

**Farmer-to-Farmer (F2F)**  
**Agricultural Volunteer Opportunity Project (AVOP)**  
**Capacity-Building of the Coconut Subsector (COCOS) Program, the Philippines<sup>1</sup>**

*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).*

## THE CONTINUING TOLL OF THE COVID-19 PANDEMIC TO THE F2F COCOS HOST ORGANIZATIONS

### The Situation in the Philippines

A year into the pandemic, the Government of the Philippines has urged the revitalization of industries to enable economic recovery. Quarantine restrictions have been gradually eased since June 2020, with the majority of the country moving into a less stringent community quarantine order<sup>2</sup>. However, the economy is yet to bounce back due to the lasting effects of the strict lockdowns that resulted in massive unemployment and volatile inflation rates driven by rising food and transportation costs<sup>3</sup>. Agriculture remains a hard-hit sector not only due to the pandemic but also because of the three devastating typhoons experienced recently in the country, of which Typhoon Goni was the strongest recorded typhoon<sup>4</sup>. These calamities led to the loss of PHP 1.23 billion worth of crops in the Bicol Region<sup>5</sup> alone, the region with the largest concentration of coconut farms. Total agricultural damage incurred by the country in the last quarter of 2020 amounted to PHP 4.6 billion<sup>6</sup>.



Typhoon Vamco destroys a farm in Camarines Norte.  
Photo by Rob Reyes/ Rappler

<sup>1</sup> 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.

<sup>2</sup> Metro Manila stays under GCQ until July 15 – Duterte (2020, July 01). Philippine Daily Inquirer. Retrieved April 16, 2021 from <https://newsinfo.inquirer.net/1299868/duterte-metro-manila-stays-under-gcq-until-july-15>

<sup>3</sup> Food even more expensive, pushing inflation to 4.2% in January 2021 (2021, February 05). Rappler.com. Retrieved April 23, 2021

<sup>4</sup> Philippines evacuates nearly 1 million as world's strongest typhoon of 2020 approaches (2020, November 01). CNN.com. Retrieved April 20, 2021 from <https://edition.cnn.com/2020/10/31/asia/philippines-typhoon-goni-intl-hnk/index.html>

<sup>5</sup> Super Typhoon Rolly batters Bicol leaves over PHP 1.2 billion damage on agriculture (2020, November 04). Department of Agriculture Region V. Retrieved April 20, 2021 from <https://bicol.da.gov.ph/super-typhoon-rolly-batters-bicol-and-leaves-over-php1-2-billion-damage-on-agriculture/>

<sup>6</sup> Quinta, Rolly wipe out PHP 4.6 billion in agricultural goods (2020, November 03). Rappler.com. Retrieved April 21, 2021 from <https://www.rappler.com/business/agriculture-damage-quinta-super-typhoon-rolly-november-3-2020>

The impact of these concurrent events are far-reaching especially to smallholder farmers and their families, micro and small agribusinesses, and agri-cooperatives. Even with reduced travel restrictions and more relaxed border controls, the primary challenge remains to be farm logistics and transportation. The lack of means to transport raw materials and manufactured goods has gravely disrupted farm and business operations, which set-off a snowball effect on the country's economic productivity.<sup>7</sup>

### F2F COCOS Host Organizations

1. **Alaminos Laguna Consumers Cooperative (ALACCO)** - *Laguna, Luzon*
2. **Bantoan Community Development Cooperative (BACODECO)** - *Albay, Luzon*
3. **Yakap at Halik Multi-Purpose Cooperative Quezon 1** - *Quezon, Luzon*
4. **Ahon sa Hirap, Inc. (A Microfinance NGO) (ASHI)** - *Metro Manila and Quezon, Luzon*
5. **Federation of People's Sustainable Development Cooperative (FPSDC)** - *Metro Manila, Luzon*
6. **Coco Technologies Corporation** - *Metro Manila and Bicol, Luzon*
7. **Don Bosco Agro-Mechanical Technology Center** - *Albay, Luzon*
8. **CocoAsenso** - *Samar, Visayas*
9. **Foundation for Rural and Industrial Equipment for National Development, Inc. (FRIEND)** - *Surigao del Sur, Mindanao*
10. **Laak Multi- Purpose Cooperative** - *Davao de Oro, Mindanao*
11. **Household Multi-Purpose Cooperative** - *North Cotabato, Mindanao*
12. **Grow Lambo Multi-Purpose Cooperative** - *Davao de Oro, Mindanao*
13. **Kooperatiba ng Maliliit a Magiiyog sa Barangay Kanapawan (KMMBK)** - *Camarines Norte, Luzon*

As of March 29, 2021, Enhanced Community Quarantine, the strictest stay-at-home order, was reimposed in the Greater Manila Area due to the surge in Covid-19 cases<sup>8</sup>. The Philippines has hit one million Covid-19 cases by April 26, 2021<sup>9</sup>. To better understand the continuing effects of the pandemic on the coconut sector, Grameen Foundation interviewed 13 F2F COCOS host organizations. Topics ranged from the effect of the pandemic on their business operations, client/member engagement, and crisis response. The interviews were conducted from February 15 to March 05, 2021.

### Insights

- More than half (7 out of 13) of the host organizations have remained open but have limited operations, while five (5) host organizations have returned to their normal operations.
  - Four (4) out of the seven (7) host organizations with limited operations have reported operating at 51% to 75% capacity. The rest are still operating at less than half of their normal operational capacity.
  - More than half of the hosts have experienced reduction in various aspects of their business operations such as sales, active customer base, cash flow, workforce, which had grossly affected revenue.
  - Interestingly, half of the host organizations observed an increase in government regulations such as reduction of workplace capacity and strict enforcement of curfews — allowed hours outside of home are from 5AM to 6PM — which forced them to implement new operational policies in their respective businesses.
- The three (3) agricultural lending hosts surveyed were still reeling from the effects of the lockdowns despite the move into General Community Quarantine (GCQ). A reduction in loan disbursement, loan repayment, and application was seen as the lingering effects of the lockdown as clients tended to be more conservative in borrowing credit.
  - Overall, hosts remained optimistic for the upcoming 6 to 12 months with the majority anticipating an increase in sales, revenue, return of active customers, stabilization of cash flow and sourcing for

<sup>7</sup> Farm output seen to shrink in Q1 2021 (2021, January 07). CNN Philippines. Retrieved April 27, 2021 from <https://cnnphilippines.com/business/2021/1/7/agriculture-output-Q1-2021-SEARCA.html>

<sup>8</sup> Metro Manila, 4 provinces under ECQ due to Covid-19 surge — Palace (2021, March 27). Philippine Daily Inquirer. Retrieved April 27, 2021 from <https://newsinfo.inquirer.net/1412020/metro-manila-4-provinces-under-ecq-due-to-covid-19-surge-palace-2>

<sup>9</sup> Philippines records more than 1 million COVID-19 cases (2021, April 26). Channel News Asia. Retrieved April 27, 2021 from <https://www.channelnewsasia.com/news/asia/covid-19-philippines-records-more-than-1-million-cases-14697820>

inputs. Microfinance institutions and lending cooperatives are also predicting an increased demand for loan and deposit products and loan repayments.

- **Farm Operations:**
  - For the six (6) hosts that have farm operations, despite the relaxation of quarantine protocols, half have shared that they are still having difficulties in accessing their farm sites; while almost all hosts have reported challenges related to transportation of material and harvest.
  - Staff access to farm sites was hampered for almost all of the hosts (5 of the 6 organizations) and staff experienced limited mobility. Staff security is of concern for more than half of the staff.
- **Cooperative Membership & Benefits:** Membership benefits of cooperatives was gravely affected by the pandemic. Almost all of the cooperatives reported withdrawing from their capital build-up fund. Half of the hosts also shared that despite the move into General Community Quarantine, their organizations had difficulty communicating with members and in membership intake.
- **Employee Welfare:** Host organizations continued to extend various forms of assistance to their staff in the midst of the GCQ. Aid came in the form of PPEs, accommodations near the workplace or farms, transportation, grocery or food assistance, vitamin supplements and cash.
- **Changes in Employee Responsibilities:**
  - A microfinance institution host reported to have staff from other departments support branch activities to serve as back-up, especially for monitoring and providing assistance to their members.
  - Payment collections and trainings were limited as overall mobility is still limited.
- **Challenges Faced by Women Staff during the GCQ:**
  - A host cooperative reported that some women in their staff have resigned to be able to care for their children and supervise their online schooling because their husbands had to spend more time working due to the pandemic.
  - A number of women employees felt disempowered due to the restrictions posed by the pandemic. Limited mobility to conduct their work and business transactions, on top of the doubling of responsibilities in the home left these women with less opportunities to earn money for the family, connect, and socialize.
- **Coping mechanisms of Cooperative Members during the GCQ:**
  - Microfinance institutions and Cooperatives have reported that their members have reduced food consumption and overall expenses, and have not paid bills or loans on time as a way to cope with the pandemic.

In summary, all host organizations cited the business constraints that they are currently dealing with revolves around the supply chain, guaranteeing the health and safety of their workers, access to financing, liquidity and maintaining working capital, and sales and collection slowdown. Priorities in the next 6 to 12 months would focus on securing the safety of staff, improving on business operation and ensuring continuity, and maintaining business liquidity. Business growth, although important, was not perceived as urgent. In response to these business constraints and challenges that are continually exacerbated by the pandemic, F2F COCOS will focus on deploying volunteer assignments that strengthen hosts' capacities through creation of e-commerce platforms; improve strategic and business planning; and developing of business feasibility studies and market researches in the coming months.

For more information on the F2F COCOS Program in the Philippines, 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/>