# PHILIPPINE AGRICULTURE AND FISHERY

## Challenges, Opportunities and Global Competitiveness

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March 9, 2010



## AGRIBUSINESS AND ECONOMIC GROWTH

- Strong **synergies** between the performance of **agriculture** and **development**.
- **Dynamic and efficient agribusiness** spurs agricultural growth.
- **Strong link** between **agribusiness and smallholders** can reduce rural poverty

- WDR 2008

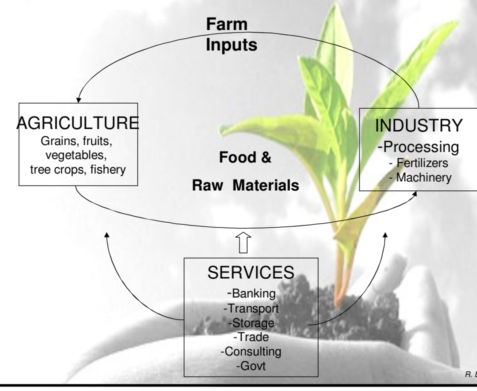


## OUTLINE

- Role of Agriculture and Agribusiness
- The Global Picture
- The ASEAN
- The Philippines
- Competitiveness Guidelines and Implications
- Challenges
- Over-riding and Strategic Goals
- Key Success Factors
- Select Action Agenda
- Food for Thought



## AGRIBUSINESS AND SECTORAL LINKAGES






## STRATEGIC ROLE OF AGRICULTURE IN DEVELOPMENT

- **Economic – contribution to GDP, food, raw materials for agro-processing, exports,**
- **Livelihood - jobs**
- **Environment - impact of water use, deforestation, coral reefs, climate change**

***Source: World Bank, World Development Report 2008***

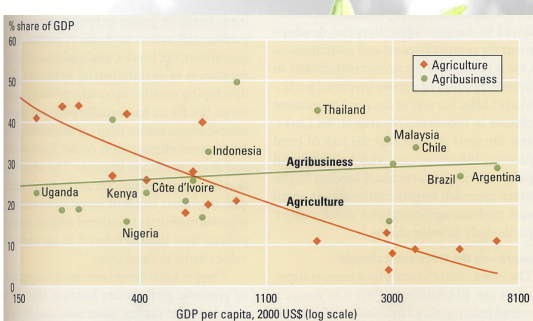


## AGRIBUSINESS AND MULTIPLIER

| | Agriculture as % of GDP | Agribusiness as % of GDP | Multiplier |
|---|---|---|---|
| Indonesia | 20 | 33 | 1.6 |
| Malaysia | 13 | 36 | 2.8 |
| Thailand | 11 | 43 | 3.9 |
| | | | |
| Argentina | 5.6 | 32.2 | 5.8 |
| Brazil | 7.5 | 26.6 | 3.6 |
| Chile | 8.5 | 32.1 | 3.8 |
| Costa Rica | 12.8 | 32.5 | 2.5 |

Source: World Bank (2008), Guilhoto ( 2004 ), Jaffee (1999).

## THE RELATIVE SHARES OF AGRICULTURE AND AGRIBUSINESS IN GDP CHANGE AS INCOME RISES

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## THE GLOBAL CHALLENGES

- Pressure on food supply
- Rising energy costs
- High fertilizer costs
- Increasing land scarcity
- Increasing water scarcity
- Climate change
- Stringent food standards

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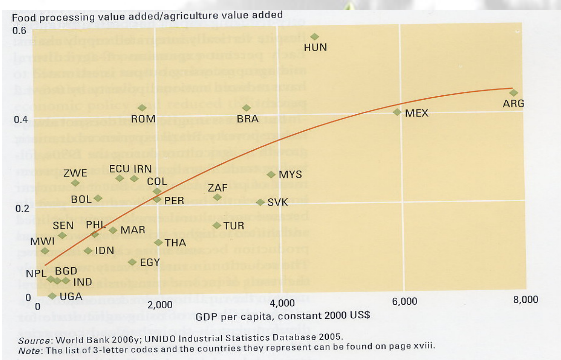
## THE RATIO OF FOOD PROCESSING TO AGRICULTURAL VALUE ADDED RISES WITH INCOME

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## Pressure on Food Supply

- Growing markets for food, feed, and biofuels
- Industrialization, urbanization and infrastructure reduce prime lands
- Less water for agriculture

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## GLOBAL TRENDS

- **Diversification toward high-value production** is a demand-driven process in which the private sector plays a vital role
- **Higher incomes, urbanization, and changing preferences** cause domestic consumer demand for high-value products.
- **The structure of food spending is shifting** from the consumption of grains and staples to vegetables, fruits, meat, dairy, and fish.
- **The demand for ready-to-cook and ready-to-eat foods is also rising**, particularly in urban areas.

\- IFPRI, 2007

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## Rising Input Prices

*Energy and fertilizer*

- Slow growth but sustained demand
- Limited discoveries of large oil fields (peak oil?)
- Non-renewable supplies of gas, phosphate and potash
- Sources limited to few countries

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## Land and Water Scarcity

- Conversion of farm lands
- Competing uses of water: agriculture, industry, infrastructure, housing
- Climate change

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## GLOBAL OPPORTUNITIES

- Rising incomes and wealth in Asia - China, India, ASEAN
- Supply chain transformation
- Biofuels boom
- Technology advances (Life sciences + ICT)
- Cross-border investments

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## Climate Change

- Increasing variability
- Rising intensities of droughts, floods, and typhoons
- Variability in food supply

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## Supply Chain/Logistics Transformation

- Moving goods efficiently
- With faster turnaround
- Multi-points sourcing
- Lower final costs to consumers

***Impact:* Countries, regions and firms with better logistics have the competitive edge.**

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## Stringent Food Safety Standards

**The new non-tariff barriers**

- New opportunities are stifled by rigorous safety and quality standards of countries, processors and retailers
- Traceability certifications
- Many developing, agri-exporting countries are ill-prepared.

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## Biofuels

**(Mandated In Many Countries)**

- **Bio- ethanol**
  Raw materials: sugarcane, cassava and sweet sorghum
- **Bio-diesel**
  Raw materials: palm oil, palm kernel oil, coconut oil, jatropha(?)

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## Technology advances
(Life sciences + ICT)

- **GMO impact** of increasing yield and shelf life, more nutritious goods, cost-effective plant *architecture*, and elimination/reduction of cost of farm chemicals use.
- **ICT impact** on rapid transmission of market signals, market transactions, new technologies, and decision-making



## Rising incomes and wealth in Asia - China, India, ASEAN

- Population size
- Rapid economic growth
- Fast-rising middle class

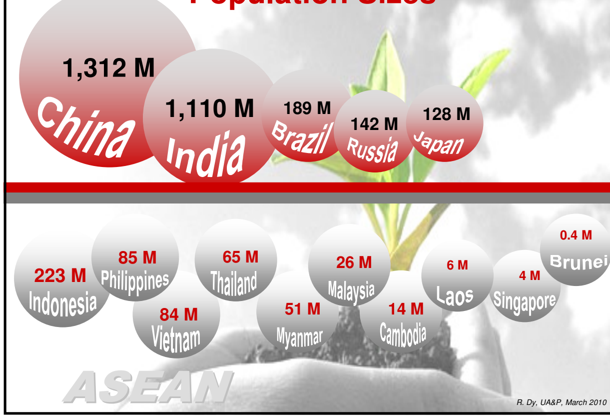


## Cross-border investments

- **FTAs** enlarge markets, lift economies of scale, and attracts FDIs
- **Improving risk profile** attracts attract foreign capital into emerging economies
- Simplified customs and quarantine
- Lower barriers of nationalism



## Population Sizes






## Rising incomes and wealth

- The **global corporations are transforming the opportunities** for small agricultural producers.
- Transactions along the **corporate food chain have increased.** Between 2004 and 2006, global food spending grew by 16 percent from US$5.5 trillion to 6.4 trillion (Planet Retail 2007).

- IFPRI, December 2007



## China Market

- China: **1,300 million**
- Average economic growth: **10% p.a.**
- **300 million** middle class (mostly in coastal cities)
- Olympic dividends

## China in 15-20 Years

- *"By **2025**, China will have **221 cities** with more than **one million** inhabitants – compared with 35 in Europe today – and 24 cities with more than five million people."*
- *"By **2030**, **1 billion** people will live in China's cities… **170 mass-transit systems could be built…40 billion of square meters of floor space will be built in five million buildings—50,000 of which could be skyscrapers.**"*

***Source: Mckinsey Global Institute, June 2008***



## China Consumer Market
### Large Size, High Growth

| | 2004 | 2007 | 2008 (e) |
|---|---|---|---|
| Consumer Spending $ billion | **758** | **1,160** | **1,226** |
| Food Spending $ billion | **276** | **295** | **405** |

*Source: Euromonitor*



## China Market

- **Mainland China** has:
  **22** provinces
  **5** autonomous regions
  **4** municipalities.
- **20** provinces have population of **over 30 million**!
- Each province is a **different country**!



## China Food Market

Major agri-food importer:

- Vegetable oils
- Fresh Fruits
- Seafoods
- Raw materials (rubber, hides, cotton, etc.)



## China Coastal Clusters, 2007

| Megapolis | | Metropolitan Area | |
|---|---|---|---|
| | Population (Million) | | Population (Million) |
| Yangtze River Delta | **88** | Shanghai | **20** |
| Pearl River Delta | **50** | Guangzhou - Foshan | **14** |
| Beijing-Tianjin | **40** | Beijing | **17** |



## China

- Since 1978, **agriculture growth has exceeded the growth of population** by nearly five times, transforming the country's food economy.
- But, with **240 million small farms** (ave. < 0.6 ha), there are challenges in moving the system into a modern, vertically integrated and able to meet the nation's increasing demand for safe, traceable and reliable food.

*Authors: Huang,L.(2008) Regoverning Markets Programme*
*http://www. eldis-agriculture@lyris.ids.ac.uk*

## CEO Quotes

*"Nowhere in the world is there a market like this – nowhere. To me, the 21st century will be the Chinese century. China will change the economic balance of the world."*

- Guy McLeod, President, Airbus China

(China CEO: Voices of Experience by Fernandez and Underwood, John Wiley, 2006)



## Japan
## Rich but Aging

- Consumer Market (Japan): **128 M**
- High income market
- Aging and declining population
- Large tourists base

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## Taiwan

- Population: **23 million**
- High income: ~**$20,000 per person**
- Food importer: **over $3 billion a year**
- Wheat, soybeans, corn
- Processed foods

***Source: http://www.cepd.gov.tw/***

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## Japan

Food importer: **$60 billion a year**

- Grains for feeds; Some rice
- Meat
- Fruits, vegetables
- Seafood
- Quality and food safety concerns

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## Taiwan
## Developed Country Lifestyle

| | 2004 | 2007 | 2008 (e) |
|---|---|---|---|
| Consumer Spending $ billion | **195** | **222** | **226** |
| Food Spending $ billion | **42** | **50** | **51** |

*Source: Euromonitor*

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## South Korea

- Consumer Market: **40 million**
- High income markets
- Aging population
- Home to Samsung, Hyundai, Kia,& Lotte

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## South Korea
**Developed Country, High Density**

| | 2004 | 2007 | 2008(e) |
|---|---|---|---|
| Consumer Spending $ billion | 337 | 492 | 504 |
| Food Spending $ billion | 50 | 72 | 73 |

*Source: Euromonitor*



## THE ASEAN

- **The whirlwind of opportunities.**
- **A global agrifood player.**
- **Resources: land, seas, and people.**



## South Korea

Food import: **over $12 billion a year**

- Grains *except rice*
- Fruits and vegetables
- Seafood
- Quality and food safety concerns



## ASEAN COUNTRIES ARE WORLD PLAYERS

| | 1 | 2 | 3 |
|---|---|---|---|
| **Rice** | **Thailand** | **Vietnam** | India |
| **Palm oil** | **Indonesia** | **Malaysia** | **Thailand** |
| **Coconut oil** | **Philippines** | **Indonesia** | India |
| **Natural rubber** | **Thailand** | **Indonesia** | **Malaysia** |
| **Coffee, robusta** | **Vietnam** | **Indonesia** | Brazil |
| **Banana, fresh** | Ecuador | **Philippines** | Costa Rica |
| **Pineapple, canned** | **Thailand** | **Philippines** | **Indonesia** |



## The ASEAN

- Dynamic economies
- **Nearly 600 million** consumer market
- Indonesia **230M**, Philippines **90M**, Vietnam **87M**, Thailand **65M**, Malaysia **27M (2007)**
- **Over 150M** middle class
- Diverse cultures and markets
- Heavy agri-food importer: wheat, meat, fish, fishmeal, temperate fruits, but a global exporter.



## ASEAN EXPORTS AMONG THE WORLD PLAYERS

| | 1 | 2 | 3 |
|---|---|---|---|
| Shrimps | China | **Thailand** | **Vietnam** |
| Catfish | **Vietnam** | China | USA |
| Canned tuna | USA | **Thailand** | Spain |
| Tapioca starch | **Thailand** | **Vietnam** | Indonesia |
| Pepper | **Vietnam** | India | Brazil |
| Cashew | **Vietnam** | Nigeria | India |
| Cacao | Ivory Coast | Ghana | **Indonesia** |

## PHILIPPINE AGRICULTURE PERFORMANCE

**RP tailed in the 1980s and 1990s**
*(% Average Annual Growth)*

| | 1980-1990 | 1990-2000 | 2001-2008 |
|---|---|---|---|
| Indonesia | 3.6 | 2.1 | 3.4 |
| Malaysia | 3.4 | 0.3 | 3.3 |
| **Philippines** | **1.0** | **1.7** | **3.8** |
| Thailand | 3.9 | 4.2 | 3.0 |
| China | 5.9 | 4.1 | 4.2 |
| Vietnam | 2.8 | 4.3 | 3.9 |

*Source: World Bank Development Indicators, 2004 and 2006; Asian Development Bank – Key Indicators of Developing Asia and Pacific Countries, 2007*

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## COMPARATIVE AGRICULTURE AND FISHERIES RECORD

*RP at the cellar (revealed comparative advantage)*

| Export Value in$ B | INDON | MALAY | PHIL | THAI | VIET |
|---|---|---|---|---|---|
| Fish, etc. | 1.6 | | 0.3 | 2.3 | 2.5 |
| Veggies | | | | 0.7 | 0.2 |
| Fruits and nuts | | | 0.6 | | 0.5 |
| Coffee | 0.9 | | | | 1.6 |
| Cocoa and prep | 0.9 | 0.6 | | | |
| Cereals & prep | | | 0.2 | 2.7 | 0.9 |
| Vegetable oils | 6.1 | 7.0 | 0.6 | | |
| Seafood prep | 0.3 | | 0.1 | 4.0 | 0.6 |
| Rubber prod | 5.5 | 4.8 | | 8.9 | 0.9 |
| **All products** | **15.8** | **12.4** | **2.5** | **22.8** | **7.3** |

Products Revealed Comparative Advantage (RCA) >1 (2006)
Source: ITC

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## RP failed in agriculture exports!

| Values in 2007 | Exports ($ B) | Imports ($ B) | Balance ($ B) | Export/ Farm Area ($) |
|---|---|---|---|---|
| Indonesia | 23.4 | 10.5 | +12.9 | 710 |
| Malaysia | 20.5 | 10.6 | +9.9 | 2,710 |
| Thailand | 25.0 | 8.4 | +16.6 | 1,420 |
| Vietnam | 11.7 | 6.1 | +5.6 | 1,500 |
| Philippines | 3.2 | 4.3 | -1.1 | 300 |

Source of basic data: WTO, CIA

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## MANG AMBO'S FINANCES

**Why is a Filipino farmer poor?**

| Item | Status | Major Causes |
|---|---|---|
| Farm Area | Low Utilization | • Limited multi-cropping and diversification<br>• Inadequate irrigation and drainage<br>• Weak marketing infrastructure |
| x Farm Productivity | Low | • Limited use of good seeds and genetics<br>• Low input use<br>• Access to technology and training<br>• Access to credit |
| = Production | Low | • Plus: post-harvest losses |
| x Farm Price | Somewhat Low | • High transport costs (poor rural infrastructure)<br>• Access to market information<br>• Weak farmers organization |
| = SALES | Low | • Recipe for low income |

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## It has dismal record in fishery and aquaculture exports!

| | EXPORT ($ billion) | COASTLINE (kilometer) | Export/ Coastline ($/km) |
|---|---|---|---|
| Indonesia | 1.95 | 57,716 | 34,000 |
| Malaysia | 0.64 | 4,675 | 137,000 |
| **Philippines** | **0.39** | **36,289** | **11,000** |
| Thailand | 6.17 | 3,219 | 1,918,000 |
| Vietnam | 3.06 | 3,444 | 890,000 |

Note: HS 03 & HS 16
Source: ITC and CIA (2007 Data)

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## MANG AMBO'S FINANCES

**Why is he poor?**

| Item | Status | Major Causes |
|---|---|---|
| COSTS | | |
| Farm Inputs<br>- Quantity<br><br>-Costs | <br>Low Usage<br><br>High | <br>• Lack of resources Not bankable<br>• High transport costs (poor rural infrastructure) |
| Loans | High Cost | • Small loan size, high risk |
| FARM INCOME | Low Income (Poverty level) | •Low revenue and high costs |

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## SOURCES OF COMPETITIVE ADVANTAGE

- ✓ **Factor endowment**
- ✓ **Difference in productivity and costs**
- ✓ **Dynamic economies of scale**

Source: Colliers and Venable (2007), Eifert, Gelb and Ramachandran (2005), and Wood and Mayer (2001) as quoted in the World Development Report 2008



## Factor endowment

- **Natural resources**
  - **Land, Water, Sea**
- **Human capital**
  - **Supply: Unskilled and Skilled**
  - **Quality**



## Productivity and Cost Drivers

- **Business climate**
- **Infrastructure**
- **Institutions**



## On Business Climate

- Good macro fundamentals
- Reasonable fiscal and external balances, realistic exchange rate, low inflation and interest rates, competitive markets, and
- Social and political stability.

-- ADB, Philippines: Moving Towards a Good Investment Climate, 2005



## On Business Climate

- **Infrastructure availability and quality** of physical infrastructure, such as roads and ports, telecommunications, power and water supply.
- Maintenance of assets

-- ADB, Philippines: Moving Towards a Good Investment Climate, 2005



## On Business Climate

- **Governance and institutions:** transparency and efficiency in regulation, taxation, and legal system, strong and well-functioning financial sector, labor market flexibility, and skilled labor force.

-- ADB, Philippines: Moving Towards a Good Investment Climate, 2005

## Economies of Scale

- Size matters
- Raw material base
- Early movers have an advantage

ECONOMIES OF SCOPE

- Supplier industries and services in the cluster
- Support institutions



## DETERMINANTS OF GLOBAL COMPETITIVENESS

AT THE FRONT OF THE SUPPLY/VALUE CHAIN:

- The **cost, availability, and reliability of raw materials** delivered to the processors

Source: AFFA



## GLOBAL COMPETITIVENESS

**IMPORT**

- **Domestic Price < Border (CIF) Price**

**EXPORT**

- **Domestic Price < Border (FOB) Price**



## DETERMINANTS OF GLOBAL COMPETITIVENESS

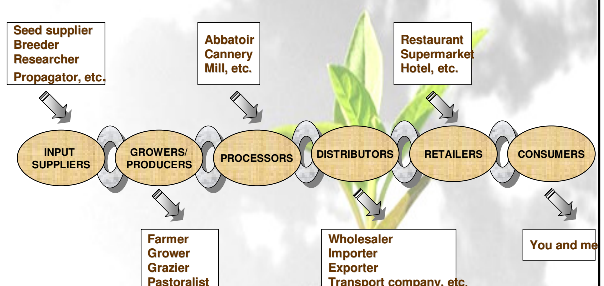
**ALONG THE SUPPLY/VALUE CHAIN:**

- **The relative efficiency in value adding**
- **Importance of financing, manufacturing, packaging, branding, marketing and distribution.**

Source: AFFA



## THE SUPPLY CHAIN




*SOURCE: New Industrial Development Program (NIDP) – MADE IN AUSTRALIA, Number 1, Series 3, AFFA (2003).*



## AGRO-INDUSTRIAL COMPETITIVENESS

When **raw materials are priced below world prices:**

**Processors are able to compete** in price-sensitive markets

provided supply chains are efficient.

Source: AFFA

## IMPLICATIONS

- Inter-connectivity of roads to ports
- Land consolidation
  for large scale raw materials
- Supply chain efficiencies



## AGRO-INDUSTRIAL COMPETITIVENESS

Where the **prices of raw materials are higher** than those of competitors:

it would be **tough to develop products for the export.**

Source: AFFA



## AGRO-INDUSTRIAL COMPETITIVENESS

Where **raw materials are priced at near world prices**

✓**good marketing**
✓**innovative product development**
✓**a sound understanding of consumers** are **keys to compete** in value –sensitive markets

Source: AFFA



## IMPLICATIONS

**Address longer term issues of:**

- productivity
- plant efficiencies
- logistics
- scale



## IMPLICATIONS

- Investing in marketing and export development
- Investing in product R&D
- Investing in market research and intelligence



## MAXIMIZE

**GDP, Jobs, Incomes and Exports in Agri-Fishery**

**Subject to:**

- Market
- Profitability
- Land and Climate Suitability
- Budget Constraints

## Allocate budget to:

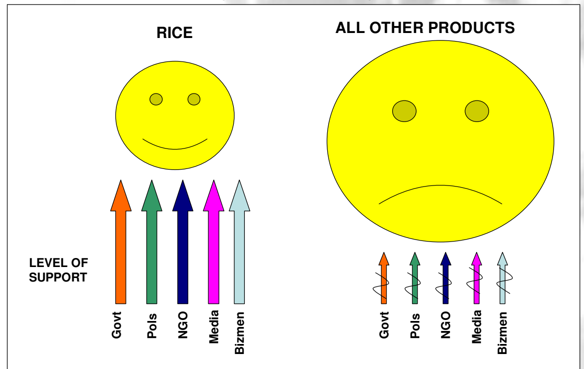
**INDUSTRIES:**
- Rice
- Corn
- Coconut
- Sugar
- Fruits
- Vegetables
- Poultry
- Livestock
- Fishery
- Aquaculture

**FUNCTIONS:**
- Market Development
- R&D
- Technology
- Post-harvest Extension and Training
- Human Resources
- Logistics



## A TALE OF TWO PRIORITIES

(Is this sustainable?)






## THE CHALLENGES

- **Highly political nature of rice that distorts resource allocation**



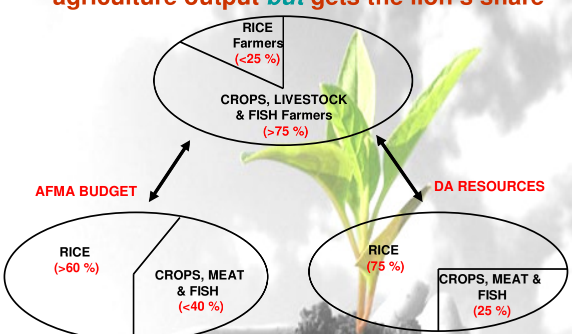
## WHY THE OBSESSION FOR RICE SELF-SUFFICIENCY?

**POINT:**
- Only 30 M tons (7%) are traded globally.
- The Philippines buys 2 M tons. With supply crisis, it will not be food-secure.

**COUNTERPOINT:**
- RP can produce 85-90% of its rice and refocus resources with higher returns ensuring income security.
- The ASEAN (Thailand, Vietnam and Cambodia) produce 15 M tons of world rice surplus.



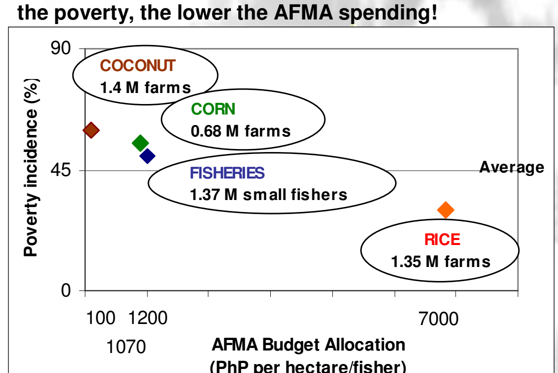
## Rice accounts for less than 20% of agriculture output *but* gets the lion's share




- **Also NFA consumers subsidies** use large resources: **Php18 B** in 2007, and **over Php 50 B** in 2008



## Poverty alleviation is ill-targeted. The higher the poverty, the lower the AFMA spending!



## THE CHALLENGES

- **Private sector reluctance to invest** (CARP, infrastructure, peace and order)
- **Lack of long-term financing for tree crops**
- **Banking system anchored on collateral-based lending**
- **Low priority for R&D** (highest impact on productivity and poverty in many places)



## THE CHALLENGES

- **Governance issues**
- **Peace and order situation in areas with high potential**
- **Trade agreements**
- **Climate change**
- **Unorganized, fragmented farm sector (lack of economies of scale)**



## RANKING OF PUBLIC INVESTMENT EFFECTS ON SECTORS

(INTERNATIONAL EXPERIENCE)

- **R & D** is a major catalyst of agriculture growth in competitor countries.
- **Education** is next.
- **Rural roads** that connect markets and services.
- **Irrigation** is 4th or 5th



## OVER-RIDING STRATEGIC GOAL

**MAKE FARMING PROFITABLE**

for a sustainable, globally competitive agribusiness.

**Income security first.**

**Food security will follow.**



## RANKING OF PUBLIC INVESTMENT EFFECTS ON SECTORS

(INTERNATIONAL EXPERIENCE)

| Item | China | India | Thailand | Vietnam |
|---|---|---|---|---|
| **Ranking of Returns in Agriculture Production** | | | | |
| Agriculture R & D | 1 | 1 | 1 | 1 |
| Education | 2 | 3 | 3 | 3 |
| Roads | 3 | 2 | 4 | 4 |
| Telecommunications | 4 | - | - | 2 |
| Irrigation | 5 | 4 | 5 | 5 |
| Electricity | 6 | 8 | 2 | - |
| Soil and water conservation | - | 6 | - | - |
| **Item** | **China** | **India** | **Thailand** | **Vietnam** |
| **Ranking of Returns in Poverty Reduction** | | | | |
| Agriculture R &D | 2 | 2 | 2 | 2 |
| Roads | 3 | 1 | 3 | 4 |
| Education | 1 | 3 | 4 | 3 |
| Telecommunication | - | - | - | 1 |
| Electricity | 4 | 8 | 1 | - |
| Irrigation | 6 | 7 | 5 | 5 |

Source: Shenggen Fan (2005). The Role of Agriculture in Poverty Reduction: Evidence from Asia. IFPRI



## FOOD FOR THOUGHT

AGRICULTURAL POLICIES OF KEY ASEAN COUNTRIES

- **Malaysia**

  *Maximization of income through the optimal utilization of resources. This includes maximizing agriculture's contribution to GDP and export earnings as well as maximizing producers income.*
- **Thailand**

  *Enhancement of production efficiency to increase farm profits and reduce costs.*

*Source: Dy, R. 2009 Food for Thought: How Agribusiness is Feeding the World.*

## KEY STRATEGIC GOALS

- Increase farm productivity
- Expand market-led diversification
- Promote non-farm and off-farm job creation thru private investments



## KEY SUCCESS FACTORS

- A **marketing infrastructure** that links supply/value chains.
- A **market information system** with timely, accurate and accessible information.
- A **well-funded R & D program**, accompanied by human resource development of scientists and researchers, which engages universities and the private sector.

*Source: AFMA Report*



## AGRICULTURE as pathways out of poverty

✓ **Increase productivity in foods sector**

✓ **Connect smallholders to rapidly expanding high-value horticulture, poultry, aquaculture, as well as dairy markets**

✓ **Generate jobs in the rural nonfarm economy.**

***Source: World Bank, WDR 2008***



## KEY SUCCESS FACTORS

- An **investment climate** that attracts local and overseas investors.
- **Organized producers** that are learned on the dynamics of the market place – cost, quality and supply reliability.
- An **appreciation of data and statistics** as metrics of performance



## KEY SUCCESS FACTORS

- **Strategy.** A clear strategy that is stable over many years.
- **Continuity.** A bureaucracy that values professionalism, career paths, and meritocracy. A bureaucracy not subject to vagaries of frequent elections.
- **Organizational Capability.** Creating and managing training and skill-development programs to maintain or improve on the priority capabilities When top bosses are involved in setting the capabilities agenda, organizations are more successful at aligning those agendas with the capability and more effective at building the needed skills (Mckinsey, 2010).

*Source: AFMA Report*



## FACTORS IN AGRI DEVELOPMENT

- MACRO ECONOMIC POLICIES
- PUBLIC INVESTMENT INFRASTRUCTURE AND R & D
- INSTITUTIONS (Bureaucracy)
- AGRICULTURE DEVELOPMENT
- HUMAN CAPITAL AND EDUCATION
- PRIVATE INVESTMENTS (INVESTMENT CLIMATE)
- ACCESS TO NATIONAL AND GLOBAL MARKETS
- LAND MARKETS AND LAND LAWS
- POLITICS, ELECTIONS CONTINUITY

## AGENDA

- **Agriculture-Fishery Plan** for the MTPDP, 2010-2016
- R&D, marketing, production, financing, and human resources plans



## SELECT ACTION AGENDA

- Food safety standards and testing labs
- Establish farmers' and barangay registry
- Invest in quality education for farmers and entrepreneurs
- Monitoring of inputs, outputs and outcomes



## SELECT ACTION AGENDA

- Review of realistic level of rice self-sufficiency.

  *Shift to sufficiency of food staples: rice, corn, banana, camote, cassava, gabi and other carbo sources*

  *The Philippines has no Mekong Chaophraya and Irrawaddy rivers, sources of cheap irrigation*



## FOOD FOR THOUGHT

*Know your enemy, know yourself, and you can fight a hundred battles with no danger of defeat. When you are ignorant of the enemy but you know yourself, your chances of winning and losing are equal. If you don't know your enemy or yourself, you are bound to perish in all battles.*

*- Sun Tzu, The Art of War as cited by Ghemawat,Strategy and the Business Landscape, 2006*



## SELECT ACTION AGENDA

- Pump-prime the tree crops through rehabilitation, new planting, intercropping and conversion.
- Program for fishery production from aquaculture/mariculture
- Eliminate QR on rice imports and shift NFA role to logistics provider and buffer stocking.
- Craft a multi-year agriculture infrastructure plan



## FOOD FOR THOUGHT

*Globalization is about producing where it is most cost effective, sourcing capital from where it's cheapest and selling it where it is most profitable.*

*- N.R. Narayana Murthy, Infosys, 2003 as cited by Ghemawat, Redefining Global Strategy, Harvard Business School, 2007.*

## FOOD FOR THOUGHT

***Innovation*** ***has become a primary force in determining industry growth and performance.***

***Unfortunately, a wide gap exists between aspirations to innovate,  and the ability to execute.***

*- Paraphrasing The McKinsey Quarterly 2007*

*R. Dy, UA&P, March 2010*