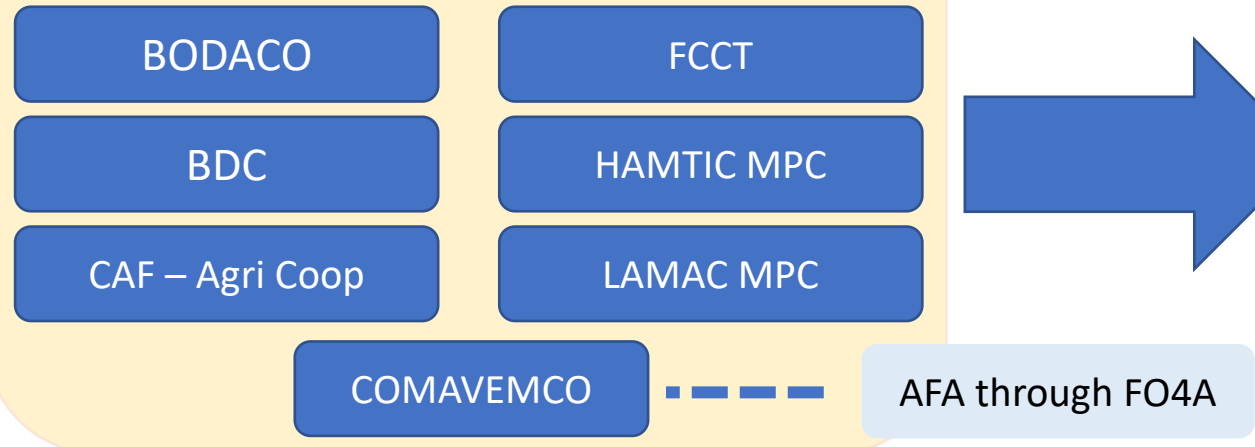


# Philippine Family Farmers' Agriculture Fishery Forestry Cooperatives Federation (Agricooph)

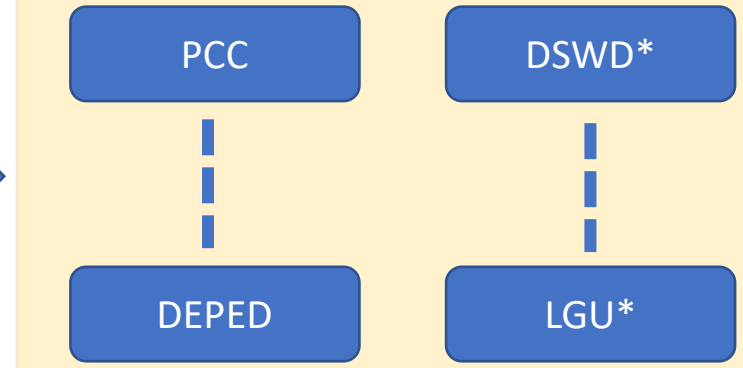


## AGRICOOPH

*Agriterra through GROW COOP Project:  
Improving the Visayas Dairy Value Chain*



## Government



**Note:**

- Under the milk feeding for school children, coops supply/distribute bottled toned milk for school children in designated locations.
- The engagement/contract with the DepEd is facilitated and supply is consolidated by PCC; dairy coops supply the toned milk to schools.
- \*Food packs

# Sales Generated as of June 2022



FOs	2020		2021		As of June 2022		BUYERS
	SALES (PHP)	MILK DELIVERED (L)	SALES (PHP)	MILK DELIVERED (L)	SALES (PHP)	MILK DELIVERED (L)	
BDC	4,506,268.00	35,406	15,929,836.00	31,733	5,450,189.00	16,514	DEPED, DSWD, LGU, SUC
BODACO	14,889,812.00	76,975	22,020,558.00	119,55	26,387,952.00	134,106	DEPED, DSWD, PLGU
CAF-AGRI	2,058,566.40	23,104	27,125,497.08	304,439	11,316,818.00	119,125	DEPED, DSWD
COMAVEMCO	0	0	1,626,100.00	0	2,505,780.00	17,806	
FCCT	94,685.50	1,894	7,590.00	152	6,903.50	93	LAMAC MPC; FCCT MEMBERS
HAMTIC MPC	0	0	0	0	1,532,999	1,161	BOUGHT FROM CAF-AGRI
LAMAC MPC	51,924,240.00	536,819	49,409,809.00	505,531	35,477,357.00	369,535	DEPED

# Impact of SBFN to the cooperatives and other stakeholders

## Family Farmer

- Increase the price of milk per liter – *from P50 to P70-P100*
- Security of sales and income from milk production – *dairy cooperatives buy milk and pay cash upon collection from the government*
- With stable income from milk production, farmer is able to diversify crop production, particularly vegetables, chicken, etc., thereby contributing to higher household income

## Farmer beneficiaries

- Improved overall income of the farming household.
- Steady cashflow allows farmer to address other household needs for emergencies, medicines, food, etc.

## Farmer beneficiaries

- Increase in sales
  - 1 FO: 63% (15.7M out of 25M) of the sales are from the DEPED and Provincial Local Government Unit.
- Distribution/collection of milk by the coop
- Less spoilage – collection is done by motorbike in remote areas

## Financing Linkages

- Farmer received carabao buffalo from PCC.
- Cooperatives received processing facilities including dairy box from PCC and equipment from the DTI.
- Cooperatives borrowed from ACPC with no interest and from Land Bank with less interest.
- 1 Cooperative was able to receive grant from FO4A financing the production and processing of Milk for feeding program.

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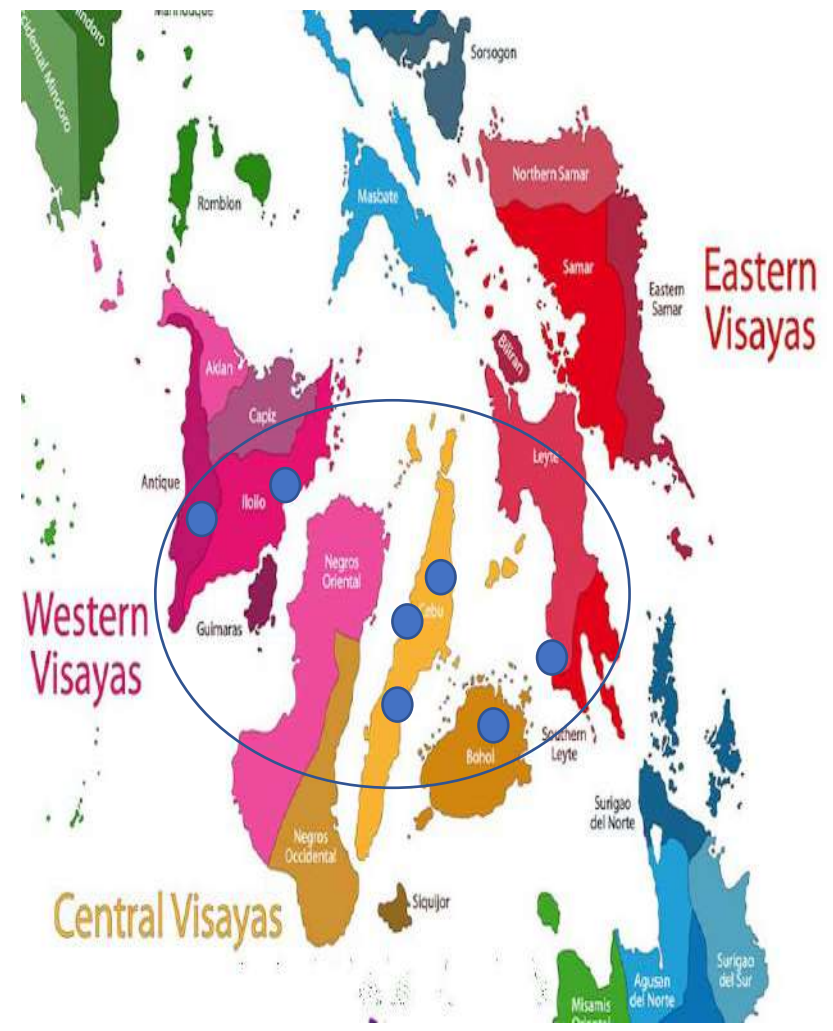




# Benefits of SBFP to End Users

## School-Based Feeding Program

- The schools are able to deliver and fulfill its mandate improving the nutritional and health status of targeted school children.
- Supply of milk came from local production (cooperatives).
- With participation of the cooperatives in the SBFN, the schools are assured of adequate supply of fresh quality and nutritious milk with nutri buns for the school children.



# Proposed Strategies for the Dairy Hub

## 1. Establishment of Shared facilities

- Research and Development (production, processing, quality assurance, marketing)
- Extension and training services
- Retort facility
- Feedmill
- Repair and maintenance of equipment and machinery

## 2. Common registered brand

- To penetrate the huge milk market and promote the nutritional benefits of dairy buffalo milk in public and among the members of the co-op

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# Proposed Strategies for the Dairy Hub

3. Establishment of a common supply hub to supply raw materials to member co-ops such as, packaging, skim milk, concentrates, and others; establishment of feed mills.
4. Membership expansion to increase the number of qualified farmers and co-operatives engaged in dairy buffalo to improve competitiveness in the marketplace.
5. Establishment of the Visayas Dairy Hub Management Organization for advocacy and advancement of the dairy buffalo industry in the Visayas region.



# Key Points on Public Food Procurement Forum

- Food procurement agencies set healthy nutrition standards for the supply of food. Shaping eating habits and shifting demand and consumption patterns towards healthier food
- Demand:
  - Stimulating the supply of nutritious food- by creating large-scale predictable demand and making production more economically viable.
  - Cooperatives have increased their purchasing power since they are assured of the purchase orders.
  - Shaping eating habits and shifting demand and consumption patterns towards healthier food.
  - *In the Philippines, in 2021, the [“Quezon City Healthy Public Food Procurement Policy”](#) introduced mandatory nutrition standards for all food and food supplies in city-run hospitals, offices, departments, and institutions. The policy also supports urban agriculture and local sourcing of healthy food and ingredients. By ensuring that healthy meals and snacks are served in the places where people work, live or receive care, the policy can potentially shape eating habits in this city of 2.7 million people.*

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# Key Points on Public Food Procurement Forum

- Supply:
  - Cooperatives have encouraged their members to increase production because of the guaranteed supply requirement.
- Local economy have greatly improved as there are more job opportunities to local people (production, processing, logistics, packaging, etc.)
- EPAHP provides capacity building program for participating community-based organizations (CBOs)
- Various food procurement agencies have their food procurement budget for the year (ex. DSWD, DepEd, BJMP, LGUs, hospitals, etc.)

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# Key Lessons

- PhilGEPS is required to participate in public food procurement.
- Funding is necessary for food production, inventory, and logistics support including payment terms (receivables).
- Competitive bidding in government procurement is very tedious, expensive and difficult in technical and legal compliance for documentation.
- It is a risky business proposition when there will be unexpected changes in prices of commodities/inputs as the bid price cannot be changed, or due to inflation uncertainties.
- Common delay of payments by government agencies due to bureaucracy.

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# Key Challenges

- Cooperatives' access to participate in public procurement
  - Procedures and requirements to bid
  - Information dissemination
- Payment scheme of the government
  - Longer process on the payment of the government; this reduces the utilization rate of the working capital of the cooperatives and decreases opportunities to participate in other local bidding.
- Irregular procurement by the government
  - Sustainability on the feeding program by the government.



# Opportunities

- Cooperatives
  - Strong government support – PCC, NDA, EPAHP, **RA 11321** (Sagip Saka Act) approved on April 17, 2019 that allows government to procure directly from CBOs thru negotiated procurement; **RA 11037** (The masustansyang Pagkain Para sa Batang Pilipino Act) approved on June 20, 2018 thru DSWD; **RA 9184** that established the guidelines on the participation of NGOs in public procurement.
  - Huge market for dairy products – imports country's daily requirement of 2.0 M metric tons liquid milk equivalent; produces less that one percent of its annual dairy requirements and imports the balance.
  - Strong support from partner organization – USAID, Agriterra, AgriCOOPh
- Family Farming
  - More sustainable source of income as milk produce are purchased by the cooperatives who processed the milk supplied to the government feeding programs.

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# Recommendations

## Government

- Continue the strong support to SBFP by:
  1. Increasing the budget allocation for feeding programs.
  2. Improving the procurement procedures, requirements and delivery of support services on technical, financial, markets, and linkages.

## Local and International Organizations

- Expansion of the financing support for cooperatives involved in feeding programs.
- Continuous technical assistance on operations, marketing, and organizational capacity development.

## Cooperatives

- Strengthen its dairy production and processing enterprise.
- Develop varied dairy milk-based products and expand markets
- Continue providing support services to farmers
- Expand dairy production to reach out more farmers.



*Thank You*

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