

**Farmer-to-Farmer (F2F)
 Agricultural Volunteer Opportunity Project (AVOP)
 Capacity-Building of the Coconut Subsector (COCOS) Program, the Philippines¹**

F2F COCOS is a technical assistance program that aims to promote sustainable practices in food security and agricultural processing, production, and marketing for the coconut sub-sector. The program is implemented by Grameen Foundation in the Philippines as a sub-awardee of Partners of the Americas and funded by the United States Agency for International Development (USAID).

COVID-19 PANDEMIC IMPACT TO F2F COCOS HOST ORGANIZATIONS

The COVID-19 Situation in the Philippines

A nationwide community quarantine was declared by the Government of the Philippines on 16 March 2020, in response to the COVID -19 Pandemic. The strict confinement measures halted almost all business and social activity that had drastic effects on the economy. It is estimated that the Philippines economy may lose between P276.3 billion to P2.5 trillion² in 2020. The agriculture sector is looking at a loss of P110.3 billion in the worst-case scenario³. Additionally, more than half (53%) of registered micro, small, and medium enterprises (MSMEs) stopped operations⁴ due to the lockdown which gave rise to unemployment—peaking at an all-time high of 17.7% by April 2020.

In an effort to restart the economy, the Philippine Government eased mobility restrictions while retaining quarantine status in June 2020. This move was done amidst the rising number of COVID -19 infections in communities, especially in the National Capital Region (NCR). As of July 31, 2020, there are 93,354 confirmed cases of COVID -19 in the country, with a case fatality rate of 2.4%.



¹ This document is made possible by the generous support of the United States Agency for International Development (USAID). The contents are the responsibility of Grameen Foundation and do not necessarily reflect the views of USAID or the United States Government.

² Coronavirus may cost PHL up to P2.5 trillion in economic output. (2020, April 16). *Business World*. Retrieved July 23, 2020, from <https://www.bworldonline.com/coronavirus-may-cost-phl-up-to-p2-5-trillion-in-economic-output/>

³ Impact of COVID-19 on key Philippine economic sectors. (2020, April 16). *Business World*. Retrieved July 23, 2020, from <https://www.bworldonline.com/impact-of-covid-19-on-key-philippine-economic-sectors/>

⁴ Mercado, N. (2020, May 01). DTI: Over half of MSMEs in PH fully stopped operations due to virus outbreak. *Philippine Daily Inquirer*. Retrieved July 23, 2020, from <https://business.inquirer.net/296227/dti-over-half-of-msmes-in-ph-fully-stopped-operations-due-to-virus-outbreak>

Impact of COVID-19 Quarantine to F2F COCOS Hosts Organizations

To fully understand the impact of the COVID -19 Pandemic on the coconut sector, Grameen Foundation interviewed eleven (11) organizations that are currently engaged as F2F COCOS Hosts. The topics addressed the effect of the COVID-19 Pandemic on the organizations' business operations, client/member engagement, crisis response, and assessment of capacity-building needs. The interviews were conducted from June 8 to June 24, 2020.

Insights

- Out of the eleven (11) F2F COCOS host organizations, only six (6) organizations were continuously operating despite the lockdown and mobility restrictions imposed within the country. Five (5) of the host organizations, mostly farmer cooperatives, suspended operations upon the instructions of the Government for an average of 60 days. These cooperatives have resumed operations since May 30, 2020, but at a reduced capacity or with staff working in shifts.
- The COVID-19 Pandemic and the subsequent response of the Philippines Government to impose a community quarantine brought about reduction of revenue and cash flow for most host organizations and an increase in operating costs. However, five (5) of the cooperatives reported to have experienced an increase in the demand for their products. These cooperatives had on-going contracts or buying arrangements in place before the pandemic. One cooperative however, was able to innovate in the midst of uncertainty and found a new way to connect to buyers through the use of Facebook Marketplace, while others diversified into selling new products (e.g. virgin coconut oil, potting mix) due to an increase in consumer demand for health and wellness goods and personal sustainability.
- For the coming 12 - 24 months, host organizations remain hopeful to see a rise in demand for products and active or return customers. However, they are also anticipating an increase in operating costs and a reduction in available inputs and raw materials. Revenue projections are grim with more than half of the host organizations anticipating a cutback on revenue.
- Ahon sa Hirap, Inc. (ASHI), the lone Microfinance Institution (MFI) in the F2F COCOS portfolio, reported that the number of loan application, disbursement, and repayment was significantly down due to the Government's policy (Bayanihan Heal as One Act of 2020⁵) of mandatory grace

F2F COCOS Host Organizations

1. Alaminos Laguna Consumers Cooperative (ALACCO) - *Laguna, Luzon*
2. Yakap at Halik Multi-Purpose Cooperative Quezon 1 - *Quezon, Luzon*
3. Ahon sa Hirap, Inc. (A Microfinance NGO) (ASHI) - *Metro Manila and Quezon, Luzon*
4. Maymatan Farmers Multi -Purpose Cooperative - *Bicol, Luzon*
5. Coco Technologies Corporation - *Metro Manila and Bicol, Luzon*
6. ORSIDMA Farmer Producers Cooperative - *Samar, Visayas*
7. CocoAsenso - *Samar, Visayas*
8. Foundation for Rural and Industrial Equipment for National Development, Inc. (FRIEND) - *Surigao del Sur, Mindanao*
9. Laak Multi- Purpose Cooperative - *Davao de Oro, Mindanao*
10. Household Multi-Purpose Cooperative - *North Cotabato, Mindanao*
11. Grow Lambo Multi-Purpose Cooperative - *Davao de Oro, Mindanao*

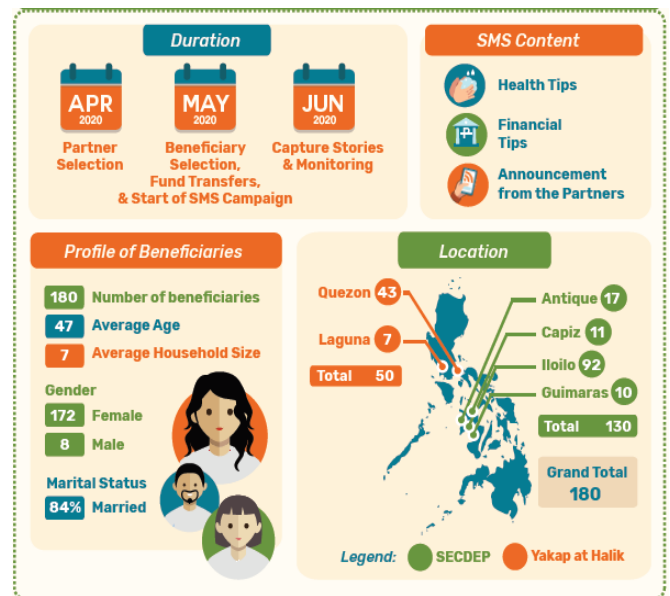
⁵ Republic Act No. 11469 "The Bayanihan Heal-as-One Act of 2020". Republic of the Philippines. Retrieved 23 July 2020, from <https://www.officialgazette.gov.ph/2020/03/24/republic-act-no-11469/>.

period for loans and other payment obligations, effectively moving the due date to 30 days from the lifting of the Enhanced Community Quarantine (ECQ) on June 1, 2020.

- In terms of internal policies, at the time of the interview, all host organizations disclosed that they did not implement any new policies related to COVID-19. At most, the organizations were following the guidelines that were released by the Government but did not craft their own.
- The most prominent business constraints that the host organizations are foreseeing in the next 12 - 24 months are supply chain constraints, particularly inputs and logistics, and market access.
- When asked about their priorities in the coming 12 - 24 months, host organizations are putting the safety and security of their staff and customers first. Their second priority is in securing business operations while the liquidity of the business comes in at third. Business growth, although important, is not seen as urgent during the time of the COVID -19 pandemic.
- More than half of the host organizations continued their operations during the quarantine. They continued buying the harvests of their members for income generation both for the Cooperatives and to help the members. There were a few who extended much-needed support to their members in the form of grocery items as relief. The two agribusinesses, CocoAsenso and CocoTech, continued paying their employees even when production plants were at a reduced capacity.
- Almost all the host organizations are seeking F2F COCOS support in terms of direction setting for their organizations, value addition for their products, and enhancing the skills and knowledge of their membership through technical training.

About the Implementer

Grameen Foundation (GF) is the implementer of Farmer-to-Farmer COCOS in the Philippines. As a response to the COVID-19 pandemic and community lockdown, GF initiated two programs using emergency cash relief and technology for households and microenterprises in the country. The Unconditional Cash Transfer program for households included beneficiaries from Yakap at Halik Multi-Purpose Cooperative Quezon-1, an F2F host organization, and through COVID-19 RELIEF (Response to Enhance Livelihoods of Individual Entrepreneurs and Families) to women entrepreneurs running microenterprises in Metro Manila and Cebu City. COVID-19 RELIEF is supported by JPMorgan.



For more information, please visit the following websites:

- Grameen Foundation: <https://grameenfoundation.org/>
 Bankers without Borders: <https://www.bankerswithoutborders.com/>
 Farmer-To-Farmer: <https://farmer-to-farmer.org/>