

OFFICIAL FEEDBACK FORM

DIALOGUE DATE	Tuesday, 25 May 2021 16:00 GMT +08:00
DIALOGUE TITLE	Advancing Equitable Livelihood in the Philippine Food System
CONVENED BY	IISLA Ventures
DIALOGUE EVENT PAGE	https://summitdialogues.org/dialogue/3721/
DIALOGUE TYPE	Independent
GEOGRAPHICAL FOCUS	Philippines

The outcomes from a Food Systems Summit Dialogue will be of use in developing the pathway to sustainable food systems within the locality in which they take place. They will be a valuable contribution to the national pathways and also of interest to the different workstreams preparing for the Summit: the Action Tracks, Scientific Groups and Champions as well as for other Dialogues.

1. PARTICIPATION

TOTAL NUMBER OF PARTICIPANTS

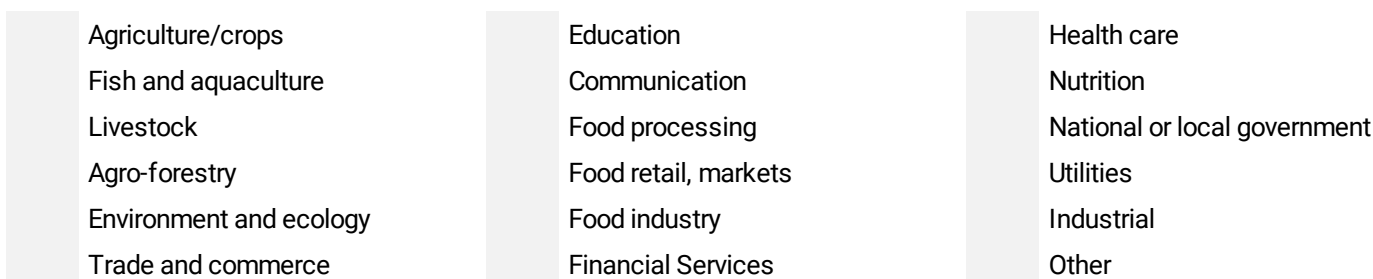
PARTICIPATION BY AGE RANGE



PARTICIPATION BY GENDER



NUMBER OF PARTICIPANTS IN EACH SECTOR



NUMBER OF PARTICIPANTS FROM EACH STAKEHOLDER GROUP



2. PRINCIPLES OF ENGAGEMENT

HOW DID YOU ORGANIZE THE DIALOGUE SO THAT THE PRINCIPLES WERE INCORPORATED, REINFORCED AND ENHANCED?

IISLA paid careful attention to inclusivity in organizing the Dialogue. First, the team anchored the Dialogue on the challenges of the typically unheard - smallholder farmers and micro-small-medium enterprises (MSMEs) in Philippine food systems. This is with the premise that if Action Track 4 of the Summit is to be achieved, then equitability of livelihood must be enjoyed, first and foremost, by small-scale actors who, according to the UN, comprise more than 80% of food producers in the world. We sent out open invitations to our network using various platforms, and engaged in focus group discussions (FGDs) or 'mini dialogues' with participants using local dialects and, often, at their convenient time. We then invited stakeholder groups from various sectors, gender, and regions in the 'big' Dialogue to discuss the challenges voiced out by farmers and MSMEs during the FGDs and to co-create proposed systemic interventions. This entailed going through several iterations of the participant list to ensure diversity and representation from government, the private sector, civil society, and the academe. Facilitators were also carefully selected and thoroughly briefed to ensure that they create a discussion space anchored on respect and trust. Furthermore, some of the facilitators also convened their own Dialogues, where IISLA participated as facilitator and/or panelist to complement efforts. Aside from tackling the results of the FGDs, the discussion topics also incorporated previous research work on food systems to generate thematic areas and perspectives that highlight the complexity and, even the contentiousness, of issues.

HOW DID YOUR DIALOGUE REFLECT SPECIFIC ASPECTS OF THE PRINCIPLES?

IISLA's Dialogue embraced stakeholder inclusivity by organizing separate FGDs with smallholder farmers and MSMEs, given their circumstances, especially the limitation in speaking during big events. Furthermore, the final Dialogue validating the FGD results was attended by stakeholders from various sectors, ensuring that different perspectives and contexts are taken into account in co-imagining systemic interventions for advancing equitable livelihoods. The diversity of insights generated then highlighted the complexity of issues, underpinned by the previous food systems studies of IISLA. While we would have wanted to reach out to more grassroots level actors and conduct discussions physically in their locations, the mobility restrictions brought about by the pandemic limited our reach and forced us to hold the Dialogue online. Through the help of our partners, we were able to invite several farmers and MSMEs including those who are in far-flung areas who lack internet connectivity. Moreover, some participants, especially from government agencies, also invited others to our Dialogue, showing their trust towards IISLA and our process. While having unexpected guests and confirmed participants not showing up resulted in last minute adjustments in the break-outs, facilitators were quick to adapt and were able to hear from everyone in an intentionally-curated atmosphere of respect and openness. From the feedback received, participants found the Dialogue enriching and appreciated interacting with other actors for the first time, paving the way for potential collaborations. In fact, IISLA and its partners were invited to facilitate and/or serve as speakers in separate Dialogues organized by some of our participants. The participants also expressed the need to accelerate the proposed systemic interventions and their commitment to act upon the Dialogue recommendations. This would be an important step in catalysing further actions in the Summit preparation and follow-up.

DO YOU HAVE ADVICE FOR OTHER DIALOGUE CONVENORS ABOUT APPRECIATING THE PRINCIPLES OF ENGAGEMENT?

Promoting inclusivity is not merely inviting a multi-stakeholder group to your Dialogue, but also recognizing their unique circumstances, especially in terms of connectivity, schedule, and capability to express themselves in specific situations. We have found it useful to conduct 'mini' dialogues, especially in giving grassroots-level actors a voice in the Summit. For online events, it is also helpful to have back-ups in case the assigned people would have connection problems. A Dialogue brief can also be sent to the participants ahead so they will understand the discussion topic. This will also give them ample time to gather their thoughts so they can actively participate in the discussion. Lastly, the core of the Dialogue is the break-out session; hence, facilitators need to be properly selected and briefed to ensure that the discussion does not go off-topic, and that all participants are given the chance to express themselves and are respected. Documenters for each break-out session, who are able to share their notes to the facilitators in real time, are also useful during the synthesis presentation in plenary.

3. METHOD

The outcomes of a Dialogue are influenced by the method that is used.

DID YOU USE THE SAME METHOD AS RECOMMENDED BY THE CONVENORS REFERENCE MANUAL?

Yes

No

Building on the market studies and forums that IISLA has been conducting since 2019, the Independent Dialogue was seen as an opportunity to discuss the challenges faced by small-scale producers in advancing equitable livelihood in Philippine food systems, particularly in four key thematic areas: (1) food production; (2) food processing and consumption; (3) food distribution; and, (4) rural financing. This is in line with Action Track 4 of the UN Food Systems Summit. To ensure inclusivity, IISLA centred the Dialogue on the perspectives of the typically unheard - smallholder farmers and food micro, small and medium enterprises (MSMEs). We reached out to folks across the Philippines and conducted focus group discussions (FGDs), with a maximum of 10 participants each, to learn about the challenges they face on the ground. This is also intended to deepen understanding and build trust among actors at this end of the value chain to enable the conditions for innovation, experimentation, and transformation. IISLA invited a broad mix of food producers at the grassroots level for the FGDs, focusing on organic or "natural" agriculture pioneers. We intended to discuss the shift towards sustainable and regenerative agricultural practices in the Philippines, and to understand the barriers and opportunities in the said shift. Attendees included farmers and owners of small farms producing a wide array of vegetables, fruits, and livestock. With MSMEs, the majority of participants were women. We recognised that those who were able to join our conversation were self-selecting (i.e., interested to participate), and were able to access the discussion via video conference call. Reaching out to people without these privileges would be something to work on once it is safe to travel. With the aim of creating an informal, open, transparent, inviting and fluid atmosphere conducive to trust-building for the FGDs, we ensured each attendee was given space to share their concerns and be heard by the group, alongside the flowing nature of the discussions. Our questions were focused on present and pre-COVID19 challenges, teasing out different perspectives of systemic issues. Aside from being very engaged and participatory, participants appeared to be genuinely grateful to be heard. We believe none of them had previously been consulted for international forums. Their primary motivation in participating seemed to stem from the genuine desire to be understood, and the need and want to participate and be included in food systems transformation. Moreover, none of the participants looked particularly bothered or interested in the UN or the Summit. We felt that this qualifies our discussions as problem-centric rather than prestige-centric, which could often happen with international dialogues like those at the UN. From the FGD documentations, we then synthesised, analysed, and prioritised the issues raised. The results formed the basis of the 'main' Dialogue hosted by IISLA on 25 May. The event became a follow through discussion with other stakeholders, particularly experts, policy makers, and advocates from relevant sectors including the academe. Prior to the event, participants were given a copy of the results of the FGDs, which was the primary topic of discussion. The event started with a plenary session, highlighting the aim of the UN Food Systems Summit and presenting IISLA's situation analysis of Philippine food systems vis-à-vis the results of the FGDs, underscored by our previous market studies and forums. This was followed by a breakout session based on the four thematic areas, where participants validated the FGD results and co-created proposed systemic interventions to address the challenges identified. Each breakout room consisted of 8 to 10 participants facilitated by IISLA and/or co-conveners from partner organisations. Participants then reconvened in a closing plenary to report the highlights of their break-out discussion for comments from other groups.

4. DIALOGUE FOCUS & OUTCOMES

MAJOR FOCUS

For decades, the concept of food security in the Philippines has been premised on productivity and supply, leading to agricultural policies that favoured the industrial practices perpetuated by large agro-industrial companies, and eroding the freedom of farmers over what and how to produce. Reconfiguring this narrative requires shifting attention towards food sovereignty, emphasising not only the principles of sustainable production via agroecology, but also the return of the 'true' ownership of livelihoods to the producers themselves. This is crucial in securing the income of rural communities, especially smallholder farmers and MSMEs who comprise more than 80 percent of food producers worldwide.

To what extent do small-scale food producers have control over their livelihoods in Philippine food systems? Whilst there has been a recent increase in investment for agriculture and food processing in the country, producers and consumers have been structurally disconnected by a lengthened value chain. Moreover, there is also the need to expand regenerative and resilient agriculture practices to avert environmental degradation and climate change, and to increase the capacity of smallholder farmers and MSMEs in accessing affordable funding. Unless systemic changes are implemented to ensure that producers can afford their capital requirements and earn a decent living from their livelihoods, it would be impossible to achieve stable and sustainable food systems towards securing healthy, nutritious, and affordable food for all.

The Independent Dialogue curated by IISLA focused on Action Track 4, primarily the advancement of equitable livelihood in Philippine food systems. It covered four thematic areas: food production, food processing and consumption, food distribution, and rural financing. Whilst it is recognised that food sovereignty advocates in the country and globally have been lobbying for the protection of farmers' livelihoods against big corporations, the expressed resentment towards the UNFSS could imply limited representation of small-scale producers in the actual Summit. IISLA attempted to bridge this gap by anchoring its Dialogue on the plight of smallholder farmers and MSMEs.

For food production, the discussion centred around sustainable farming practices and the support needed to transition from conventional methods. Farmers tackled the challenges in adopting organic/ natural/ regenerative farming and the problems of high waste during harvesting. MSMEs discussed concerns in using sustainably-grown raw materials for processing.

Discussions on food processing and consumption looked into the preparation of food before consumption, including preservation and packaging, and its implications for nutrition. Farmers tackled the challenges in promoting crop diversification to support the food variety needed for a healthy diet. MSMEs, on the other hand, discussed how to foster innovation in the way food is produced, processed, and packaged so it can be made healthier and more affordable for all.

Issues on logistics, packaging, warehousing, handling, and trading platforms, and their implications for the accessibility and affordability of food in the local market were tackled in food distribution. The discussion highlighted the challenges faced by farmers in selling their produce, including the use of digital platforms, as well as the problems of MSMEs in marketing products and accessing new markets.

Recognising that systemic interventions require resources, access to capital and the readiness to embrace fair investment among smallholder farmers and MSMEs were the main topics in rural financing. Farmers tackled how they currently fund their production whilst MSMEs outlined their biggest investment requirements. The participants also discussed challenges and experiences in accessing funding from formal institutions, especially the government.

The rest of the stakeholders validated the challenges expressed by small-scale food producers based on their respective expertise and experiences. They then agreed on proposed systemic interventions and the roles of various food system actors in realising them, including the UN.

ACTION TRACKS

- Action Track 1: Ensure access to safe and nutritious food for all
- Action Track 2: Shift to sustainable consumption patterns
- Action Track 3: Boost nature-positive production
- Action Track 4: Advance equitable livelihoods
- Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- Finance
- Innovation
- Human rights
- Women & Youth Empowerment
- Policy
- Data & Evidence
- Governance
- Trade-offs
- Environment and Climate

MAIN FINDINGS

The main issues raised for food production included: 1) slow adoption of natural/organic/regenerative farming practices; and 2) access to market and pricing issues. The limitation in adopting natural/organic/regenerative farming was due to expensive and low supply of organic inputs; low level of yields during transition from conventional methods; weather unpredictability; limited knowledge of farmers on sustainable agriculture; high labour cost; and lack of facilities. This resulted in lack of supply of natural/organic produce, limiting MSMEs from using them as inputs. Access to market and pricing issues were attributed to the indifference of budget-conscious consumers. Whilst organic food products are often expensive, pricing had been contingent on third-party certifications, which many farmers could not afford. Hence, food producers were unable to label their crops as “organic”, including MSMEs who cannot ascertain the nature of raw materials they use. Addressing these issues entails: 1) education/training of farmers on more cost-effective organic/natural/regenerative production methods; 2) support for farmers in transition like interim funding or alternative livelihood; and 3) increased availability of community-owned/shared facilities for harvesting, including pre and post processing.

Concerns for food processing and consumption included: 1) the entrenched monocropping culture that contributed to low appreciation of diversification; and 2) lack of ecosystem innovation vis-a-vis coordination and self-organisation among smallholder farmers and MSMEs. Continued preference for monocropping had limited access for food processors and consumers to variety of crops needed to produce healthier food. This supply and demand mismatch is partially attributed to poor coordination among smallholder farmers and MSMEs. Unregulated competition in many areas had nurtured individualistic tendencies instead of complementation for collective prosperity. Furthermore, chemical fertiliser agents continued to instil ‘economies of scale’, discouraging farmers to grow smaller quantities of multiple crops. Viajeros (traders) also required them to produce large volumes of the same crop to guarantee purchase. Addressing these issues would require 1) enhanced business management and sustainability training among farmers; 2) improved access to local and online markets coupled with community-shared production; and 3) local governments to organize dedicated days to showcase their natural/organic produce in public markets.

Issues raised in food distribution included: 1) stability and reliability of markets and prices; 2) inadequacy of logistics and communication infrastructure; and 3) lack of entrepreneurial skills among producers. Limited ability to set proper prices for their natural/organic products, coupled with the absence of stable and reliable market for such goods, made smallholder farmers and MSMEs dependent on prices dictated by big buyers/traders/aggregators. In addition, regional transport companies/hubs have unattainable volume requirements, preventing the distribution of small quantity produce. Others face inadequate warehousing and cold storage facilities, limiting their reach. Furthermore, limited access to ‘smart’ gadgets and the internet as well as ‘tech illiteracy’ of many farmers hindered them from utilising online markets. MSMEs viewed digital platforms as alternatives to (exclusive) trade fairs, although they acknowledged their limited knowledge of online marketing. This was aggravated by lack of government support in branding and marketing of local products. Smallholder farmers inherently lack business orientation, often prioritising farm-related activities. Improving food distribution therefore, would require: 1) heightened consumer awareness on the nutritional and environmental benefits of organic/natural products; 2) improved market demand estimates; 3) more community-shared post-harvest facilities; and 4) more organic trading posts and product consolidators to reduce delivery cost for aggregated products.

Rural financing primarily tackled: 1) difficulty in accessing funds; 2) high interest rates; and 3) the poverty psychology among small-scale producers. Smallholder farmers and MSMEs were discouraged by the red tape in formal lending institutions and numerous documentary requirements. Far-flung farming communities also found it difficult to access fund providers based in urban centers. MSMEs also pointed out how loan products were often available to associations and cooperatives but not to individual entrepreneurs. Those who were able to access loans were plagued with high interest rates, partly due to multi-layered intermediation in loan processing. With the unresponsiveness of state-owned Land Bank of the Philippines to the needs of small-scale borrowers, they end up relying on informal channels like loan sharks and traders, subjecting them to unfair terms. The lack of entrepreneurial skills could translate to ineffective fund management, eg. loans used for household rather than business/farming needs. This is exacerbated by entrenched poverty psychology, where farmers and MSMEs hesitate to take loans in fear that their poverty would prevent them to meet repayments. Proposed systemic interventions included: 1) establishment of contract-growing arrangements to clearly set the capital requirements for production; and 2) cooperative set-ups serving as loan-conduits, including consolidators, whole facility managers, boards and other entities focused on warehousing, distribution, marketing, and sales.

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KEYWORDS

- | | | | |
|-------------------------------------|---------------------------|-------------------------------------|-------------------------|
| <input checked="" type="checkbox"/> | Finance | <input checked="" type="checkbox"/> | Policy |
| <input type="checkbox"/> | Innovation | <input type="checkbox"/> | Data & Evidence |
| <input type="checkbox"/> | Human rights | <input checked="" type="checkbox"/> | Governance |
| <input type="checkbox"/> | Women & Youth Empowerment | <input type="checkbox"/> | Trade-offs |
| | | <input type="checkbox"/> | Environment and Climate |

OUTCOMES FOR EACH DISCUSSION TOPIC - 1/10

Food production: Slow adoption of organic/natural farming.

Participants of the 'main' Dialogue agreed with the FGD results highlighting the need to support small-scale producers in transitioning to organic/ natural practice. It was suggested that the process could begin by letting farmers experience the benefits of natural/ organic production firsthand rather than pushing for immediate full conversion. This would entail introducing the method for household consumption first. As health and financial benefits become evident, farmers would then be encouraged to expand the practice.

In terms of education/ training for farmers, government representatives shared existing courses under the National Organic Agriculture Program. However, other participants raised concerns on how the courses are wrought by commercial agriculture techniques, although using organic inputs instead of chemicals. This contributed to training programs not entirely suitable to the country's unique terrain and contextual needs.

With regards to providing interim funding and/or alternative livelihood to farmers in transition, an agriculture expert suggested that targeted interventions on food provision be considered, given that 30-40% of farmer's income is spent on food. This would involve providing 'insurance crops' or open pollinated seeds that require low input and are easy to grow to serve as a safety net for their own household food requirement. Once personal consumption needs are secured, farmers would have greater incentive to experiment with small-scale organic practices, putting them in a better position to transform their conventional farms.

The labour-intensive requirement for organic/natural farming highlighted in the FGD results was linked by other stakeholders to the low availability of certified organic inputs. It was agreed that to accelerate adoption, inputs should be readily available to the farmers at non-prohibitive prices or via schemes like buy-now-pay-later. This would spare them from having to make their own inputs. However, this could be detrimental in respecting the "culture" in "agriculture". Whilst the availability of inputs could assist in the early stages of organic agriculture adoption, farmers could become dependent on these external and expensive means of production manufactured and controlled by the few, rather than harnessing the traditional 'peasant way' of natural production. If not controlled, this could replicate the conventional system, but with organic replacing chemical inputs. Another suggestion was to organise farmers and adopt a form of 'labour division', where some can focus on cultivation whilst others can be trained to produce and sell inputs.

To implement the proposed systemic interventions, participants saw the need for the UN to take the lead in the global advocacy on natural farming, and in providing guidance to member states in adopting agroecology and regenerative agriculture. The UN should also exert their influence over large agro-industrial companies to ensure that food security is achieved via the triple the bottom line approach (i.e. people, planet, prosperity for all). The Philippine government, on the other hand, would have to re-evaluate the capacity building programmes on organic agriculture to ensure appropriateness to the country's context. More importantly, we urge the government to go beyond organic, and promote other natural and regenerative methods, especially those practiced by our indigenous communities for several generations.

ACTION TRACKS

	Action Track 1: Ensure access to safe and nutritious food for all
	Action Track 2: Shift to sustainable consumption patterns
✓	Action Track 3: Boost nature-positive production
✓	Action Track 4: Advance equitable livelihoods
	Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

✓	Finance	✓	Policy
	Innovation		Data & Evidence
	Human rights		Governance
	Women & Youth Empowerment		Trade-offs
			Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 2/10

Food production: Access to market and pricing issues.

Participants of the 'main' Dialogue shared the concern of smallholder farmers and MSMEs on the high prices of organic produce vis-a-vis conventional ones. The need to reduce the cost of organic inputs resurfaced, exploring the feasibility of farmers producing rather than buying their inputs to reduce overall production cost.

Other stakeholders validated the need to address the high cost of organic certification faced by farmers, although they also recognised the apparent change in consumer behaviour, particularly on how people are becoming more conscious of the environmental and health implications of what they eat. Whilst organic certification could become a source of competitive advantage among farmers, they would also have to face the challenges associated with consumer preference for 'good-looking' crops. Hence, consumer awareness on 'nutrition vs. aesthetics' (e.g. Ugly Food Movement) and farmers leveraging on the heightened demand for food traceability should be simultaneously adopted.

The importance of mechanisation was initially premised on the reduction of production cost by cutting down labour inputs. This alarmed some stakeholders, who raised concerns over lost employment opportunities, especially among farm workers who are already paid very little in the Philippines. Moreover, hiring farm workers would remain a viable option for smallholder farmers who could not afford the intensive capital requirement of acquiring machinery. Whilst participants of the 'main' Dialogue agreed with the sentiments of farmers and MSMEs to mechanise some aspects of the food value chain (e.g. harvesting to reduce wastage), we believe that mechanisation should only be considered after securing the livelihoods of food producers, whether farm/ business owners or workers.

Participants of the 'main' Dialogue disagreed with the recommendation of farmers and MSMEs to establish community-owned or cost-shared pre and post harvest facilities. Some suggested that simpler and low-cost harvest methods like evaporative cooling technology to extend crop shelf life should be maximised by farmers. If these cheaper alternatives are indeed available, then farmers should be educated about them.

It was also suggested that the Department of Agriculture (DA) must regulate supply and prices, and should actively serve as the main trader of farm products. However, we remain skeptical of the government taking over the role of viajeros and wholesalers, especially with the current priority of the DA on high value crop production, underscoring the country's export rather than food self-sufficiency orientation.

ACTION TRACKS

<input type="checkbox"/>	Action Track 1: Ensure access to safe and nutritious food for all
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KEYWORDS

<input type="checkbox"/>	Finance	<input checked="" type="checkbox"/>	Policy
<input type="checkbox"/>	Innovation	<input type="checkbox"/>	Data & Evidence
<input type="checkbox"/>	Human rights	<input checked="" type="checkbox"/>	Governance
<input type="checkbox"/>	Women & Youth Empowerment	<input type="checkbox"/>	Trade-offs
<input type="checkbox"/>		<input type="checkbox"/>	Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 3/10

Food processing and consumption: Entrenched culture for mono-cropping resulting in lack of appreciation for diversification.

Participants of the 'main' Dialogue acknowledged that multi-cropping could increase production costs compared to monocropping, although the implications for long-term environmental health and agricultural sector longevity could not be undermined. To address the issue, attention was focused instead on the reasons for the high production cost such as coercive middlemen, food price volatility, pest management, and climate risks, among others. This was apart from the lack of enabling infrastructure to support diversification. It was pointed out that in Isabela, for example, irrigation systems are specifically built for rice, corn, and tobacco. Moreover, affordable warehousing facilities, especially for smaller volumes of diverse crops, would also need to be in place.

Whilst the issues raised underpin the huge investment needed to improve agricultural infrastructure, a localised system may partly address the problem. MSMEs, for example, could offer pre-processing food storage facilities of local fresh produce to local food processors. It was also pointed out that climate-resilient plant species should be re-introduced, particularly heritage crops traditionally grown in the locality. Diversification could also be phased, where diversified cropping is allocated a small plot first rather than converting the entire farmland. This could also provide alternative income, which should encourage farmers to expand the practice.

Food price volatility, on the other hand, could be linked to consumer demand. Despite the need to dig deeper into the factors affecting consumption preferences, the advocacy on eating nutritious and diversified food should begin with the farmers themselves, according to some stakeholders. When farmers get to appreciate the health benefits of a diversified diet, they would have a greater moral incentive to diversify their production. However, the high production cost associated with the onset of diversification should be considered. Hence, economic support for farmers in transition would need to be in place, coupled with capacity building on proper appropriation of their limited capital. We also recommend that a simplified and transparent trading platform be in place in the food system, where smallholder farmers can sell their produce directly to buyers without the need to go through the middlemen demanding large quantities of the same crop.

ACTION TRACKS

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KEYWORDS

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OUTCOMES FOR EACH DISCUSSION TOPIC - 4/10

Food processing and consumption: Lack of coordination and self-organising amongst farmers and MSMEs - ecosystem innovation.

There had been a huge disconnect between producers (suppliers) and consumers (buyers), as evidenced by the mismatch of supply and demand in many parts of the country. Dialogue participants consistently pointed out how oversupply (and wastage) of a certain crop could co-exist with a shortage of another in the same area. This obvious lack of coordination among farmers and MSMEs (buyers) had been exploited by traders, who mediate the transaction between them.

With the current small and insecure market for organic produce, it was pointed out that farmers tend to go their own ways (“kanya-kanya”), nurturing competition rather than complementation and collaboration to ensure prosperity for all. It was suggested that farmers would organise themselves to facilitate coordinated production and avoid indiscriminate crop duplication. Moreover, aggregators should also create a network of food processing MSMEs that could accept crops not sold in the fresh vegetable markets. It was also suggested that these aggregators could be invested in to develop their own processing facilities and transportation services to lower the cost of bringing food from farm to table. Other investment suggested by Dialogue participants included: 1) multifunction processing facilities with fair schemes, such as pay-per-use model; 2) entire logistics chain from transport to storage; 3) credit to farmers, where they are given a reprieve of two to three planting seasons, in cash; 4) marketing and investment in education to boost consumer interest; 5) market and processing transformation mechanisms; and 6) building an ecosystem that can be a conduit of trust for farmers.

To implement the proposed systemic interventions, it was suggested that the Philippine government expands the utilisation of its electronic technology transfer monitoring maps to better connect MSMEs with local farmers. LGUs, on the other hand, should create policies to encourage production and consumption of locally-grown natural produce as well as to establish linkages between local MSMEs, including chefs, and local farmers. With the current food value chains being urban-bound and export-oriented, we concur that this localisation must be given priority. The tendency of rural farmers to sell their produce to large cities and abroad has only provided avenues for several middlemen to intervene between farm and table, thus increasing the cost of food. To shorten the value chain, we see the need to invest in enabling technologies that would localise food production and distribution.

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OUTCOMES FOR EACH DISCUSSION TOPIC - 5/10

Food distribution: Stability and reliability of markets and pricing issues

The challenge of finding reliable markets and stabilising prices for organic products, especially among farmers, were raised by Dialogue participants, although some argued that MSMEs targeting rich, and even middle class, households are not affected by the issue. Certified organic products are currently priced at a premium in the Philippines. Those 'non-certified' but organically/ naturally grown crops intended for the local/ mass market, however, do not follow any clear pricing guidelines. Prices are often driven by 'market-makers' such as the traders, without real consideration for production cost.

It was suggested that direct linkages between supermarkets and farmers would be established to provide a stable market for producers and a steady supply for buyers. Some participants in the 'main' Dialogue also pushed for more trading posts (or bagsakan) in urban areas to address the concern of farmers on where to drop their produce. However, we caution that distribution should not be focused on urban markets alone, like the current practice of many organic farming communities. Ample supply of organic/ natural produce should also be made available in the local market to ensure that healthy food can be enjoyed by rural communities. Moreover, farmers would need to be further capacitated on key business skills like records keeping, cost accounting, and forecasting so they can dictate prices vis-a-vis production cost as well as better estimate market demand before planting.

The proposed intervention on improving estimates for market demand, however, could be challenging because of the unpredictability of production. Farmers would sometimes decide on what to produce based on what their neighbours are selling. Hence, data collection and analyses vis-a-vis consumption patterns should be in place as bases for demand projection, guiding farmers on what to produce at certain times of the year. This could also help them engage in contract growing.

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OUTCOMES FOR EACH DISCUSSION TOPIC - 6/10

Food distribution – Lack of adequate communication and logistics infrastructure

Dialogue participants acknowledged the lack of suitable and inexpensive distribution channels serving smaller volumes of organic/ natural produce. This was an issue not only to farmers practicing crop diversification but also to MSMEs servicing the retail market. Communicating with farmers was another issue raised by other stakeholders, given that they are at their farms most of the time. Some even recounted how they would need to contact farmers at 3 or 4 AM before they go to their farms.

In the FGDs, farmers and MSMEs pushed for the establishment of large-scale warehousing and cold storage facilities, although participants in the 'main' Dialogue disagreed that this would be the most effective approach. Other stakeholders suggested focusing first on modernising harvest and post-harvest procedures. An agriculture expert, for example, pointed out that vegetables should ideally be pre-cooled at the farm before bringing them to the trading posts to reduce condensation and extend shelf life by 50%, which refrigerated delivery vans could not address. Moreover, instead of large-scale storage facilities near post-harvest sites, participants of the 'main' Dialogue suggested smaller, modular, and movable facilities near retail outlets and homes, powered by solar.

In terms of packaging, demands for sustainability were often countered with practicality issues. One participant in the 'main' Dialogue, for example, argued that plastics should not be completely banned as they are sometimes the best packaging for certain products. This argument was rebutted by two organisations working on the manufacturing of bio-plastics made from cassava and sweet potato. Whilst concerns were raised on the solubility of bio-plastics, which make them unfit for wet goods, it was pointed out that research and development is already ongoing to make bio-plastics suitable for fresh produce, long transport, and warm weather. However, we remain cautious of the need to minimise waste. The use of bio-plastics, therefore, should be coupled with increased composting practices, implying the need to capacitate both producers and consumers on proper waste disposal.

It should also be noted that invited representatives from the logistics and transport sector did not show up in the Dialogue. Recognising their crucial role in food systems, we would continue to reach out to them to understand their challenges and to co-create interventions that would make them effective partners in addressing the plight of food producers.

ACTION TRACKS

✓	Action Track 1: Ensure access to safe and nutritious food for all
	Action Track 2: Shift to sustainable consumption patterns
	Action Track 3: Boost nature-positive production
✓	Action Track 4: Advance equitable livelihoods
	Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

	Finance		Policy
✓	Innovation		Data & Evidence
	Human rights		Governance
	Women & Youth Empowerment		Trade-offs
			Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 7/10

Food distribution: Lack of entrepreneurial skills

Many smallholder farmers in the Philippines are engaged in subsistence farming, growing cash crops like rice, corn, and sugar. The lack of entrepreneurial mindset among these farmers have been linked to the entrenched culture of monocropping, which has allowed them to sell their produce in a single transaction to traders rather than encouraging them to think of ways to sell various crops. According to one participant of the 'main' Dialogue, the shift towards crop diversification would therefore require educating farmers on basic marketing skills. Other participants also pointed out that improving the business skills of farmers should start with those interested so they could set an example to others. It was also suggested that 'bigger' farmers with existing business knowledge could be tapped to mentor other farmers.

Whilst we have underscored the need to further capacitate farmers on organic/ natural production practices, education on the proper costing and pricing of produce should also be prioritised to ensure that they could establish better relationships with buyers rather than negotiating with them on a per transaction basis. Furthermore, sustainable production and business management training could only be effective when there is an interest to learn among trainees. Hence, we believe that changing mindsets through values formation programmes may be a necessary first step for some producers.

ACTION TRACKS

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KEYWORDS

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			Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 8/10

Rural financing: Difficulty in accessing funds

Dialogue participants noted that the issue on accessing funds stems not only from bureaucratic processing but also from high interest rates, high bank risks, and lack of financial literacy among farmers. They confirmed that some farmers would still go for '5-6' schemes (i.e. informal lenders charging as high as 20% interest rate per month) because they are simple - no collateral required and cash is received instantaneously. Loan processing, therefore, should be made simpler to encourage farmers and MSMEs to access formal lending, but with modified (lower) interest rates. A microfinance provider commented that loans would need to be released instantaneously (i.e. one-day processing), coupled with financial literacy and credit discipline training as well as regular visits to guide producers in their transformation. Another participant argued that whilst documentation requirements in formal institutions may be tedious, the difficulty is often encountered only in accessing loan for the first time. Once the producer is already registered in the banking system, subsequent loan applications would become easier.

Simplifying the requirements for credit access, therefore, should be coupled with financial management education, including budgeting and forecasting. This would ensure that farmers and MSMEs would be able to absorb capital effectively and use funds appropriately, without ending up trapped in a debt spiral. Moreover, delivering such education programmes could be more efficient if producers are organised into associations or cooperatives for easier coordination and establishment of learning support systems.

In the FGDs, farmers expressed how contract growing could help them find clarity in terms of the right amount of capital that they have to borrow. Again, this underscored the need for proper market access. In order to supply bigger volumes without being forced to engage in monocropping, Dialogue participants proposed that farmers organise themselves to aggregate production. Non-governmental organisations (NGOs) could assist in forming such organisations whilst aggregators/ traders could facilitate market linkage.

An NGO participant also suggested building an ecosystem that would cater to and fund both the development and trade aspirations of farmers. Development funding would support capacity building whilst trade support would improve market linkages. A platform that could allow capital from private investments, government funding and/or international aid to support both components would have to be established. It was also suggested that the platform should move through a circular model that supports the entire supply chain.

We agree that establishing platforms integrating livelihood support in the empowerment process of smallholder farmers would be necessary. Making credit access easier would be incomplete if farmers are not capacitated in managing their funds. Furthermore, MSMEs, which account for 99% of businesses in the country, should also have better access to capital. If existing channels do not work for them, alternative models of capital distribution must be given urgent attention.

ACTION TRACKS

<input type="checkbox"/>	Action Track 1: Ensure access to safe and nutritious food for all
<input type="checkbox"/>	Action Track 2: Shift to sustainable consumption patterns
<input type="checkbox"/>	Action Track 3: Boost nature-positive production
<input checked="" type="checkbox"/>	Action Track 4: Advance equitable livelihoods
<input type="checkbox"/>	Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

<input checked="" type="checkbox"/>	Finance	<input type="checkbox"/>	Policy
<input type="checkbox"/>	Innovation	<input type="checkbox"/>	Data & Evidence
<input type="checkbox"/>	Human rights	<input type="checkbox"/>	Governance
<input type="checkbox"/>	Women & Youth Empowerment	<input type="checkbox"/>	Trade-offs
<input type="checkbox"/>		<input type="checkbox"/>	Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 9/10

Rural financing: High interest rates

Under the Agri-Agra Law, banks are mandated to allocate a portion of their lending portfolio to agriculture; however, they are also required to maintain a prescribed capital adequacy ratio (CAR). This makes it difficult for them to take the high risk associated with lending to farmers and MSMEs, given the higher provision required. The Land Bank of the Philippines (LBP), for example, is classified as a universal bank, implying that it is mandated to fulfil certain CAR and profitability requirements. This deters a financial institution that is supposed to cater to the farming and fisheries sector from fulfilling its obligations. A participant from a microfinance NGO affirmed that individual loans from LBP follow commercial rates. Despite various legislative inquiries, LBP constantly admitted that it lacked the infrastructure to offer collateral-free lending to farmers. It was suggested that NGOs could fill this gap by acting as loan conduits if banks would give them good (lower) interest rates. Having worked with farmers for so long, NGOs would be in a better position to facilitate and manage collateral-free lending. In reality though, banks do not lend to NGOs and would rather pay the penalties for not complying with the required allocation for agriculture.

A previous study conducted by IISLA, which mapped out the flow of capital globally and domestically, suggests that there is an abundance of capital circulating in the market. The challenge, however, is bridging that capital so it can reach and be utilised by investment-ready agripreneurs at affordable rates. Efficient channels for capital to reach smallholder farmers and MSMEs whilst ensuring that these small-scale businesses effectively manage their finances must therefore be in place.

ACTION TRACKS

<input type="checkbox"/>	Action Track 1: Ensure access to safe and nutritious food for all
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KEYWORDS

<input checked="" type="checkbox"/>	Finance	<input type="checkbox"/>	Policy
<input type="checkbox"/>	Innovation	<input type="checkbox"/>	Data & Evidence
<input type="checkbox"/>	Human rights	<input type="checkbox"/>	Governance
<input type="checkbox"/>	Women & Youth Empowerment	<input type="checkbox"/>	Trade-offs
<input type="checkbox"/>		<input type="checkbox"/>	Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 10/10

Rural financing - Poverty psychology; low interest in accessing funds

Participants of the 'main' Dialogue shared their observations of farmers not seeing a future in farming for their children. Sending their children to school had been anchored on the desire for them to have salaried jobs in the future. In extreme circumstances, farmers were more concerned of putting food on the table rather than pursuing their dreams of owning their farmland, being debt free, and/or having more working capital.

It was suggested that forming cooperatives could help empower farmers, given that government loans are usually channeled through these organisations and that they could become platforms for savings and alternative income. Moreover, a participant from a church-based organisation also emphasised the importance of educating farmers in differentiating personal/ household needs from farm (enterprise) requirements. This would ensure that expenses do not get mixed up. Another suggestion in improving farmer income would be to link them with bigger companies through their corporate social responsibility (CSR) to improve market and logistics access. NGOs and microfinance institutions (MFIs) providing loan products to farmers should also work with relevant government agencies like PhilGuarantee, which could provide assistance should farmers become delinquent with their loan payments.

A participant of the 'main' Dialogue also proposed that farmers be turned into a "trans-farmer" - one who is business-minded and utilises technologies, especially those in relation to finance. This could be attractive to the young people who are being encouraged to pursue farming as a profession.

Lastly, it was suggested that perhaps we should stop focusing on maximising profit, given that farmers still need to survive in a competitive environment. Instead, investment should be allocated to reform the entire value chain, integrating different aspects of agriculture into a system that promotes food sovereignty. We agree in focusing first on systemic interventions, knowing that capital would naturally flow in the food system when there is an enabling environment to properly manage it, not necessarily to generate high profits, but rather to effectively achieve food security and equitable prosperity whilst protecting people and the planet.

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AREAS OF DIVERGENCE

The approach chosen in conducting the Dialogue allowed the participants of the 'main' event to agree/ uphold or disagree/ dispute, but without invalidating, the perspectives and concerns raised by smallholder farmers and MSMEs in the FGDs. Conflicting perspectives and deviations in the interventions proposed were expected, especially that the event intentionally pooled various stakeholders with varying interests. The following key areas of divergence were noted:

First, farmers and MSMEs expressed the need for large-scale post-harvest facilities. Other stakeholders, however, proposed that the interventions should be small-scale, modular, localised and, as much as possible, powered via sustainable energy sources. We are keen on supporting the latter, given the investment required could be lower as well as the ease in implementation and management of community-level interventions.

Second, there was a debate on the benefits of mechanisation. It was raised that investments on machinery would help farmers save on production cost (due to lower labour cost), allowing them to price their organic/ natural produce at more competitive rates. The counter argument, on the other hand, was premised on the weak labour laws and very low wages of farm workers in the Philippines. Hence, it was suggested that employing people should be preferred, shifting the focus to improving agricultural labour conditions. After all, many smallholder farmers could not afford mechanisation and, even for larger farms, hiring labourers would be more affordable than investing in expensive, and often imported, machines that need costly maintenance.

Whilst we recognise that mechanisation would be necessary in some parts of the food value chain, particularly in addressing wastage during harvesting, we resonate more with protecting the livelihoods of farm workers, given that equitability in food systems should encompass all actors. To reduce production cost, however, farm owners could explore low-cost, natural farming methods like JADAM. Moreover, we align ourselves with the preservation of culture in rural communities, underscored by the continuation of 'traditional' sustainable farming practices across families and generations. Hence, we remain critical of importing capital-intensive technology and machinery from big companies, which could not only sideline the 'peasant way' of production but also perpetuate the industrialised system that has caused many of the problems raised in the Dialogue.

Third, there was a debate on the definition of "farmer", especially that some participants did not clearly distinguish between the landed (farm owners) and the landless (farm workers). It was pointed out that each group has differing needs and, thus, would require unique interventions. Farm workers, for example, would require greater bargaining power for their produce, particularly in terms of getting daily wages and a fair share of earnings when productivity becomes higher than expected. Whilst this complex issue staddles the mandates of both the DA and the Department of Labor and Employment (DOLE), it was proposed that farm owners should take the main initiative to address it. Resolving this issue, however, would require hearing directly from farm labourers, which were not adequately represented in the Dialogue due to the mobility restrictions brought about by the ongoing pandemic. This should be the subject of further consultations.

Fourth, slight differences in opinion about the willingness of farmers to diversify crops due to the entrenched culture of monocropping surfaced. Some premised their position on practicality, expressing disinterest due to the higher cost associated with crop diversification in the current food system. Others, however, insisted on the willingness of producers to diversify if proper support is given. We believe that enabling conditions, both in policy and practice, would have to be in place to deter monocropping.

And fifth, opposing views over the apparent inability to dream and the subscription to the familial psychology of poverty among small-scale producers also emerged. There was a debate as to whether the problem lies on the farmer's mindset or on the structural conditions that hinder prosperity in agricultural livelihoods. Based on the previous studies conducted by IISLA, we found out that whilst the generally aging farmers have encouraged their children to pursue other careers, a wave of young people have been showing renewed interest in farming. We therefore place our hope in young agripreneurs, believing that, with the right support, they would continue producing for food security whilst achieving the livelihood prosperity thought to be unattainable by the generation before them.

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- Environment and Climate

ATTACHMENTS AND RELEVANT LINKS

RELEVANT LINKS

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