

Final Proceeding

7th ASEAN Cooperative Business Forum

ASEAN Coffee Corner and Regional Consultation on
ASEAN Roadmap for Agriculture Cooperatives

Philippines, 16-18 January 2018



AFOSP-MTCP2

ASEAN
FOUNDATION



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Introduction and Proceedings

Introduction

Cooperatives are recognized by many as a major driving force for sustainable rural development at national, regional, and global levels. In many rural communities, cooperatives have proven to be effective means towards empowering marginalized peoples to be better economic, political, and social agents.

ASEAN is one such institution that recognizes the invaluable role of cooperatives in sustainable rural development. To wit, ASEAN commits to “promote agricultural cooperatives to empower and enhance the market of agricultural products, to build a network mechanism linking agricultural cooperatives and to fulfill the purpose of benefitting the farmers in the region.” This commitment resonates with the ASEAN Economic Community (AEC) and the Association’s vision for inclusive growth.

The Cooperative Development Authority (CDA) of the Republic of the Philippines in cooperation with the ASEAN Center for the Development of Agricultural Cooperatives (ACEDAC) and the ASEAN Sectoral Working Group on Agricultural Cooperatives (ASWGAC), in partnership with cooperatives in the Philippines (ACDI, FPSDC, PCC) and regional Farmers’ Organization (AFA) hosted the 7th ASEAN Cooperative Business Forum (ACBF) with the theme **Cooperatives: Members’ owned, Value-based, Sustainable and Advancing Prosperity For All Through Coop to Coop Partnerships**. The event was held on January 16-18 at Pan Pacific Hotel, Malate, Manila, Philippines.

The Forum aimed to provide an opportunity for learning exchange and cooperation towards enhancing ASEAN economic collaboration through agricultural cooperatives. Specifically, the 7th ACBF hoped to achieve the following objectives:

- (1) Trading of transaction between and among the participants through a Memorandum of Agreement/Understanding
- (2) Showcase agricultural produce of cooperatives (particularly coffee, cocoa, coconut, banana, dairy, and rice) through the conduct of the Cooperatives Trade Fair Exhibit
- (3) Generate inputs and recommendations for ASEAN Working Group on Agricultural Cooperative (ASWGAC) towards the formulation of ASEAN Roadmap on Agricultural Cooperatives
- (4) Identify key action points towards cross-country coop-to-coop collaboration as well as other areas for cooperation among stakeholders

Proceedings

Day 1: 16 January 2018

Opening Ceremony - The Forum was opened at 9:40 am through a symbolic ribbon cutting. Mr. Orlando Ravanera (Chairperson, CDA) led the delegation of distinguished guests during the opening ceremonies which included H.E. Thanatip Upatsing (Thailand Ambassador in the Philippines), H.E. Win Naing (Myanmar Ambassador in the Philippines), Mr. Rizany Irwan Muhamad Mazlan (Charge d’Affaires, Malaysian Embassy in the Philippines), Mr. Kanal Kim (First Secretary, Cambodian Embassy in the Philippines), Ms. Vu Viet Nga (Commercial Counselor Vietnam)

The ribbon cutting signaled the opening of the 7th ACBF including the exhibits of different agricultural commodities (rice, coffee, cacao, coconut, dairy, banana) from ASEAN countries.

This was followed by the marching of colors including the ASEAN flag and 10-member country flags, the singing of the Philippine National Anthem, and an interreligious prayer joined by representatives from Christian, Buddhist, and Islamic faiths.

The host Gloria Barrido then recognized the Forum’s participants representing 10 ASEAN member countries and distinguished guests from governments, Philippine government agencies, development organizations and partners, civil society organizations, and people’s organizations.

Opening Remarks - The opening remarks were given by Orlando Ravanera (Chairperson, CDA). He welcomed their excellencies and participants to the 7th ACBF and expressed pride in hosting the event in the Philippines to propel cooperatives to even greater heights. During the three-day convergence, Ravanera stressed that the Forum is an avenue to bring to the fore the issues and concerns of hundreds of millions of cooperative members in the Southeast Asian region.

Ravanera said cooperatives give witness to universally accepted principles and values of participation, democracy, equality, cooperation, honesty, transparency and accountability—values that are necessary in the face of capital-driven globalization and neoliberal economic policies, that which bring about excessive growth and gross inequalities.

Thus, Ravanera shared his hope in cooperatives as a means towards people-centered development that with the cooperation of all, would replace the dominant paradigm and address poverty.

Ravanera said the Forum is an opportunity to share information highlighting the contribution of cooperatives to development. He then challenged the Forum’s participants to be the voice and institution of the poor and excluded towards mainstreaming people in the development process.

Message from Partners - Messages from partners followed the opening remarks which included representatives from ACEDAC - ASWGAC, the European Union (EU), Philippine Government Agencies: Department of Agrarian Reform (DAR), Department of Transportation (DOTr), AgriCord, AFA, and the Office of the President of the Republic of the Philippines.

Destry Anna Sari (Representative, ACEDAC) emphasized that MSMEs including cooperatives form the backbone of economies as they contribute significantly to GDP growth. Anna Sari further stressed that the cooperative must seek to increase productivity and gain access to markets in order to meet consumer demands and contribute significantly to global value chains.

She lauded the efforts of different organizations including the ASEAN Foundation for working towards the ASEAN coffee, and the CDA for initiating and successfully arranging the Forum.

Daniele De Bernardi (Representative, European Union) recognized the value of inclusive dialogue which he says is a foundational value of the European Union. He appreciated that the Forum espoused the same value of inclusive dialogue.

De Bernardi pointed out that despite the prevalence of farming, forestry and fishing livelihoods in the Southeast Asian region, poverty still remains prevalent. He said cooperatives and farming organizations should play a role in seeking to end the vicious cycle of poverty and hunger.

Rosalina Bistoyong (Undersecretary, Department of Agrarian Reform, the Philippines) stated their Department's commitment to renew and firm up agreements between and among cooperative stakeholders especially with regard to coop-to-coop partnerships in reference to the declaration in the 6th ACBF declaration.

The Undersecretary shared several programs and projects initiated and organized by the Department in partnership with government agencies and civil society organizations in the Philippines. According to her, these programs and projects reflect their firm belief in the objective of eradicating poverty and hunger among marginalized peoples while highlighting the role of cooperatives in reaching this objective.

Anneli Lontoc (Undersecretary, Department of Transportation, the Philippines) recognized the strategic role of transportation cooperatives in inclusive development. The Undersecretary shared that the Department is modernizing and transforming the transportation system; cooperatives are to play an important role in consolidating transportation operations.

With respect to the agriculture value chain, Lontoc said that transportation also plays a key role in delivering farm inputs and connecting agricultural products to consumers. Thus, it is imperative to improve public transportation to bring about equity and prosperity.

Marlene Ramirez (Representative, AgriCord Alliance) spoke on behalf of a consortium of development agencies represented in the Forum: Trias, We Effect, Agriterra and AsiaDHRRRA. She explained that AgriCord as a global alliance is dedicated to the empowerment of farmers and their organizations; they believe this resonates with the aspirations of farmers for better rural conditions and economic democratization.

Ramirez reflected on the work they have done including partnerships with farmers and their organizations, and other stakeholders in the broader civil society. Since the last ACBF, she said AgriCord has supported national cooperative platforms, national fora, coop-to-coop and regional exchanges.

Esther Penunia (Secretary-General, AFA) represented the farmers sector and recognized all representatives from farmers organizations present in the forum. She stressed the importance of including farmers organizations as primary stakeholders especially at the forefront of cooperative development. She reiterated their 5-point peasant agenda which includes projects and programs for tenurial rights over natural resources, sustainable agriculture, family farmers cooperatives and their enterprises, equitable rights for women farmers, and promoting agriculture to youth.

Penunia further emphasized the gains of rural farmers resulting from regional programs including AFOSP-MTCP2 and ALSPEAC, while working in the context of global frameworks for rural development including the Sustainable Development Goals (SDGs) and the International Decade of Family Farming (IYFF+10).

Ariel Cayanan (Undersecretary for Operations, Office of the President, the Philippines) spoke on behalf of the President of the Philippines Rodrigo Roa Duterte. In his speech, he spoke about the desire of the Department of Agriculture (DA) in fully harnessing cooperatives towards economic development. In line with this, he articulated the initiatives of the President through the DA which provides training and organizing for cooperatives, accessible agri-credit lines and crop insurance.

Cayanan on behalf of DA welcomed the effort of ASEAN to unify the cooperative sector in the Southeast Asian region and said that DA considers agri-cooperatives as development partners in using agricultural lands better for the benefit of smallholders.

Jann Roby Otero (Assistant Cabinet Secretary, Office of the Cabinet Secretary, the Philippines) narrated one of Aesop's fables, that of the lion and the boar. He made a comparison between the nations of Southeast Asia and the characters in the fable, saying that it is better to work together and involve stakeholders to meet common goals rather than fighting and being left for the vultures.

Otero said the moral of the story is resonant with the spirit of cooperativism, persons working together to meet their economic, cultural and social aspirations. Regarding cooperatives and their role, he articulated 4 points to be considered as challenges to cooperatives:

- (1) market and production
- (2) competitiveness
- (3) equitable economic development
- (4) integration to global economy

He said the cooperative movement is a necessary mechanism to rise to these challenges.

Press Conference - After the opening messages from representatives from ASEAN, conveners, government offices and agencies, civil society organizations and farmers sector, a press conference was held where Orlando Ravanera (CDA), Christie Plantilla (FPSDC), Carlos Cepe (ACDI MPC), Yacinta Esti (ASEAN Foundation), Esther Penunia (AFA) and Daniel Ang (PCC) answered questions from the press.

Session 1: Country Presentations - Abad Santos, CDA Administrator served as the facilitation for this session. He explained that the country presentation would articulate the status and trajectory of cooperatives in production and processing, and challenges and opportunities in the face of ASEAN regional integration.

Brunei Darussalam

Khairunnisa Binti Pg Hj Zahari (Cooperative Development Officer, Cooperative Division of the Energy and Industry Department of the Prime Minister's Office/EIDPMO) mentioned that in Brunei, there is a move to diversify away from oil and gas under the Vision 2035 of the government.

Generally, GDP growth and conversely the contribution of cooperatives to economic growth has decreased over the years. In 2016, GDP was recorded to be at BND 15.7 billion in current prices as against BND 17.8 billion in 2015. Subsequently, gross output of cooperatives decreased from 56.9 million in 2016 to BND 38 million in 2017.

In Brunei, there are 4 types of cooperatives (1) Consumer (2) Service (3) Agriculture (4) School. There are about 161 registered cooperatives in Brunei of which only 60 are active. This includes 17 consumer cooperatives, 33 service cooperatives, 9 agricultural cooperatives, and 1 school cooperative.

The speaker further shared the challenges faced by cooperatives in Brunei. These include: absence of compliance with the Cooperative Act, limited capacities in financial management, business planning, operation and marketing, aging cooperative members, uncommitted members, lack of technical skills, and limited involvement in value addition.

The speaker ended by sharing what they see as a way forward for the cooperative movement: promoting cooperativism among the youth, capacity building including study visits, business networking and identifying business opportunities and identifying commodities for integration of farms for export.

Indonesia

Thomas Upping (Chairperson, Toraja Coffee Farmers Association/PPKT) presented a video showing the gains of the PPKT cooperative producing Toraja Coffee in South Sulawesi, Indonesia. The video showed members of the cooperative and government representatives sharing stories about how they managed to form the cooperative and improve the lives of their member farmers.

Toraja coffee, according to one of the members, is unique because it grows in rocky terrain with a specific climate. According to the chairperson, upon his election he observed there were problems in production and post-harvest

management among their members. These problems occurred in many plantations across farmer groups in Toraja and North Toraja District. Members also faced problems in marketing which was controlled by middlemen.

In 2014, 98 farmer groups in the two districts agreed to establish a cooperative for the farmers to collectively and directly market their agricultural products. Since January 2015, the cooperative was registered and was able to market their coffee directly.

One of the members interviewed said the cooperative paid attention to the coffee farmers welfare by distributing the surplus equitably according to their contribution. As a result, farmers enjoyed additional benefits even after their coffee was sold.

A government official interviewed by sharing their local government's initiative in assisting the farmers access working capital. He said that this intervention is necessary given the billions of rupiah needed to keep the cooperative operational and maintain a good profit margin. Thus government intervention is necessary so that the farmers would benefit instead of other parties.

The Head of Agriculture Agency in the North Toraja District said that technology transfer is slow for farmers while extension services are not maximized. As a result, the maximum production volume is limited to 420 kg per ha per year. They hope to improve their services to farmers especially with respect to technology transfer.

Malaysia

Shamsolkamal Budiman bin Abdul Rashid (Manager, National Farmers Organization/NAFAS) shared about the work of their organization. He stated the mission of their organization is to become the core of a strong (Farmers Organization) movement which actively involved the members and its institution with common interest as well as the driving force towards prosperity and advancement of farmers.

The following are their objectives:

- (1) to improve the social and economic standard
- (2) increase their knowledge and skills
- (3) increase revenue and income
- (4) to improve the way of life of its members
- (5) to create a progressive, independent, prosperous and integrated farming community

The structure of their movement follows a linear hierarchy

- (1) individual members numbering 881,664
- (2) area farmer organizations numbering 27
- (3) state farmer organizations numbering 14
- (4) National Farmers Organization (NAFAS)

The National Farmers Organization relates with the Farmers Organization Authority which is the registering authority for the organization.

NAFAS engages in the following activities: fertilizer production and distribution, supply agriculture machineries, plastics-based production, poultry processing, animal feed production, and palm oil plantation and refining.

According to the speaker, challenges confronted by NAFAS in the context of the ASEAN Economic Community (AEC) include labor shortage in agriculture sector, lack of technology, different levels of economic development across member countries, and the degree of political and socio-cultural diversity among ASEAN countries.

The speaker also articulated the effects vis-à-vis the Malaysian economy resulting from AEC. Malaysia is encouraging small business focusing on innovation, e-Commerce, exporting and improving business management to boost their competitiveness. Trading becomes easier because tariff and non-tariff barriers are removed. Connection is enhanced towards an integrated ASEAN.

The speaker also shared their plan having 7 focuses:

- (1) empowering human capital,
- (2) consolidation and mobilization of financial resources,
- (3) establishment of landbank,
- (4) empowering value chain
- (5) strengthening of market network
- (6) research and development

NAFAS is also engaged in the following collaborations

- (1) fertilizer industry – import of raw materials, export of paddy fertilizer
- (2) Paddy industry – import of paddy
- (3) poultry industry – import of chicken and maize
- (4) R&D – Transfer of technology in seed production, agricultural production
- (5) others – Supply agriculture machineries, export plastics-based products.

The Philippines

On behalf of the CDA Chairperson, Ronde Alicaya (Executive Assistant, Cooperative Development Authority, the Philippines) presented the CDA roadmap (2015-2022) advancing a paradigm shift towards transformative cooperatives for people, planet, prosperity and peace. The goals of the roadmap are to:

- (1) accelerate the drive to protect the ecological integrity of our environment and
- (2) convert to sustainable agriculture and debunking conventional agriculture to ensure that the future generation's needs are met.

CDA has several programs. The first program relates to agriculture they address food security, agrarian reform and agri-training services. Their activities under this program include adoption program of IPs, exchange visits, establishment of demonstration farms, technology exchange, national and regional fora, trading and joint ventures. Under the roadmap there is a shift from conventional to sustainable development adopting a supply-value chain approach.

The second program relates to energy where cooperativism is encouraged to address the energy needs of the country. Under the guidelines promulgated by CDA, electric cooperatives are registered following these points:

- (1) Recognition of member-owner-consumer contribution
- (2) Internal generation of funds for expansion and other capital expenditures through member's contributions
- (3) Enhanced concern of members to the coop being real owners thereof having equity contribution
- (4) Enjoys tax privileges
- (5) Distribution of cash dividends and patronage refunds

The third program relates to empowerment, founded on the principle that poverty is rooted not in the lack of resources but in the powerlessness of the people. In this regard, communication and data banking are crucial thus one of the activities of CDA is to operate a media outlet targeting cooperatives (CoopTV).

The fourth program is federalism which the speaker said is intended to solve social injustice and inequity. In the end, he said cooperativism is the backbone of federalism.

The fifth program is peace in Mindanao. The roadmap follows a broader 7 point path to peace and is in consonance with a declaration for peace formulated by cooperatives in Mindanao after the conduct of various cooperative for a in Mindanao.

The sixth program is going global and highlights their participation in various ASEAN for a including the ASEAN Cooperative Business Forum.

The seventh program is environment and follows the recognition of the role of cooperatives in addressing environmental concerns.

The eight program is strengthening the CDA. This program includes the following: CDA QMS program, capacity building for personnel, robust communication and info development, and apprenticeship.

The ninth program is strengthening the cooperatives which includes unifying cooperatives through federations and the cooperative apex.

The tenth program is advocacy, following the seven cooperative principles. This program also covers relief efforts for victims of the Marawi siege.

Thailand

Chamlong Yimsuan (Representative, Cooperative Promotion Department, Ministry of Agriculture and Cooperatives, Thailand) shared about the work of her Department and the larger cooperative movement in Thailand. The vision of the CPD is to develop cooperatives and farmer groups, to strengthen them and ensure they are able to adapt to change.

Among its duties and responsibilities are to

- (1) promote and disseminate the cooperative ideology, principles and methods to cooperative personnel, farmer groups and the public
- (2) promote, support and strengthen the cooperative system
- (3) Improve cooperatives' learning process to increase the capacity of business management as well as the efficiency of their operations
- (4) encourage cooperatives to upgrade the business linkages to international levels for better living quality of cooperatives members both socio-economic aspects.

Its structure is divided into two:

- (1) the Central Administration based in Bangkok and
- (2) the Provincial Administration. Comprising of 76 provincial cooperative offices responsible for supervising and promoting all types of cooperatives in their respective areas.

Regarding the cooperative movement, the speaker shared that the Cooperative Act 1968 was amended in 1999 to be more responsive to the needs of cooperatives. The Cooperative Act 1999 divided cooperatives into 7 categories:

- (1) Agri-cooperative (4,480 cooperatives – 6,393,812 members),
- (2) Thrift & Credit (1,499 coops -- 2,935,517 members),
- (3) Land settlement (94 coops – 184,645),
- (4) Credit Union (571 coops – 792,695),
- (5) Fisheries (110 coops – 15,148 members),
- (6) Service (1,284 coops, 482,806 members) and
- (7) Consumer (225 coops -- 642,782 members). This data was recorded in 2016.

In the same year, in terms of share with respect to national figures, cooperative members totaling 11,492,815 comprised 17.68% of the population, working capital valued at 2,173,966 million baht comprised 18.61% of GDP and volume of business valued at 1,850,430 million baht comprised 14.07% of GDP.

The following are challenges faced by CPD based on the 4 pillars of AEC:

- (1) Members of agricultural cooperatives are small scale farmers that result in high production cost and inadequate access to modern production technology.
- (2) Farmers have a wide knowledge base of agricultural practices but they lack knowledge and experiences of administrative management which is a hindrance to achieve success in business.
- (3) ASEAN countries typically produce similar products and the surpluses from the domestic demand were then exported, for example rice, rubber, fruits and vegetables.
- (4) The cyclical fluctuation of the prices of agricultural products is an inevitable phenomenon.

In addressing these challenges, CPD plans to develop agricultural cooperatives under public-private collaboration under the project titled D6 Modern Agricultural with the following goals:

- (1) Support scheme development program for agricultural cooperative to become "Smart Manager" by focusing on the fields management, marketing, and accounting,
- (2) "Matching" areas where private sector lead of the project with local agricultural cooperative. Cooperative Promotion Department will determine which cooperatives are able to participate in the project.
- (3) Develop agricultural cooperative by implementing "1 Chamber of Commerce 1 Agricultural Cooperative" project.

The speaker also shared their experience in organizing a salt cooperative with various products, capitalizing on the good quality salt they produce. As a result, farmers get more benefits in income because of the high value they ascribe to their product.

Question & Answer

Q1: Why is there a need for a coop in a wealthy country like Brunei?

Even though Brunei is rich country, we still want to have cooperatives. The members want to do activities in terms of providing services to members, and also want to share knowledge.

It is also important for the cooperative in Brunei to comply with the Cooperative Act. The Cooperative provides employment to the members, provide services, provide education, training to the members.

Q2: Why is there no multipurpose cooperative in Thailand and Brunei?

In Thailand, the agricultural cooperatives have savings, processing, and marketing operations. For the savings and credit cooperatives—they do not have other businesses, just savings and credit. For the saving and cooperative, they cannot manage other businesses because it is risky for them.

In Brunei, we do not have any multipurpose cooperatives. Some of the cooperatives have many activities like retail, petrol stations, and agriculture. They are not the major activities; the rest of the businesses are secondary.

Q3: What kind of agriculture cooperative are you engaged in?

In Brunei, there are only a few engaged in rice farming. Majority of the farmers grow fruits. Among fruit farmers however, the problem is that fruits are sold individually.

Q4: For Malaysia, you indicated a service on transfer of technology on seed production— what kind of seeds are these? Under AFOSP-MTCP there are seeds being promoted.

What we mean is that we need collaboration and transfer of technology in this area—we mean we are lacking in that area. At this time, we are using the technology of Korea, not more than 30%. Thailand is also very good in seed technology.

Q5: to Indonesia: May I know what was the help of the government to cooperatives?

We have collaboration with local government.

Q6 to Philippines: 26 types, producers agrarian reform and other text are in red font

It has nothing to do with the coops. It is hyperlinked.

Q7 to Thailand: 14% of GDP is a very big contribution. Can you share major lessons on the government side how you can strengthen coops?

Thai government has project... join the individual farming to join together. Government support cooperatives. For example, in rice and another product. **Q8** to Malaysia: You are producing fertilizer, can we collaborate C2C importing fertilizer? Do you have complete fertilizer?

Selling to you? We are producing fertilizer for palm oil. For other crops, we don't have any.

Q9 to Brunei: Office of Transportation Cooperative, PUV modernization. The program changes to manage coop transportation. We need allied goods, petrol importation. Are you open to collaboration?

Yes. Maybe a joint venture? We can talk after.

Q10 to Muslim Brothers: Are you open to providing assistance to victims in Marawi City?

Talk after.

Session 2: Regional Sharing / ASEAN Perspective - This session was moderated by Christie Rowena Plantilla from FPSDC and featured distinguished speakers from local and regional organizations and agencies.

Destry Anna Sari (Representative, ACEDAC) presented an overview of the ASEAN roadmap for agricultural cooperatives development towards 2025. She said that the roadmap must be understood in the following background and process:

- (1) the roadmap as a key deliverable in 2018 for ASEAN cooperation in Food Agriculture and Forestry resulting from the 19th ASWGAC meeting in Laos
- (2) the roadmap as secured in AFOSP through the ASEAN Foundation and
- (3) the roadmap as developed by a consultant through a series of stakeholder consultations and data collection of agricultural cooperatives.

According to Anna Sari, the roadmap has three purposes:

- (1) support the efforts in facilitating trade among ASEAN Member States
- (2) Provide vision and direction for enhancing participation of the ASEAN agricultural cooperatives in GVC and inclusive agricultural business and
- (3) as a reference to harmonize the agricultural cooperatives' legal frameworks and institutional arrangements in ASEAN member countries.

The roadmap has the following 4-point strategy:

- (1) Strengthen cooperation in agriculture cooperatives
- (2) enhance competitiveness of agriculture and forest products
- (3) facilitate trade within ASEAN
- (4) facilitate access to the global value chain.

The roadmap considers the following:

- (1) current gaps in agricultural cooperatives' strategies and adaptation towards globalization

- (2) How ASEAN (government) and private sector can best support agricultural cooperatives to participate in GVC
- (3) How activities and programmes are able to reach the most marginalized and vulnerable groups.

The roadmap is aligned with ASEAN 2025, particularly with SAP-SMED as it seeks to increase productivity, technology and innovation, increase market access and internationalization. It is aligned with the Strategic Plan of Action for ASEAN Cooperation in Food, Agriculture and Forestry in that it enhances trade facilitation, economic integration and market access, and assists resource constrained small producers & SMEs improving their productivity and technology & product quality to meet global standards and global competitiveness. Lastly, it is aligned with the Strategic Plan of Action of the ASWGAC 2016-2020 in that the roadmap establishes business linkages among potential AC&FO and addresses value chain and strategic alliances.

The following collaboration was initiated as a result of the roadmap process: In 2017 - ASEAN Coffee Value Chain, ALSPEAC, ASEAN Coffee brand, ASEAN-AFOSP policy dialogue and projected in 2018 - organic food and coconut.

Regarding updates to the process, the roadmap is expected to be finished March of 2018 and submitted to all member-states by May of the same year. This is expected to be discussed by senior officials in August then presented, endorsed and approved by ASEAN Ministerial Meeting on Agriculture and Forestry by September.

Yacinta Esti (AFOSP Project Manager, ASEAN Foundation) presented on the ASEAN Coffee brand and ways forward. She explained AFOSP as a program supported by the European Union – IFAD and subsequently supporting the following programs: Farmers Fighting Poverty and the Medium-Term Cooperation Program Phase II (MTCP 2) and Regional Policy Dialogue in ASEAN

The speaker stated that the priority of the ASEAN Foundation towards 2020 is to enhance trade facilitation, economic integration and market access, and to improve productivity, technology, and product quality to meet global market standards.

In this regard, the speaker said that coffee is one commodity which can show that cooperation among farmers is possible, especially as coffee crosses borders and can be found anywhere. It can thus be the basis for having one identity.

The speaker then introduced Irvan Helmi (Representative, Sustainable Coffee Platform in Indonesia/SCOPI) who explained their platform as one that focuses on sustainability. They have three areas of work: (1) technology transfer, (2) FO empowerment, (3) access to finance.

He explained that information ownership is critical to sustainability in two senses: trackability and traceability—trackability meaning that a farmer would want to know the consumer and traceability meaning that a consumer would want to know the farmer.

Better information ownership according to him would bring about better agri-cooperatives by disseminating information on best practices by cooperatives and by encouraging the youth to engage in farming.

Eugene Pabualan (Executive Director, Office of Transport Cooperatives – Department of Transportation, the Philippines) presented their office's initiatives regarding the promotion of transport cooperatives in the country.

Pabualan explained that OTC was created through Executive Order No. 898 on 28 May 1983 and was mandated to promulgate rules and regulations that would govern the promotion, organization, registration, accreditation, regulation, supervision and development of transportation cooperatives in the country, subject to the approval of the Department of Transportation. Since the CDA was convened, the registration function was transferred to CDA.

Regarding the fulfillment of its mandate, the speaker said that their vision is in line with the government's Ambisyon 2040 development plan wherein they intend by the year 2040, transport cooperatives shall enjoy sustainable incomes and increased quality of life for its members. As an agency OTC would be responsive to the needs of transport cooperatives.

As of December 2017, there are about 450 transportation cooperatives in the country whose members number about 75,662. The speaker said the transport cooperatives are crucial in stimulating economic development.

For example, in rural areas, without transportation such as trucking, good infrastructure would be rendered useless and farmers would not be connected to consumers in urban areas.

Another program by the Department of Transportation is the modernization program wherein outdated vehicles which are considered unsafe and which have increased carbon emissions are phased out, and more modern and sustainable vehicles are introduced. Transportation cooperatives are also crucial in facilitating this program.

Rafaelita Aldaba (Assistant Secretary, Industry Development and Trade Policy Group – Department of Trade and Industry, the Philippines) explained the Philippine government's industrial policy and its focus on innovation. Given the increasing protectionism among the world's global powers such as the United States with Trump as President, there is a trend of countries among developing countries towards developing local industries with their own policies and programs.

In the Philippines, the current policy is influenced by and formulated within the context of the 4th industrial revolution characterized by the proliferation of big data, cloud computing, augmentation, virtual reality, robotics and artificial intelligence. According to Aldaba, it is important to analyze the impact of disruptive technologies and how they affect global value chains and regional production networks—it is both a challenge and an opportunity.

In the Philippines, Aldaba said, the government is focusing on the relationship of competition, innovation, entrepreneurship—these go hand in hand. Hopefully the convergence of these areas would lead to more productivity. She continues by saying that industry growth necessitates the upgrading of industries through technology. The Department's goal is to promote global competitive industries, focusing our action on upgrading our industries and addressing binding constraints for growth.

This direction would support the Philippines as a rising Asian economic tiger indicated by strong performance indicators in the industry sector. It cannot be denied that in the Philippines, industry is growing. This strong growth has been explained by increased growth in manufacturing, in the exports of electronics and others.

Lastly, **Orlando Ravanera** (Chairperson, CDA, the Philippines) presented the Cooperatives' Declaration for Peace. The document outlined the cooperative's role in sustaining peace through participatory governance, local initiatives, sustainable technologies, and people-centered growth.

Moving forward, the speaker said there is a need to establish a regional platform, influence national and regional policies toward people-centered development and initiate collective actions for this purpose.

As an example, Ravanera presented the Mindanao Cooperative Peace Declaration which stated the firm collective intent of Mindanao cooperatives to live in peace founded on social justice, equity and sustainable development, in the spirit of transformative cooperatives for people, planet, prosperity and peace.

Session 3: Workshop on Coop-to-Coop Partnership - Following the previous session on sharing by key informants from ASEAN and the Philippine government, the participants divided into 4 groups: coffee, coconut / dairy, rice / vegetables / citrus / pineapple / pili, services. The 4 groups were instructed to answer the following questions:

1. What are the trends in your country regarding the commodity?
2. What kind of support do you need?

Working group 1: Coffee

Participants in Working Group 1 shared and discussed their observations by country responding to questions on trends on domestic coffee production and on the kind of support they need on various levels from production to market.

Cambodia

- Green bean sells more
- Best practices: Cambodian farmers are similar to Lao farmers. The trend is they do not want to sell cherry, but green bean because that is what the middlemen buy. In Cambodia generally like Robusta. Arabica is usually for rich and middle class. 80% of Cambodians consume Robusta.
- On support needed: We need technical support and investment capital.
- On Coop-to-coop partnership: We are happy about the coop to coop cooperation. We want to reach out for more cooperation. We are happy to attend this workshop today. Let's start with ASEAN coffee branding.

Indonesia

- We sell green bean and roasted coffee. Higher price for green bean.
- We also have instant coffee, just pour hot water.
- On production: In one hectare, 500kg dried green bean from 120 trees, Arabica coffee, 2m distance from each tree
- In between coffee they also plant other trees--jackfruit, orange just to bring taste to the coffee
- Arabica: better in highlands. Priced higher because more flavorful, needs more care, more expensive
- Robusta: lower lands, too monotone, similar taste, easier to grow
- Hendri: if you want to go into coffee business, think of the market, of your goals. Set the goal first.

Laos

- We mainly store green beans because they have longer shelf life (up to one year) while roasted coffee has shorter shelf life (nor more than 3 months). Very risky to sell roasted coffee if you do not have good market.
- Price is determined both by farmer and buyer. We open the products for bidding and we sell to the highest buyer. The medium quality is sold to factories.
- On collective coffee marketing: Check the market first— what the market wants. For example, US wants dark coffee. Market has the answer as to what to produce.

Myanmar

- Arabica is more preferred
- On support needed: There is no support from government. Before, the government gives loans, but big interest rates and only for short period (6 mos) Need long term loans, year by year. Farmers need technical assistance on the production/processing.
- We also expect that after 3 years, we can get some international level market, processing system for the market. In Myanmar, when we talk of coops, they only think of credits, we want to change that mindset.

The Philippines

- Robusta sells more, green bean sells more
- On support needed: market; a reliable market for coffee

Vietnam

- Production: 9 to 10 tonnes/hectare/year; 7.5 to 9 tonnes for green beans
- We usually sell roasted form
- Arabica has higher price than Robusta.
- On coop-to-coop partnership: Sales will increase. Beneficial for enterprising and upscaling the coffee.
- Robusta is more preferred by farmers because more likely to get higher price.

Working Group 2: Coconut/Dairy

Participants in Working Group 2 shared their observations collectively by commodity listing prospects and challenges on the national level. Most of the participants were from the Philippines and thus the observations listed herein are specific to this country.

On coconut

- No database of coconut farmers nationwide.
- Lack of equipment for value-added products.

- The coconut trees are infected with pests/diseases.
- No replanting program
- There is a need to understand market information on flexibility
- Lacks confidence to deal with partners
- Traceability

On dairy

- Program on Importation by National Dairy Authority – We are spending 700M US dollars for the importation of dairy products annually.
- Free training for Dairy Cooperatives.
- Working strategy to develop the dairy industry, improve breeds of dairy animals, and map out the ideal sites for dairy production.
- Of the 82 provinces of the country, 59 provinces are engaged in dairy production, 480 dairy players, 45,439 dairy animals, supplying about one percent of the country's dairy requirement.
- Philippine Crop Insurance Corporation (PCIC) is not accepting insurance for animals.
- National Dairy Authority (NDA) – attached agency of the Department of Agriculture is weak in the promotion of dairy products as they are operating in only 6 Regions.
- Importation of animals, does NDA have support?
- Lacks Technical and Financial.
- Lacks capability and capacity to increase production of quality milk.
- The NDA said that the Philippine Dairy Industry Situation shows that the country is heavily dependent on imported dairy products. (How to increase production in the coming years?)
- Questions: How to entice farmers and other stakeholders to venture into dairy farming? How to increase the dairy herds and fully develop the dairy sector?
- 99% of the requirement for dairy products has to be locally produced.
- CDA-NDA Memorandum of Agreement
- There is an ongoing research on the combination of coconut milk and milk.
- Development of coco pan de sal.

On Coop-to-coop partnership

- To forge COOP-TO-COOP partnership within the next two (2) years on the following:
- To partner with advocacy coops to promote the importance of the dairy industry
- To partner with coop engaged in insurance activity for animal insurance.
- To partner with Credit Survey Fund coops or other coops for financial
- Assistance on projects to be undertaken.
- Promote Public Private Partnership on the following areas: Input Supplier, Production, Processing, Marketing

Working Group 3: Rice/Vegetables/Citrus/Pineapple/Pili

Participants in Working Group 3 shared their observations collectively mainly on rice, including other commodities including vegetables, citrus, pineapple and pili. The following questions were answered: Where are we now? Where do we go now? How do we get there?

Where are we now?

- Low production because of: climate change, low or lack of access to quality seeds, high production cost, price volatility
- Monopoly (controlling the volatility of the price) /Cartel (except of citrus)
- Lack of modern/mechanical machineries
- Lack of technology in production, marketing and marketing outlets e.g. lack of stable market
- Limited information dissemination from government support and lack of capacity of the grassroots level to engage in the government assistance
- Limited access for capital

Where do we go now?

- Quality products
- Stable market
- Increase farmers participation and income
- Access to modern machineries and storage facilities and technologies
- Access to capital
- Solicit support from the government
- Clustering of farmers adopting suitable planting calendars

How do we get there?

- Through cooperativism
- to equip and strengthening coops to handle agriculture through
- training (transfer of technology of production know-how)
- Provision of equipment, warehouse, cold and dry storage, transportation from farm coop to market
- Provision of proper facilities
- Partnership of co-ops to co-ops
- Good agricultural practices e.g. organic farming
- Linkage/network and Institutional buyers (corporations that directly process)
- Sharing and adoption of new technology

Conclusion: To identify and capacitate the cooperatives involved in Value chain

Working Group 4: Services

Participants in Working Group 4 shared their observations collectively mainly services provided by cooperatives. Most of the participants in this group are from the Philippines with only less than a handful from Brunei. The following services were covered: financial, transportation, insurance including life and non-life, capacity building, market linkage and distribution.

On financial services

- Problem: securitization – lack of collateral
- For collection: efficiency (no management of underpayment)
- For coop banks – has 2 governing bodies (BSP and CDA)
- Farmers have difficulty complying with eligibility requirements, credit safety fund-answer to lack of collateral for farmers
- BRUNEI – no farmer coops, only savings and credit (institutional)

On insurance

- Could be an answer to the problem of securitization aside from the hard collateral
- Insurance is not sufficient
- Issue re insurance not entire amount is indemnified
- Brunei: when a borrower defaults, they deduct from the dividend

On marketing and distribution

- Produce is bought by the coop & give the money to farmers net of the loan.
- Issue of poll vault – farmer want to sell to middle man because they get the entire amount

On capacity building

- Few billionaire cooperatives are in rural areas
- Coop to coop partnership – big coops adopt a small coop to provide financial assistance, by law however there is restriction (coop to coop trade)
- Technology upgrade in farming – Japan knows when to harvest their plants (micro climate)
- Seeds that are not GMO

- Market identify platform as a form of market alternative (on line sales)
- Appreciation of insurance coop is law; insurance literacy is a must

On the prospect of coop-to-coop trade

- Not institutionalized
- Farming is an aging field, average age of farmer is 57 years
- Sons of farmers would not want to be farmers
- Produce of farmers is insufficient up to the next farming cycle
- Inventory matching with other cooperatives

Top services identified

1. Financial Services
2. Insurance
3. Marketing

On learnings shared

- Securitizing the farmers products is very important – there is little awareness on insurance
- Financial services while important is no longer a major issue as there are many providers of credit including NGO microfinance institutions
- For marketing, there is a need to harness the power of online facility, identifying coop products to be sold (like Lazada/Alibaba of coop products). This will facilitate coop to coop trade.

Day 2: 17 January 2018

At 6:00 am, participants departed from the venue to proceed to two agri-cooperatives: Soro-Soro Ibaba Development Cooperative located in Batangas Province and Catmon Multipurpose Cooperative located in Bulacan Province. The participants were earlier subdivided into two groups.

Soro-Soro Ibaba Development Cooperative

Started in 1969 as a farmer's association with 59 members, and a share capital of 11,800 pesos, Sorosoro Ibaba Development Cooperative has become the biggest agricultural-based cooperative in the Philippines with 27217 members, share capital of 5 million and assets of 2.5 billion.

The field visit of ASEAN Cooperative Business Forum participants to Sorosoro Ibaba Development Cooperative in Batangas started with a tour of the feed mill operations of the cooperative. The main speaker for the orientation or tour is the cooperative's external relations officer / radio announcer Mr. Joseph Virtucio. He was assisted by Engineer Trini Ramos in giving orientation on the feed mill operations. The development of the cooperative's feed mills starting from the manual operations to computerized was shown.

First stop: Feed mills - Virtucio reported that their feed mill is an ISO-certified animal feed manufacturer. They are producing feeds for hogs, chicken, ducks, cows and quail. Further, 9000 bags of feeds daily are needed to be produced in order to serve the needs of the members. One of the participants asked if the cooperative is selling the feeds commercially however Virtucio responded negatively. He said that the cooperative is serving the members. All the raw materials needed for the feed mills needed to pass through the quality control to check whether they are contaminated or not.

The participants were given a tour of the mills from manual to computerized or automatic in order to see the development of the operations. There are 200 people employed in feed mill operations. The first mill that was shown started the operations in 1998 as Ramos reported. This mill is manually operated and needs a manpower of 30 individuals to operate it. The second mill also started its operations in 1998 with a capacity of 10,000. Ramos reported that this is semi-automatic and can produce 1200 bags for 8 hours (daily). A mill that has computerized operations were also toured by the participants. This mill exceptionally has a control room. They only need 17 persons for the manpower. Since this is computerized, it was reported that it is easier to troubleshoot the problem online. Further if there is a problem in the system, the downstream operations will automatically stop and it will indicate in the monitor.

A participant from the Philippines asked about the protection of the laborers/employees as she had noticed the dust accumulated in the last mill (computerized) they toured. Virtucio said that those accumulation of dust do not regularly happen. Further the employees do annual medical check-ups. She asked another question on why the mills smell differently from each other. Virtucio stated that for every mill, there is a particular feed additive that produces a smell.

Second stop: SIDC office, and CoopMart - After the stop at the feed mill operations of the cooperative, the participants were given a tour at the cooperative's main office which is a five-story building and CoopMart (supermarket) where all the needs of the members of the cooperative are present. In the first floor of the office, Koopinoy is operating as the banking system of the cooperative. Virtucio reported that the members do not need to go to the town to transact any banking system. He further mentioned that they first have to profile the member if he or she knows how to save. The cooperative is offering agricultural loans (piglets, seeds etc.), car loan, and house loan.

Third stop: Sorosoro Springs - The last stop of the tour is the cooperative's resort that includes an adventure park named Sorosoro Springs. The participants settled down in one of the function halls of the resort. The resort has 7 swimming pools, airconditioned rooms, hanging bridges, zipline, airbike, and teambuilding activities. Virtucio discussed mainly the cooperative: its symbolism, history, membership, operations, business model and its programs and services.

History - After discussing the symbolism of the logo of the cooperative. Virtucio narrated the story of the cooperative. In 1969, the cooperative started as a farmers' association of 59 members: Sorosoro Ibaba Farmers Association through the leadership and initiative of Victorio Barte. During this time, the main livelihood is planting and farming rice. The farmers are also 13,000 kilometers away from the town proper which made it difficult for them to market their products. In their experience, they only have one jeepney that travels from their place to the town proper. It could take a long time to market their product and buy their basic needs.

Barte then organized the association of 59 farmers. He said that the farmers should not just be farmers, but rather also be entrepreneurs. In their own association, each of them needed to contribute 200 pesos each. 11800 pesos served then as their capital. This was used for the establishment of a convenience store. At the end of 1969, it was only then that the family members of these farmers realized that it is theirs, and they gathered together. From the profit of the store, they equally divided among the 59 farmers.

The cooperative is now operating for 49 years and has become the largest agricultural-based cooperative with 27217 members, 5 million share capital, 2.5 billion assets, 3.68 billion total volume of business, and 725 million savings mobilization all because of one goal or common interest.

Membership - Virtucio stated that the cooperative is only accepting 18-60 years old. The requirements for membership include an initial share capital of 3000 pesos, and a membership fee of 100 pesos. As aforementioned, there are 27217 members (family). Out of this number, 40% are engaged in livestock. All of the employees of the cooperative are members. There are 982 employees in the cooperative.

Operations - The cooperative is now operating nationwide. Virtucio reported that they have branches in Mindoro Oriental, Mindoro Occidental, CALABARZON, MIMAROPA, Aklan – Panay Islands, Central and Northern Luzon, Bicol, and Bacolod. The cooperative is currently working out in opening branches in Northern Mindanao, and Palawan.

Business Model - Virtucio explains the value chain which starts at the fact that SIDC's members are engaged in livestock production. The raw materials from these become organic fertilizer, then they use this to engage in corn farming enterprise. The corns are being produced by the members and bought by the cooperative. This then produces the raw materials for the feed milling. The feeds production is being given back to the hogs of the members for their livestock production. Virtucio reported that this is now being followed by the Department of Agriculture. Virtucio also explained the sperm to germ value chain which is similar to the value chain explained above.

Programs and services: From Womb to Tomb

- 1) Medical – Regular Check-ups, Free check-ups
- 2) Consumer – CoopMart, gasoline station
- 3) Livelihood – Livestock, agricultural loan (piglets, seeds, etc), biogas digester, organic fertilizer, livestock feed production
- 4) Financial – savings and credit (car loan, house loan memorial loan, mortuary benefits)
- 5) Capacity building – training courses and study abroad programs, scholarship
- 6) Recreation – Soro-soro springs, internet and TV service

Question & Answer

Q1: Does the cooperative own the land or, is it a state land?

We have farmers who own their land, but we also have member - farmers who are just farmworkers. We also have pig farms that are owned by the cooperative and communal farms.

Q2: Do you have any help from the government?

We do not rely on the support of the government. We also do not hope for any support. It is all on the share capital of the members.

Q3: Is the cooperative taxed?

The cooperative is exempted from tax which is a privilege it has from the government but the members are paying their individual taxes.

Q4: What is the interest rate?

14% per annum

Q5: What are the challenges you are now facing?

We have lots of challenges. ASEAN integration is not a threat but an opportunity. The low inputs of the government? It is a privilege that we have a congressman. The cooperative is not entitled to having a land of more than 5 hectares because of the CARP law then what can we do? There is also a law concerning livestock production wherein the government is not that so serious on the importation of meat products and agricultural goods. There are these meat products and agricultural goods which are entering the government through black market. The government is not that serious in watching those circumstances.

Q6: How do you solve the problem among hogs when they get diseases or something like that?

There is a check-up of the hogs. We have farmer technicians. We also have monthly trainings, complete course on how to raise hogs, free trainings and seminars for the services. We are also practicing biosecurity measures.

Q7: How do you manage the structure or services of the cooperative?

On top, there is the GA or general assembly and then they trust the 9 board members. The trust is then passed to CEO. Then there are the senior managers and managers managing different programs. That is how we manage the programs. We also operate in the principles of sense of ownership, trust and confidence.

Q8: Are you having external loans?

Yes, we have external loans and Landbank is our partner.

Q9: Do you have funeral services?

We have memorial loan or mortuary benefits. We have a partner - Memorial Park in Batangas. One hectare is intended for the members of the cooperative.

Q10: Are you saying that the 3000 is the share capital? How many shares?

9 shares

Q11: How does SIDC book the share capital of the members?

All our transactions are computerized, we spend millions for that program. We are also providing IT services to small cooperatives.

Q12: How are you affected by TRAIN?

We are tax exempted even with the implementation of the TRAIN law, but all transactions outside the cooperative are taxed. It will still definitely affect us.

Q13: How to be a member?

3000 pesos for share capital, 100 for membership fee.

Catmon Multipurpose Cooperative

Started in 1987 by 26 founding members who pooled together PHP 12,500, Catmon Dairy Cooperative has now a membership of 2,418 regular members and 3,871 associate members and is now a strong cooperative with dairy production and processing as its primary business.

First stop: Covered courts and nearby feed production and meat processing facilities - General Manager dela Rosa welcomed the participants to the main facility of the Catmon Multipurpose Cooperative.

Dela Rosa gave a presentation on the cooperative saying that its vision is to become a strong cooperative for prosperous livelihoods and members while its mission is to provide meaningful service for all the needs of members and the community, together with caring for the environment. Its goal is to advocate for the decrease in poverty among the people through the spirit of cooperativism.

Since its inception, the cooperative has been able to provide for its members and build various infrastructure including a feed silo, feed mill, warehouse, meat processing facility and the procurement of a dairy processing facility resulting from a merger with another cooperative.

The cooperative's activities include hog production, hog partnering, trading, meat processing, meat shop, quasi-banking (providential and business loans, microlending), dairy processing and marketing (7 flavors).

To secure the necessary dairy and meat input supply for the cooperative's processing facilities, the cooperative has its own livestock farm. One of its facilities is located in another municipality within the province of Bulacan and covers about 5 hectares of land to support the input demand of its cooperative. The cooperative owns and manages 24 milking cows, 7 calves, 9 milking buffalos, 8 caracalfs. Meanwhile, cooperative members own and manage 77 milking cows, 93 milking buffalos. The total heard accessed by the cooperative is about 550 heads.

Dela Rosa shared their success factors:

- 1) We follow and take to heart our vision-mission statement
- 2) We have a business plan, for the farmers have their own individual plan and consolidated into the collective plan of the cooperative
- 3) Our cooperative has 1, 5, 10 year plans
- 4) Our cooperative has professionalized management: defined qualification, seminar and training, competitive salary, future members and employees development

Question & Answer

Q1: How do you qualify members, regular and associate?

Provided by the law, the regular members hold a certificate of common shares while the associate members are solely depositors.

Q2: Is there a minimum capital share?

Minimum of 15,000 common share capital, to be paid in three (3) years in installments

Q3: Do you have dividends?

Yes.

Q4: How do you assure the quality of your products

For the feed mills, on a regular basis we submit the feed samples for lab testing. We are conducting actual experiment with control samples

Q5: How do you distinguish the prices among Regular, associate?

Same prices. The Regular members have patronage refund, while the associate do not.

Q6: What is the net surplus?

Php 7M, 12% of these dividends (common shares) the law has, we give at least 40% of the 70% as patronage refund.

Q8: How is the taxation?

Under the law, cooperatives are exempted from tax in selling to the public. When we reach 10M reserve fund, we will be started taxed.

Q9: What is the mechanics of your retirement program?

We are investing in a retirement fund company to ensure that retirement is to be paid. Most of our employees are young.

The money is invested in an insurance company who builds the fund. The cooperative fully subsidizes this.

Q10: In your experience any difficulties in running the cooperative?

Of course, every day is a challenge for us. A little bit better now because we have ample financial resources. The cooperative is all about money. We have support from external sources like Landbank. We are also developing the capital build up programs, so that funds would continuously flow and the needs of the members are addressed.

Q11: What is the payment rate of your loans?

Of course, there are some delinquent accounts. This is less than 5%.

Q12: Do you have FDA certification?

Yes. It is difficult to register in the Philippines. We are in the process of undergoing certification with other agencies. The Department of Health has very few personnel to handle the registration of products, so it is difficult.

Second Stop: Dairy Processing Facility - Located a few kilometers from the main facilities of the multipurpose cooperative, the dairy processing facility was acquired after a merger was reached with a failing dairy cooperative. After the facility was procured, the facility was refurbished by the cooperative.

At the time of the visit, the dairy processing facility was fully functioning producing dairy products such as milk-based ice candy, yogurt and other higher value dairy products.

Processing of insights from participants - After the short visit to the dairy processing facility, the participants divided into 6 groups namely: Philippines' 3 major island regions: (1) Luzon, (2) Visayas, (3) Mindanao, other ASEAN countries: (4) Brunei/Indonesia/Malaysia, (5) Thailand, (6) Lao DPR.

They shared their insights about the cooperative by answering the following questions:

1. What did you learn from the cooperative?
2. What can you suggest to the cooperative?

Philippines - Mindanao

1. Growth rate of Catmon Coop is quite slow, from 1987 full-fledged member 2000
Is it because of stringent requirements of the recruitment of membership?
Return of assets is quite low (1.75%) vs inflation rate (3%)
Merging with Sta. Maria Dairy Coop
Delinquency rate at <5% very good
Combined with feed mill, hog fattening more diverse
2. Better membership drive campaign, Open membership to other sectors, Improve the utilization of assets

Philippines - Luzon

1. BOT diverse age and gender
Basic data regarding cooperative
Supportive management
Investments on assets, Viable retirement plan, nurture the retirement plan
Products, inventory
2. Conspicuous bulletin board
Your stock does not have tagging
Graph of statistics, general manager
Fecal matter should be addressed

Philippines - Visayas

1. We observe that you have reached full value chain (dairy production, processing)
Patronage fund from income of capital shares
From the start you were supported by the provincial government
Challenge for us to duplicate/replicate what you have done
2. Encourage members/partnerships for corn
Explore partnership with other cooperative (for ex. Corn supply)

Brunei/Indonesia/Malaysia

1. Good cooperation, multiproduction
Interrelated production
Governmental support
2. Cooperative promote the associate member to regular member

Thailand

1. Host is hospitable
Full value chain, around the animal, production-processing (like in Thailand)
Merging the cooperative, good practice to help community to strengthen community again
Different from Thailand, single purpose cooperative
Promote other business in other cooperative (Tourism)
2. Better storage for animal feed

Lao DPR

1. Different from Cooperative from Lao, single purpose only (if vegetable, vegetable only)
Multipurpose, they are interconnected
Impressed about the activities (processing, milk bar)
2. Lesson for us to diversify
Plastic for milkbar is too thick

Response of the Cooperative - On the smell: nearby pig and chicken farms are the cause of the pungent smell.
On Inventory: We have a computerized system and at the minimum level, only freshly produced feeds are stored.

On rate of increase in membership: We are slow in developing the number of regular members, in the first 15 years we only accepted farmers as members. Recently, we began to accept varied groups into the cooperative.

On our success: We believe it is found in the values instilled in cooperative members.

Signing of Memorandum of Understanding

After the field visits in the morning, the signing of memoranda of understanding between cooperatives and among cooperative stakeholders was conducted.

1. FPSDC & Kaya Payment Network

The Memorandum of Understanding between FPSDC and Kaya Payment Network intends to enhance linkages on trade among cooperatives

Representing the FPSDC was Christina Plantilla (CEO, FPSDC) and representing the Kaya Payment Network were Sylvia Paraguya (CEO, NATCCO) and Ernan Palabyab (CEO, PFCC).

Kaya Payment Network - According to Paraguya, Kaya Payment is a partnership between PFCCO and NATCCO commissioning Temenos and SoftwareGroup. Their system facilitates the various financial transactions of the cooperative member and the cooperative. For the member: money transfer, bills payment, phone load/ credit, receiving money. For the cooperative: accepting deposits, releasing money for withdrawals and loans, payment collection.

The Kaya Payment system allows the cooperative to be a place where all of these transactions can be done. It is about digitizing the activities of the cooperative and allows mobile banking anytime and anywhere.

FPSDC – Ecoop Trade - Launched in 2016, Ecoop Trade by FPSDC is an ecommerce platform to upgrade the federation’s distribution; it enables the buying and selling of sustainable products from the cooperatives and the communities to the mainstream market.

Its objectives include: (1) To position products from the cooperatives and the communities in the mainstream market (2) To be able to complement with other products brought by the ASEAN Economic Integration (3) To be able to share stories behind these products and create more awareness on sustainable development.

The Ecoop Trade system provides the following services: (1) Sales - You can reach as many customers since we are not limited by current geographical presence (2) Consulting – Product packaging, marketing strategies, assistance in certification etc. (3) Infrastructure – offer payment options, delivery options, warehousing options & more.

2. FPSDC & NSCC

The Memorandum of Understanding between FPSDC and NSCC intends to promote the Black Garlic technology and as a result, promote garlic production in the area of Nueva Ecija.

FPSDC was represented by Christina Plantilla (CEO, FPSDC) and NSCC was represented by Divina Quemi (CEO, NSCC)

3. Eastgate Pharmaceuticals Inc. & BUPHARCO

The Memorandum of Understanding between Eastgate and BUPHARCO intends to promote the use of the “First Intra-Muccosal Insulin in the World”.

Eastgate Pharmaceuticals Inc was represented by Bill Abajian (Representative, Eastgate) and Christine Dalogdog (CEO, BUPHARCO)

Eastgate - Abajian explained that their technology would make it possible to address diabetes without damaging the pancreas of the person taking medicine for diabetes. The technology they developed would be the first in the world, and they want it to be owned by a cooperative.

BUPHARCO - Dalogdog explained that they dream of a country with good, quality medicine. As a cooperative, they have 15 retail outlets operating in the province of Bukidnon in Mindanao engaged in the sale of medicine. Eventually, the speaker said the cooperative intends to go into manufacturing which is the reason why they are entering into an agreement with Eastgate.

4. AFOSP–ASEAN Foundation

Yacinta Esti explained the role of the ASEAN Foundation in the context of AFOSP. She said that the overall mandate of AF is to actualise and energise the ASEAN Blueprint especially the ASEAN Socio-Cultural Community (ASCC) blueprint. Since its establishment, the ASEAN Foundation has been committed to support the agriculture sector as a part of its mandate to address socio-economic disparities and alleviate poverty, as well as to develop human resources and capacity building. Sustaining this commitment, the Foundation is participating in the ASEAN Farmers’ Organisations Support Programme (AFOSP).

Specifically, the key role of AF is to bridge the coordination between the relevant sectoral ASEAN bodies in support of AFOSP, such as those under the ASEAN Ministers Meeting on Agriculture and Forestry (AMAF) and ASEAN Ministers Meeting on Rural Development and Poverty Eradication (AMRDPE); and to facilitate the engagement and participation of the ASEAN farmers in the regional policy-making processes.

Among their activities was the ASEAN Learning Series and Policy Engagement on Agricultural Cooperatives including agricultural cooperatives, government, private sector, and coffee association. It was held in Yogyakarta, Indonesia last 19-21 July 2017 and participated in by 64 individuals from governments, private sector, various farmers’ organizations in Southeast Asia. Its theme was to promote inclusive agricultural value chain for coffee. In summary, the following were the key points:

Discussion	Way Forward
Government	
<ul style="list-style-type: none"> Close coordination and consultation with Sectoral Working Group on Coffee under the joint Committee To improved coffee value chain, in ASWGAC Meeting may be more opened to receive participation from cooperatives and companies Leaders ASWGAC will have deliberation to appoint ASEAN Member State as the Focal point of coffee Participation in side event AMAF or the 7th ACBF 	<ul style="list-style-type: none"> Report to ASWGAC Meeting in May 2018 for follow up: joint activities on ASEAN Coffee Continuation for the development of Coffee knowledge/database 2018: joint activities for coffee promotion during THAIFEX 2018 (fundraising)
Private Sector	
<ul style="list-style-type: none"> Establish ASEAN Coffee Platform: sharing information on sustainable production and market access Establishment ASEAN Coffee Farmer Shops: coop to coop collaboration 	<ul style="list-style-type: none"> Harmonisation of standards based on consumer preference Capacity building on coffee production, post-harvest processing, capacity for coffee appreciation: cupping
Coffee Association	
<ul style="list-style-type: none"> Support the capacity building on appreciating coffee through cupping and brewing 	<ul style="list-style-type: none"> Collaboration with SCOPI and Agri Pro Focus

7th ACBF Declaration

While partnership agreements were being signed, copies of the draft 7th ACBF declaration were circulated among participants for review. After a few minor edits, the 7th ACBF declaration as adopted without objection, resonant with the theme of the Forum *Members' owned, Value-based, Sustainable and Advancing Prosperity For All Through Coop to Coop Partnerships (See Annex 4)*

The participants in harmony recited the content of the declaration and affirmed their commitment to the points raised.

Closing Remarks

To mark the end of the forum, the conveners each gave their closing messages to the participants. First from ACDI MPC, they expressed their appreciation for all participants from around the Southeast Asian region.

This was echoed by the representative from PCC who appreciated the visits to cooperatives. They said their organization facilitated the transportation of participants to the field visit sites from the venue and had hoped they delivered.

Lastly, the representative from CDA expressed their sincerest gratitude for the participation of the different representatives from cooperatives. They hope that the commitment to cooperatives continue above and beyond the 7th ACBF.

Day 3: 18 January 2018

Opening Remarks - The opening remarks were given by Emmylou Felimer (Principal Assistant, ASEAN Affairs Office of the Department of Foreign Affairs, the Philippines) on behalf of Assistant Secretary Ma. Hellen B. Dela Vega.

On behalf of the DFA, they extended their commendations to CDA and its partners for the success of the 7th ACBF. As Chair of the ASEAN last year, they led with the theme "Partnering for Change, Engaging the World." The Philippine government pursued six thematic priorities, namely: (a) people-oriented, people-centred ASEAN; (b) peace and stability in the region; (c) maritime security and cooperation; (d) inclusive, innovation-led growth; (e) ASEAN resiliency; and (f) ASEAN: A model of regionalism, a global player.

The speaker said the ASEAN has an important role in uplifting the lives of its stakeholders. As a result, the Philippines will continue to champion an inclusive, innovation-led growth in ASEAN. The government will work hard to further develop micro, small and medium enterprises (MSMEs), including those in the Food, Agriculture and Forestry (FAF) sector, and help integrate them in the global value chain, including through digital technology. The speaker said that as ASEAN Vision 2025 is pursued, they hope the ACBF can be one of the government's reliable partners in reaching out to the various cooperatives network in the region.

ASEAN Cooperative Development Roadmap - An ASEAN consultant on the cooperative development roadmap took time to conduct focus group discussions among participants and administer questionnaires. She said the challenge with the roadmap is that primary information is necessary in order to provide a clear assessment of the current state of each country.

For the focus group discussions, the participants were grouped into three, (1) government (2) CSOs in the Philippines and (3) CSOs in other ASEAN countries. This grouping was followed since there were more Filipino participants and they constituted a bigger group. (For Outputs, See Annex 5)

GLOSSARY

ACBF	ASEAN Cooperative Business Forum
ACEDAC	ASEAN Center for the Devt of Agricultural Cooperatives
AEC	ASEAN Economic Community
AFOSP	ASEAN Farmers' Organisation Support Programme
ASEAN	Association of Southeast Asian Nations
ASWGAC	ASEAN Sectoral Working Group on Agricultural Cooperatives
CSO	Civil Society Organization
MSMEs	Micro, Small, Medium Enterprises
MTCP	Medium Term Cooperation Program





ANNEXES

1: Program Schedule

Date and Time	Key Activities
Day 0 Monday, January 15	Arrival of Participants
6:30pm- 8:00pm	Welcome Dinner Brief Program Orientation
Day 1 Tuesday January 16	
8:30am - 9:00am 9:00am - 9:30am	Registration Ribbon-cutting and Program of Product Exhibit & ASEAN Coffee Corner
9:30am – 10:45am	Parade of Colors National Anthem Ecumenical Prayer Opening Program - Welcome Remarks: Mr. Orlando Ravanera - Messages from Partners: • ACEDAC / ASWGAC: Destry Anasari • EU: Daniele de Bernardi • Representative from government agencies • Representative from CSO: AsiaDHRRA • Representative from Farmer Sector: Ms. Esther Penunia, AFA - Inspirational Message: Senator Miguel Zubiri - Keynote Message: Cabinet Secretary Evasco <i>Note: Official Group photo-taking right after the opening program (drone)</i>
10:45am - 11:00am	Tea / Coffee Break / Networking time
11:00am - 12:00nn	Press Conference with Conveners and VIPs <i>Networking Time and visit to coop products booth</i> • Coffee/Cocoa • Coconut • Banana • Rice and other crops • Dairy • Services
12:00nn - 1:30pm	Lunch Break
1:30pm - 2:30pm	Session 1: Country Presentation <i>Country Presentation on the Status and Trajectory of Cooperatives engaged in Agricultural Production, Processing and Marketing amidst the opportunities and challenges related to ASEAN Regional Integration</i> *10 minutes presentation per country * 20 minutes Q&A after all the country presentation
2:30pm - 3:45pm	Session 2: Regional Sharing / ASEAN Perspective a) <i>The ASEAN Roadmap: Ms. Destry Anasari, ACEDAC</i> b) <i>Ways forward for ASEAN Co ee: ASEAN Foundation</i> c) <i>The AGRI Industry: ASEAN Perspective: USEC Serrano, DA</i> d) <i>The Transport Industry as Enabler for Agricultural Development: OTC</i> e) <i>Industrial Innovation Propelling Prosperity for All: ASEC Rafaelita Aldaba</i> f) <i>The SDG and the Role of Cooperatives: ICA</i> g) <i>Coops Declaration for Peace and MOA with China: CDA</i>
3:45pm - 4:00pm	Tea / Coffee Break / Networking time

Date and Time	Key Activities
4:00pm - 5:30pm	Session 3: Workshop on Coop-to-Coop Partnership - Short input on Industry Challenges and Prospects - What are speci c coop-to-coop partnership which can be forged for the next two years amidst the challenges and opportunities with the industry? - What are key steps which needs to be done at ASEAN and member state level to support coop-to-coop partnership? *Groupings will be based on commodity/services. Lead convenor will anchor the workshop
5:30pm - 6:15pm	Plenary Presentation of Workshop output
6:15pm - 6:30pm	Synthesis Connecting the Dots (key observations from country, regional sharing and workshop)
6:30pm - 6:45pm	Announcement about Field Visit Presentation of Brief Pro le of Agricultural Cooperative to be visited Groupings c/o CDA
6:45pm - 7pm	Preparation for Cultural and Solidarity Night C/O PCC
7:00pm - 9:00pm	Dinner / Cultural and Solidarity Night at Intramuros
Day 2 Wednesday January 17	Agricultural Cooperative Field Visits
6:30 am	Assembly Time at the Hotel Lobby
6:35 am - 12:00nn	Field Visit to Cooperative Group 1: Visit to SIDC, Batangas City Group 2: Visit to Catmon MPC, Sta. Maria, Bulacan Visit to Catmon MPC, Sta. Maria, Bulacan
12nn - 1:00pm	Lunch Break (at SIDC and Catmon MPC)
1:30pm - 3:30pm	Travel Time
3:30pm - 5:00pm	Signing of Memorandum of Understanding / Launching of Coop-to-Coop Partnerships - Introduction of the Process Undertaken and the Parties to Sign - A Closer Look at the Agreements - Signing of the MOU*** 1. FPSDC and NATCCO 2. FPSDC and NSCC 3. BHUPARCO and Hena Group of Companies 3. ASEAN Co ee 4. Philippines and China
5:00pm - 6:00pm	7th ACBF Declaration (Consensus building on the Declaration/Signing of Declaration by all participants/Symbolical Gesture of commitment and solidarity) – c/o AF on drafting the declaration
7:00pm	Dinner
Day 3* ursday January 18	Regional Consultation on ASEAN Roadmap on Agricultural Cooperative (hosted/anchored by AFOSP thru AF, AFA/LVC)
8:00am – 8:30am	Registration
8:30am - 9:00am	Opening Program - Message from DFA ASEAN Affairs office Program orientation - Objectives - Schedule/Flow
9:00am – 9:30am	Presentation of Draft Roadmap
9:30am – 11:30am	Focus Group Discussion
11:30am -12:00nn	Synthesis of the Consultation
12:00nn - 1:30pm	Lunch break
1:30pm - 5:30pm	AFOSP-MTCP2 meeting Finalization of Sub-regional activities for 2018

* Departure for most of Philippine participants except key Phil Coop Federation /confederation leaders

* Only Representatives from ASEAN Member State, FO Leaders and CSOs will attend

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AFOSP-MTCP2



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