Gender opportunities and constraints in inclusive agribusiness models

The case study of Unifrutti in Mindanao, Philippines
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Abbreviations and acronyms

AFMA  Agriculture and Fisheries Modernization Act
AIS  Agricultural Indicators System
AMSKARBEMCO  AMS Kapalong Agrarian Reform Beneficiaries Multipurpose Cooperative
APCP  Agrarian Production Credit Program
ARB  Agrarian Reform Beneficiary
ARCESS  Agrarian Reform Community Connectivity and Economic Support Services
ARISP  Agrarian Reform Infrastructure Support Project
ARMM  Autonomous Region of Muslim Mindanao
AVA  Agribusiness Venture Agreement
BAS  Bureau of Agricultural Statistics
BOI  Board of Investments
CADT  Certificate of Ancestral Domains Titles
CALT  Certificate of Ancestral Land Titles
CARP  Comprehensive Agrarian Reform Program
CBFMA  Community-Based Forest Management Agreement
CDA  Cooperative Development Authority
CEDAW  Convention on the Elimination of All Forms of Discrimination against Women
CFARBEMCO  Checkered Farms Agrarian Reform Beneficiaries Multi-Purpose Cooperative
CFS  Committee on World Food Security
CLOA  Certificate of Land Ownership Award
DA  Department of Agriculture
DAR  Department of Agrarian Reform
DENR  Department of Environment and Natural Resources
DILG  Department of the Interior and Local Government
DTI  Department of Trade and Industry
FAO  Food and Agriculture Organization
FEDCO  Federation of Cooperatives in Mindanao
GAD  Gender and Development
GDP  Gross domestic product
IFAD  International Fund for Agricultural Development
LBP  Land Bank of the Philippines
LGU  Local Government Unit
MBFEA  Mindanao Banana Farmers and Exporters Association
MCW  Magna Carta of Women
MKAVI  Mt Kitanglad Agri-Ventures, Inc
MTPDP  Medium-Term Philippine Development Plan
NCI  National Convergence Initiative
NGP  National Greening Program
NSCB  National Statistical Coordination Board
OECD  Organisation for Economic Co-operation and Development
PATAMABA  Pambansang Tagapag-ugnay ng mga Manggagawa sa Bahay (National Network of Informal Workers)
PADCC  Philippine Agribusiness Development and Commercial Corporation
PCW  Philippine Commission on Women
PDP  Philippine Development Plan
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>PEZA</td>
<td>Philippines Economic Zones Authority</td>
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<tr>
<td>PGBEA</td>
<td>Pilipino Banana Growers &amp; Exporters Association</td>
</tr>
<tr>
<td>PHP</td>
<td>Philippine Pesos</td>
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<tr>
<td>PKKK</td>
<td>Pambansang Koalisyon ng Kababaihan sa Kanayunan (National Rural Women Congress)</td>
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<td>PSA</td>
<td>Philippine Statistics Authority</td>
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<tr>
<td>RDC</td>
<td>Regional Development Council</td>
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<td>SSS</td>
<td>Social Security System</td>
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<tr>
<td>TCBC</td>
<td>Tagnanan CARP Beneficiaries Cooperative</td>
</tr>
<tr>
<td>VRB</td>
<td>Values Reconciliation Board</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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Executive summary

As many developing countries, Philippines is making vigorous efforts to attract and facilitate private investment in agriculture with the expectation that such investment will contribute to production growth, poverty reduction and food security. However, recent research has highlighted that investments do not necessarily produce positive results. Several studies have shown that certain types of investment, in particular large-scale land acquisitions, have led to negative effects such as displacing small farmers, undermining or negating existing land and labour rights, reducing food security and increasing livelihood vulnerability. Conversely, investments adopting inclusive business models and respecting rural populations’ rights seem to be more beneficial for small farmers and workers.

The cases analysed in this report show that the investment models and contractual arrangements implemented by Unifrutti - a major private company producer, processor and exporter of pineapple and banana in the Mindanao Region - have had positive implications for the livelihood of the rural communities involved. However, the study also demonstrates that women and men have not equally benefitted from the investment opportunities. An important lesson learned is that gender neutral practices and approaches do not necessarily lead to gender equitable results. Instead, both investment schemes and policy frameworks need to recognize and address the differentiate needs and priorities of women and men to ensure more gender equitable distribution of benefits.

Unifrutti engages with local rural communities through two main agribusiness models: growership arrangements with agrarian reform cooperatives, and a corporate-managed plantation, among others. This report focuses on the analysis of the business relationship between Unifrutti Philippines and three different cooperatives, as well as on the operations of one corporate-managed plantation – MKAVI, a subsidiary of Unifrutti.

Successful growership contacts with cooperatives are possible

The great majority of the out-growers interviewed, both male and female farmers, reported they were satisfied with the schemes, including the levels of production achieved, the prices negotiated with the company, the income received and the overall relationship with the company.

Four lessons of good practices for inclusive growership schemes

The resulting positive outcomes offer several lessons as well as good practices for the establishment of inclusive and sustainable partnerships between private enterprises investing in agriculture and local communities.

First, poor rural communities were enabled to take part in the venture as a result of the Comprehensive Agrarian Reform Program (CARP), which granted them secure control over land and encouraged the formation of Agrarian Reform Beneficiary (ARB) cooperatives. However, differing initial endowments of land holdings under the reform, ranging in the cases studied from 0.75 ha per ARB to 3 ha per ARB, have contributed to differential outcomes for ARBs engaged under similar contractual arrangements with the company. In one case, farmers with very small land received correspondingly lower gains from the agribusiness and were at higher risk of poverty and indebtedness.

Second, the creation of cooperatives has been fundamental not only for engaging more efficiently and on a more level playing field with investors, but also for generating additional benefits for the communities involved. On the one hand, cooperatives (and alliances of cooperatives) allow farmers to present a cohesive position which has, in the cases studied, strengthened their
bargaining power vis-à-vis investors. International solidarity, NGO support and government programme support have also played a role in supporting the negotiating power of the cooperative groups in past business relationships. On the other hand, cooperatives are regulated and well monitored in the Philippines. If well organized and trained can be attractive investment partners. In the cases studied, investment from a private enterprise, coupled with public and NGO actors involvement has complemented and even augmented investments from the cooperatives and farmers’ own resources.

Third, ARBs noted that contractual negotiations and subsequent dealings with the company are facilitated through open dialogue and timely communication, thus developing a high degree of trust over time. Pricing terms have allowed ARBs to make gains during market upturns, while minimum “floor” prices are reported to be above average. By negotiating a Free on Board contract with the company rather than a simple contract growing agreement, communities have also been able to derive higher value added from primary production and post-harvest sorting and packing.

Finally, the mutual recognition that both outgrowers and the company share risks unique to their roles, and therefore should mutually support each other has been equally important. However a major concern is associated with environmental risks as these still fall heavily on farmers, in a country increasingly exposed to climate disasters and related outbreaks of pests and plant diseases. The company emphasises environmental management through the provision of training and technical support.

Gender inequalities remain a concern

Regarding gender equality, results are less positive and there is still much room for improvement. Being an Agrarian Reform Beneficiary (ARB) is a critical requirement for full membership of a cooperative, and thus also for participating in and benefitting from the agribusiness venture. In all three cooperatives studied, men represent the large majority of members (between 80 and 95 percent). Women are poorly represented in decision-making positions. Many women workers in the banana plantations are excluded from selection as Agrarian Reform Beneficiaries (ARBs) because priority is given to permanent wage workers, who are predominantly men. Therefore, the fact that women were discriminated against when land was redistributed has prevented them from benefitting on an equal footing with men from the opportunities generated, as well as from participating in consultation and decision-making processes. This clearly shows that a gender sensitive policy environment is essential for achieving gender equitable outcomes.

Moreover, while support for ARBs engaged in Agribusiness Venture Agreements (AVAs) has focused on development of primary production and off-farm incomes, livelihood opportunities for other members of the community remain limited, particularly for non-ARB spouses. These opportunities are particularly important in cases where land resources are poor in either quantity or quality and prove insufficient to lift families out of poverty. Given the gender bias in ARB selection, this in essence represents a lack of attention and support to generating additional opportunities for women’s livelihoods in these circumstances.

Wage employment conditions

Both the agribusiness partnerships with outgrowers and the corporate plantation (MKAVI) have contributed to the creation of formal wage employment. In the latter, close to 1,200 formal jobs have been created, including workers, employees and managers. More than 50 percent of the labour force in MKAVI is made up of farm workers, mostly men. In both the cooperatives and the MKAVI cases, the large majority of workers, both men and women, in both the field and in the packing houses, are in permanent positions and thereby entitled to job security and other benefits
mandated by labour law. In the case of the cooperatives however, “help-outs” are also hired by cooperative members to contribute to banana production alongside outgrowers. They are paid according to different arrangements, and in two cooperatives the rates remain well below the minimum wage for the region.

The traditional gender division of roles in the banana plantation, characterized by men working in the field and women in processing, is not found in smallholder production; both female and male outgrowers work in banana cultivation without major differences in the plant care and fruit care tasks performed. Also, the packing houses provide employment for both men and women, though here a clear gender division of tasks is evident: different skills and capacities lead to women being put exclusively in charge of sorting and handling the fruit, while men are mainly recruited to jobs in the application of fungicides and in heavy lifting.

Both the coops and MKAVI have an occupational health and safety policy under which workers are required to wear personal protective equipment to minimize health risks. Moreover, particular attention is given to avoiding women’s involvement in the manipulation of fungicides and chemicals, as there may be a risk for an unborn foetus in case of pregnancy. Pregnant women are also given lighter tasks within the packing houses. In the cooperative cases studied, hours and conditions of workers in the packing houses have been seen to improve, as cooperatives have opted to hire more workers per output than when they were landless employees before the agrarian reform. In the MKAVI plantation case study, a new maximum overtime policy has also cut short working days which used to be very long; this has reduced income opportunities for workers and placed new limits on production output, but is expected to improve workers’ overall health and to reduce work-related stress.

MKAVI has implemented a number of other important measures that can be seen as good practices. First, after workers mobilized to request an end to short-term hires, the company changed its labour policy in 2007 towards regularization of the labour force. Second, family members of the landowners who leased their land to the plantation are given priority in recruitment and almost all employees, including senior management, are from the local municipal area. Third, an internal mechanism known as the Values Reconciliation Board has been established to allow workers to review management policies and practices and make the case for improvements.

Policy issues

Despite the good practices and promising approaches observed through the cases analysed, the existing national policy, legal and institutional environment presents several challenges to the promotion of inclusive and gender-equitable investments in agriculture. The policy and legislative context associated with land-related investments is very complex, creating areas of administrative overlap while also leaving significant gaps. The few existing regulatory functions of government concerning agricultural investments tend to be shared or fragmented among sectoral agencies. For example, there is no government agency that can provide comprehensive information concerning the extent of land-related investments in the country, something which is key not only for closer monitoring but also for informed, sound policy-making.

Governmental efforts to promote Agribusiness Venture Agreements between Agrarian Reform Beneficiaries (ARBs) and large agribusiness companies need to be regulated and closely monitored to minimize unsuccessful ventures. Very often these partnerships are based on unfavourable contracts, with very limited benefits for the ARBs. Therefore, communities should be supported when negotiating with investors, particularly when they are inexperienced in commercial production. The support should be provided not only by legal experts but also by
independent experts in the relevant business sector. Unifrutti’s negotiation processes with cooperatives provide interesting lessons in terms of contractual arrangements conducive to win-win results. It is therefore recommended that the government draws on aspects of Unifrutti’s model only with greater consideration for gender-based equity in access to both self and wage employment in its efforts to support the smallholder agriculture sector. In particular, it should encourage the establishment of outgrower schemes supported by producer associations and cooperatives that have gender-equitable representation. In light of this, a set of guidelines could be developed in major sectors, such as the banana industry, to help protect small-scale farmers from unfair deals and to ensure that the interests and rights of women are respected.

There is evidence that a top-down approach when planning land-related investment is unlikely to match the needs of the rural population. Rather, a bottom-up and participatory approach should be adopted to assess the differentiated needs and priorities of women and men, and to identify the barriers that prevent them from taking advantage of employment and income-generating opportunities. Cooperatives and producer organizations could play an important role in influencing investment related policy-making processes. However, the cases studied show that women tend to be excluded from cooperatives’ decision-making processes. Therefore corrective measures need to be adopted to modify the cooperatives’ governance mechanisms and structures. Gender sensitive awareness and capacity development initiatives are needed to support this change. The technical guide “Governing land for women and men” -produced to support the implementation of the “The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security”1 from a gender perspective- offers interesting examples, good practices and tools for promoting gender equitable policy making, as well as gender equity in land related institutions, including producer organizations.

Despite the existence of gender progressive policies and legislations in the country substantial improvement is needed at the implementation level. Moreover, gender equality principles should be consistently incorporated in policy frameworks that shape and regulate land related agriculture investments. For instance, the land reform programme and agriculture investment policies have failed to take into consideration gender issues. As already mentioned, this has hindered the inclusiveness and gender equitability of the agribusiness ventures between cooperatives and private enterprises. The Department of Agrarian Reform has taken important steps recently to consolidate its gender and development approach. The Guidelines Governing Gender Equality in the Implementation of Agrarian Reform Laws and Mainstreaming Gender and Development in the Department of Agrarian Reform provide for improving the tenure security of women; regulate their inclusion in programme beneficiary support; and put in place a range of measures to ensure capacity building and a “gender-responsive and gender-accountable” monitoring and evaluation system, that sets clear roles and responsibilities within the structure of the Department of Agrarian Reform. Unfortunately, these provisions have arrived as the land redistribution programme is coming to an end. Most of the beneficiaries of the programme were allocated their land at a time when there were few gender equality safeguards in place. An important lesson learned from this process is that the gender outcomes of the agribusinesses ventures are “path-dependent”; that is, they resulted from the design of the agrarian reform policy. This therefore highlights the importance of gender sensitive land and agriculture related investment policies.

1. Introduction
1.1 Background and aims of the study

The majority of the world’s poor live in rural areas with labour and land as their only or main productive assets. Therefore, promoting secure land access, use and control as well as secure, decent, and productive employment for rural women and men is vital to achieving food security and reducing poverty.

*The State of Food and Agriculture 2010–11: Women in Agriculture – Closing the gender gap for development*, an FAO flagship publication, provides solid evidence demonstrating that gender inequalities in access to agricultural assets, inputs, services and rural employment opportunities are partially accountable for the underperformance of the agricultural sector in many developing countries (FAO, 2011). It also demonstrates that such gender gaps impose real costs on society in terms of agricultural output, greater food insecurity and weaker economic growth. Gender equality in access to land, employment and income-generating opportunities therefore is critical for achieving global food security and poverty reduction targets.

At the same time, in recent years the global food and financial crises have led development policy-makers and international organizations to reprioritize the role of agriculture within both international and national policy agendas. Within this context, many developing countries are making vigorous efforts to attract foreign and domestic investment in primary agriculture, with the expectation that it will contribute to production growth, poverty reduction and food security through technology transfer, employment creation, access to markets, and infrastructure development.

Positive outcomes do not come automatically, rather they depend on many factors, including the prevailing agriculture and rural development model; the institutional, policy and regulatory framework in place; the type and degree of inclusiveness of the business models adopted; and the extent to which social and gender equity issues are considered. Certain types of investments, in particular those based on land acquisitions, may have negative effects such as displacing small farmers, undermining or negating existing rights, increasing corruption, reducing food security, aggravating gender and social inequalities, and environmental degradation. Conversely, investments that adopt more inclusive business models and respect rural population rights seem to be more beneficial for the livelihood of small farmers and workers, and also for long-term development. Within this context, national governments need to establish an enabling environment to attract and support agricultural investments conducive to sustainable rural development, poverty reduction and food security, within a context of social and gender equality.

In response to these findings, FAO and other institutions have undertaken several initiatives to identify good practices in agricultural investments. Research has been carried out focusing on inclusive business models in primary agriculture and their implications on local populations. Various processes have also taken place to foster international frameworks that promote more responsible investment in agriculture. These initiatives include the Principles for Responsible Investment in Agriculture and Rural Development.

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Despite this progress, more research is needed to understand how agriculture investments impact on social equality in rural areas, especially differentials effects for women and men. Therefore the Economic and Social Department of FAO has developed a programme of work entitled “Promoting gender-equitable and inclusive primary agriculture investments that contribute to enhance food security, reduce poverty and strengthen the livelihoods of poor rural women and men”, which aims to:

- generate knowledge, raise awareness and inform policy-making processes about the gender-differentiated implications of land-related investments;
- highlight good practices in terms of gender-sensitive business models and strategies that have positive implications for rural employment and income-generating activities for both women and men; and
- foster constructive dialogue among policy-makers, local government authorities, rural organizations and the private sector so that more gender-equitable investments can be secured.

### 1.2 Research methodology

This case study carried out in Mindanao, Philippines was based on evidence from the ground. The emphasis of the study was on primary agricultural investments, and also on good practices from a gender and equality perspective within the business models examined, rather than on their long-term financial viability.

The study involved an in-depth analysis of two different agricultural business models to examine the following research questions:

- What are the gender-differentiated implications of primary agriculture investments/businesses, with respect to labour and income-generating opportunities for small-scale farmers and wage workers directly involved in and/or affected by these initiatives?
- How do primary agriculture investments/businesses affect poor rural women and men differently in their access, use and control of land?
- What types of business models provide examples of good practice in relation to employment and land which can inform regulatory frameworks for investment and policy-making, and inspire private investors to adopt more inclusive and equitable practices?
- Which current national investment and agricultural policies and strategies support the establishment of land-related investments that are inclusive of local populations and conducive to rural development, while being sensitive to gender and equity concerns?

The starting point for this study was a critical review and analysis of literature on land-related agricultural investments in the Philippines since 2004. The initial analysis was complemented by a scoping mission carried out a couple of months before the fieldwork. This helped to map and
select the case studies and sharpen the researchers’ understanding of the types of business models adopted by each of the identified companies, and how they related to the Philippines policy environment. The mission also helped create a detailed picture of the policy and regulatory framework for agricultural investment, and brought to light key issues for further analysis: inter-institutional coordination (vertical and horizontal); initiatives linking Agrarian Reform Beneficiaries (ARBs) to markets and investment opportunities; and coherence in the investment policy and institutional set-up, among others.

The selection criteria for the companies were as follows:

- Diversity of business models: in order to broaden the scope of the study, different company business models were considered.
- Recent investments: the most recent investments were favoured, taking those with a starting date no older than ten years, unless older “successful” investments were considered relevant for comparison.
- Private sector involvement: investments needed to be foreign-financed and led by the private sector, which excluded development projects or public investments with strong government involvement.

After careful consideration among more than 15 options, the research team selected Unifrutti as the company that met all the above criteria. Instead of selecting two investment sites as initially planned, the research team decided to focus only on Unifrutti because of the company’s various engagements with different types of schemes, including land-related investments that are largely foreign-financed and private sector-led. Further, the banana sector is important for the country and is both export-linked and driven by current global market and economic trends, offering the possibility to share lessons with a wide range of stakeholders. Finally, the Unifrutti case represents a range of different approaches to land-related investments involving farmers, outgrowers and wage workers.

The case study was grounded primarily on a period of three weeks fieldwork in the Philippines in 2013. Data and information were collected via key informant interviews, focus group discussions and direct observation. Key informant interviews were held with some 36 informants including coop managers and packing house supervisors from the case study communities; the Chairman, Chief Executive Officer, External Relations officer, and staff working on environmental and production quality from the company’s Philippines headquarters in Davao, as well as the Farm Manager, environmental management and administrative staff from the MKAVI plantation; officials from key government departments/ministries including Department of Agrarian Reform, Department of Trade and Industry, and Department of Agriculture at national and regional levels as well as in the province of Davao del Norte and Kapalong municipality; and representatives of NGOs and people’s organizations, including FARMCOOP and Mindanao Banana Farmers and Exporters Association.

Eight focus group discussions were carried out with local farmers, outgrowers and wage workers in four communities involved in contracts with Unifrutti in Davao del Norte, Compostela Valley and Bukidnon provinces. Overall there were 96 participants, of which 53 percent were women. The groups were segregated so that four were composed solely of men and four of women. Each group was made up of 12 people on average. As many of the participants were ARBs, given the demographics of the land reform the age range was skewed towards the older age brackets. Overall, 76 percent of the focus group participants were over the age of 45. The vast majority of the participants (92 percent) were landowners, while 50 percent were working as wage labourers and 50 percent were farming their own land.
In the cooperative communities, half of the focus group discussion participants were not engaged in farming full time. Of these the majority were working full time in the packing houses preparing bananas for sale, while others were working full time as officers in the management of the cooperatives (though some of these were also engaged in farming outside office hours); others included nursing staff. However, 92 percent of participants were landowners of farms that had been used in the agribusiness ventures, and the remainder were relatives of landowners. In the corporate-managed plantation, the focus group participants were all full-time, rank-and-file workers working in different sections of the plantation (including fruit care and plant care, and three different packing houses). Further details of focus group discussions and key informants are provided at Annex 2.

While it cannot be claimed to have a solid scientific basis with necessarily representative results, the careful selection of the cases analyzed and the wide range of stakeholders consulted though focus groups discussions and in depth interviews are sufficiently indicative to underpin the findings and allow to understand what has worked, what has not worked and why in the selected cases.

The fieldwork was carried out with the active support of Unifrutti as well as with the facilitation of the FAO Philippines Country Office and the Government of the Philippines.

The remainder of this report is organized as follows. Chapter 2 briefly overviews the socio-economic and policy context in the Philippines. Chapter 3 constitutes the main body of the report, including an analysis of the findings from the cases study, which focus on the opportunities and benefits for poor rural women and men involved in different types of contractual relationships with larger agricultural investors. Chapter 4 provides overall conclusions and policy recommendations for land-related investments in agriculture.
2. The country context
2.1. Socio-economic context

The Philippines is a diverse and culturally rich country of some 7 100 islands located in the Pacific Rim of Southeast Asia. The country is divided into three major island groups: Luzon is the largest, with an area of 141, 000 sq km, followed by Mindanao covering 102, 000 sq km and the Visayas with 57, 000 sq km.

The country’s population is becoming increasingly urbanized, with the share of urban population rising from 54 percent in 1995 to an estimated 67.4 percent in 2010. The younger generations are leaving the rural areas or seeking local work outside farming. According to a recent study by the Central Mindanao University, the average age of farmers in the Philippines is 55 years old.4

The Philippines export economy is moving away from agriculture to electronics, petroleum and other goods. GDP annual growth rate in Philippines averaged 5.02 Percent from 2001 until 2014, while a rate of 6.4 percent growth was posted for 2014. Economic growth, however, has not been broad-based or inclusive, having instead benefitted only a small segment of the population and not created enough decent, productive employment.

Poverty and inequality remain pressing challenges in the country. More than a quarter of the people in the Philippines live in poverty (NSCB, 2012). While the incidence of poverty is uneven, the latest National Statistical Coordination Board statistics show that in 2009, approximately 75 per cent of the country’s poor people lived in rural areas (Balisacan, 2011). Indigenous people living in highly fragile and vulnerable ecosystems are among the poorest in the country. Poverty is also high among small-scale farmers who cultivate land received through agrarian reform; landless workers; fishers; people in upland areas; and, more broadly, rural women (IFAD, 2009).

A national representative statistical survey, found that an estimated 3.9 million families nationwide experienced involuntary hunger at least once in the first three months of 2013 (SWS, 2013). National studies have found that women are particularly vulnerable to hunger as cultural and social norms lead them to keep their food intake to a minimum whenever food crises occur, a sentiment that was shared by both urban and rural poor women (PKKK research, cited in Oxfam, 2011).

2.2 Overview of the agriculture sector

Despite the structural changes of the economy during last 12 years from agriculture and industry toward services, the agriculture sector remains of critical importance for rural development, poverty reduction, and the broader Philippine economy. The contribution of agriculture to GDP was 11 percent in 2012. However, according to the Philippine Development Plan (PDP) for 2011–2016, taking the whole agricultural value chain into consideration, the contributions to GDP and total employment reached as high as 35 percent and 50 percent, respectively.

The Philippines possesses about 30 million hectares of arable land, of which approximately 13.3 million ha were cropped in 2013. Coconut and maize take up over four-fifths of the land under cultivation in the Philippines (PSA, 2014). Top agricultural exports in terms of value are coconut oil, fresh bananas, tuna, pineapple, sugar, tobacco, copra and seaweed.

Approximately 12 million workers are employed in the agriculture sector, accounting for approximately 29 percent of the country’s labour force of 41 million (PSA, 2014). The labour

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force participation rate of women including all sectors in the Philippines increased from 47.7 percent in 2000 to 49.7 percent in 2010. Official statistics show that there are many more men employed in agriculture than women, with 8.89 million men and 3.1 million women employed nationwide. According to the Gender-Based Indicators of Labour and Employment in Agriculture, women are hired to carry out activities such as planting, transplanting, pulling and bundling of seedlings, harvesting, manual weeding, fertilizer application, and threshing (BAS, 2011). However, the participation of women in the agricultural sector may be considerably under-represented in such statistics, as they do not appear to cover the full range of post-harvest activities or production and marketing of garden produce, where women may play a significant role.\(^5\) Data from the National Statistical Coordination Board also show that more than half, or 54 percent, of women working in agriculture are classified as unpaid family workers. While most crops are farmed by women and men alike, some crops such as tubers and onions are grown almost exclusively by women (Oxfam, 2011).

According to the 2002 national agriculture census, only 12 percent of landholders are female. It is estimated that 90 percent of all farmers (including fisherfolk) in the Philippines are smallholders (holding no more than 5 ha), with varying degrees of tenure security (Catacutan et al., 2008).\(^6\) The Comprehensive Agrarian Reform Program redistributed 4.4 million ha nationwide during the period 1972–2011 to approximately 2.56 million farmer beneficiaries,\(^7\) 62.8 percent of whom were male and 37.2 percent female.\(^8\) The criteria for selecting Agrarian Reform Beneficiaries (ARBs) tended to exclude women, as only full-time workers were selected as beneficiaries while women were often hired as seasonal farm workers, and were not a priority in the distribution process. Nevertheless, under the Department of Agrarian Reform guidelines existing since 1996, spouses must be listed in the title deeds along with the recipient ARB (GMC 18), and in 2001 it was clarified that such spouses had co-ownership rights to the ARB’s land (DAR AO 1-2001).

In the agrarian reform areas, ARBs may be awarded a maximum of 3 ha each, but in practice many receive much smaller areas, including less than 1 ha. The plot size depends on the size of the original landholding divided by the number of qualified awardees in that area. Outside the agrarian reform areas, a large number of farming households access land through leases and must forfeit a large proportion (50 percent in some sectors) of their income or harvest as rent to landlords, who may be smallholders themselves. Tenant farmers are among the poorest in the rural areas and are highly constrained in developing their land and making productive investments. Land tenure insecurity is highest in “public lands” where millions of families live and derive their livelihoods. Unequal access to land and natural resources by poor people has been a key driver of conflict in the countryside (USAID, no date; Quitoriano, 2009).

Producers dependent on agriculture are especially vulnerable to climate variability and extreme weather events. The importance of increased resilience to climate variability has been recognized by the government and included as a major goal of the latest agricultural strategy. In addition, small farmers face several challenges limiting their productivity, including high production costs

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\(^5\) The BAS used the following definition of agriculture: Agriculture comprised of growing of crops, farming of animals, agricultural & animal husbandry activities except veterinary activities, forestry, logging & related service activities and fishing.

\(^6\) It has also been reported that there are 2.9 million farms with an average of 2 ha each, while there are 13 681 large private landholdings of up to 20,000 ha (USAID, no date).

\(^7\) Another 1 million ha or thereabouts is still targeted for acquisition and redistribution, three-quarters of which are planted with coconut, sugarcane or rice. It is expected that these late acquisitions will benefit another 600 000 households.

\(^8\) According to recent Administrative Orders (AO 1 of 2011), spouses and couples in common law relationships are counted as one ARB for statistical purposes, unless each person is individually qualified to receive the land in his or her own right.
and limited access to credit and extension services. Informal lenders are estimated to provide 75 percent of the total agricultural credit (Dy, 2005). Most redistributed lands cannot be used as collateral for production loans, and most banks do not extend loans to individual small growers who have less than 2 hectares. The Land Bank of the Philippines lends mostly to cooperative groups and imposes stringent procedures that discourage many from applying. Successive Governments have attempted to convince the banking sector to inject more loan capital into agriculture. The Agri-Agra Law (1975) mandated all banks to allocate 25 percent of their total loan portfolio to agriculture; In practice however, banks never fully complied with this rule or found alternative ways to meet this requirement. The Agri-Agra Reform Credit Act (2009) tried to close loopholes by specifying that the 25 percent quota should be dedicated to agricultural production or related ventures. Although the situation seems to have improved additional efforts need to be done, as financial resources for agriculture are still insufficient.

The devolution of agricultural extension services to the Local Government Units has also been identified as one of the factors in low agricultural productivity. The decentralization of the Department of Agriculture roles and duties did not extend the provision of dedicated funds to local government. Local Government Units have to balance many priorities in allocating their internal revenue allocation; as a result, local agricultural offices are often understaffed despite their wide scope of responsibilities. A survey carried out by the National Rural Women Congress in 2007 found that less than a quarter of rural women were able to access government support services related to irrigation, seeds, training, extension services, farm inputs, pest management, calamity assistance, and production capital (Leyesa, 2008).

### 2.3 Policy context shaping agricultural investments

#### 2.3.1 Enabling environment for gender equality

The Philippines has taken many exemplary steps in promoting gender equality over the last decade, in particular the enactment of the Magna Carta of Women in 2009, which is the national interpretation of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Chapter V of the Magna Carta of Women sets out the rights of marginalized rural women, with an emphasis on rights to resources for food production, such as land and land titles. It also directs the state to progressively realize and ensure decent work standards for women that involve the creation of jobs of acceptable quality in conditions of freedom, equity, security, and human dignity.

On paper, at least, the Philippines has a gender-sensitive legislative framework. However, persisting patriarchal attitudes in Philippine society constrain the implementation of gender equality policies. Ensuring that the Magna Carta is understood and adopted is an ongoing process. The Philippine Commission on Women, the primary government policy-making and advocacy body on women and gender equality concerns since 1973, has been conducting “information

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9 ARBs are restricted from selling or transferring their land within ten years, and after that they must repay the long-term amortization (repayment of the transfer value) in full before they are allowed to sell. However credit has been made available to ARBs under the land reform programme (discussed later).


11 Related ventures such as warehouse, infrastructure, equipment for processing, etc. In addition, 10 percent of this quota must be directed to ARBs, and a penalty is imposed on banks for non-compliance equivalent to 0.5 percent of the amount of undercompliance.
caravans” around the country to raise awareness on the provisions of the Magna Carta. It is also responsible for monitoring the implementation of the Magna Carta of Women. This monitoring process has been facilitated by a system of gender focal points appointed to all agencies in all ministries, which was established in 1989. Some focal points are reportedly more active than others. The Philippine Commission on Women is also actively involved in ensuring that sectoral provisions are observed, such as the obligation under the Agriculture and Fisheries Modernization Act for the Department of Agriculture to provide livelihood credit and technology opportunities to women. However, many key departments acknowledge that they lack the strategic framework and analysis to choose where to direct Gender and Development funds, and have not established indicators to track progress. Nevertheless, some efforts to develop a gender framework have already started within the Department of Agriculture.

**Figure 1: Nine-point policy agenda for rural women**

<table>
<thead>
<tr>
<th>RURAL WOMEN AGENDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>The PKKK is a coalition of women small-scale farmers, fishers, indigenous peoples, and formal and informal workers in the rural areas. First conceived in 2005 during the 1st National Rural Women Congress. The National Rural Women Congress has as consensus on a Rural Women Agenda, namely:</td>
</tr>
<tr>
<td>1) Fulfilment of Rural Women’s Property Rights in Agrarian Reform;</td>
</tr>
<tr>
<td>2) Fulfilment of Rural Women’s Rights in Ancestral Domains;</td>
</tr>
<tr>
<td>3) Fulfilment of Rural Women’s Property Rights in Coastal Resources;</td>
</tr>
<tr>
<td>4) Access to Basic Services and Social Protection. Safe and Adequate Food and Potable Water, and Right to Fair Wages and Just Working Conditions;</td>
</tr>
<tr>
<td>5) Access to Sustainable and Women-Friendly Agriculture and Fishery Support Services;</td>
</tr>
<tr>
<td>6) Representation and Participation in the Implementation of Gender and Development Programs and Local Sectoral Representation;</td>
</tr>
<tr>
<td>7) Fulfilment of Reproductive Rights and Protection from All Forms of Violence and other Oppressive Relations;</td>
</tr>
<tr>
<td>8) Fulfilment of Peace Agenda, Especially in Mindanao; and</td>
</tr>
<tr>
<td>9) Right to Safe Environment and Protection from the Impacts of Climate Change.</td>
</tr>
</tbody>
</table>

*Source: Nine-point policy agenda of the National Rural Women Congress (PKKK), 2012.*

Lobbying by women’s groups has led to the establishment of an Inter-Agency Committee on Rural Women, co-chaired by the Philippine Commission on Women and the National Rural Women Congress and involving the Gender and Development focal points of 12 relevant government agencies as well as another civil society organization and the National Network of Informal Workers. This body provides a platform where rural women’s organizations and government agencies can discuss policy challenges and proposals for addressing the problems facing rural women.

Land tenure insecurity remains a critical issue for rural women in the country. Prior to the 2002

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12 The Philippine Commission on Women has developed a Gender-Responsive Local Government Unit Self-Assessment Tool to support the generation of baseline data on the current capacities and practices of Local Government Units regarding gender mainstreaming.

13 DA, DA-Bureau of Fisheries and Aquatic Resources, Department of Environment and Natural Resources, Department of Agrarian Reform, Department of Social Work and Development, Department of Labour and Employment, Department of Trade and Industry, Department of Education, Philippine Health Insurance Corporation, DILG, the National Anti-Poverty Commission, and the Department of Health.
administrative order entitled “Removal of Gender Bias in the Acceptance and Processing of Homestead Patent Applications and other Public Land Applications”, land titles were issued by the Department of Environment and Natural Resources mostly in the names of the heads of households – mainly men\textsuperscript{14} – with spouses listed as “married to” the titleholder. This practice has been changed under the 2\textsuperscript{nd} phase of the Land Administration and Management Project so that titles are now systematically issued in the name of both spouses.\textsuperscript{15} Stronger protection is important, however, because while a female spouse’s rights in conjugal land are protected under the 1987 Family Code (and are respected in practice in many families), the Code also states that “in the case of disagreements the husband’s decision shall prevail”, subject to appeal to the courts (Art. 96).

In agrarian reform areas, the Department of Agrarian Reform (DAR) has taken important steps recently to consolidate its gender and development approach. The Guidelines Governing Gender Equality in the Implementation of Agrarian Reform Laws and Mainstreaming Gender and Development in DAR\textsuperscript{16} provide for improving the tenure security of women; regulate their inclusion in programme beneficiary support; and put in place a range of measures to ensure capacity building and a “gender-responsive and gender-accountable” monitoring and evaluation system, setting clear roles and responsibilities within the structure of the DAR. Unfortunately, these provisions have arrived as the land redistribution programme is coming to an end. Most of the beneficiaries of the programme were allocated their land at a time when there were few gender equality safeguards in place. Even now, the latest official figures still show that men account for the majority (63 percent) of new ARBs in 2011. This skewed distribution results in men dominating the decision-making structures of ARB organizations (discussed further in other sections of this report).

2.3.2 Enable environment for agriculture investments

Successive sectoral plans have aimed at boosting the productivity, profitability of the rural economy, but until recently this goal was not clearly linked to addressing the needs and constraints of poor and small-scale producers. Beginning in 2004, the national development strategy for the “agribusiness sector” outlined in the Medium-Term Philippine Development Plan (MTPDP 2004–2010) emphasised an “agribusiness approach” targeting the development of “two million hectares of new farmlands for agribusiness” as a primary goal, and seeking the identification and development of “idle”, “marginal” and “underutilised” lands. By 2010, an area of around 1.8 million ha had been “developed for agribusiness” by the various rural development agencies through the provision of inputs, the distribution of tenurial instruments to farmers, etc.

The latest Philippine Development Plan 2011–2016 sets out a vision of inclusive growth, referring to “sustained growth that creates jobs, draws the majority into the economic and social mainstream, and continuously reduces mass poverty”. The plan gives great weight to improving the performance and sustainability of the agriculture and fisheries sectors, and also stresses the importance of promoting investments in the agriculture sector that are conducive to food security

\textsuperscript{14} Female-headed households were listed as 21.2 percent of all households in 2009 according to Philippine Commission on Women Factsheet 2013, having risen steadily from 10 percent in 1970.

\textsuperscript{15} Spouses who were excluded from the title in the past are entitled to have their land rights recognized but must petition a court, which discourages most from doing so. According to key informants, spouses also do not inherit the status of “ARB” automatically, even if their names are listed as spouses on the title. In order to inherit the ARB title, spouses need to petition to the special Agrarian Courts, who can then cancel the old title and issue a new one.

\textsuperscript{16} DAR AO No 01 of 2011. Useful for implementation officers, all relevant laws and policies that promote gender equity and mainstreaming in land entitlements, land transactions, agrarian justice delivery, etc. are outlined in this Order.
and poverty reduction. In addition, it emphasises the necessity for creating jobs, championing local commodities, promoting value addition, and focusing resources on high-value crops as well as agro-industry clustering. Furthermore, it highlights the importance of improving access to credit and strengthening the agricultural production and entrepreneurial capacities of Agrarian Reform Beneficiaries.

**Regulation and promotion of land-related agriculture investments**

According to the 1987 Constitution, land ownership is limited to Filipino nationals who may acquire “alienable and disposable land” up to a maximum of 12 hectares. Filipino corporations may only hold larger areas under lease, subject to a maximum of 1,000 ha. The only way in which a foreign corporation can legally own land in the Philippines is through a joint venture or partnership with Filipino investors, in which case the foreign shareholding is limited to 40 percent of the joint venture.

On the other hand, under the Investor’s Lease Act signed in 1993 it is legal for 100 percent foreign owned companies to lease an unlimited area of privately held land – “such area as may reasonably be required for the purpose of the investment” as validated by the Department of Trade and Industry or Economic Zone Authorities. This can and does extend to more than the maximum area allowed for land leases by national corporations (1,000 ha). Such lease contracts can be signed for up to 50 years, and can then be renewed once, for up to 25 years.

Foreign investments are not permitted in certain protected industries and professions, and are subject to equity limits in various sectors (see the Board of Investment’s “Negative Foreign Investments List”). For example, a maximum of 40 percent equity is allowed for foreign investments in rice and corn production, processing, and trading (other than retail). Otherwise, both foreign and domestic investments are highly encouraged by the Board of Investments.

Corporations can operate legally once they have registered with the Securities Exchange Commission, obtained a tax ID number, and registered their roster of employees with the Department of Social Security. Foreign investors are permitted to repatriate up to 100 percent of earnings, provided all outstanding obligations in the Philippines are met. It is not obligatory for investments to be registered with the Board of Investments. The Board makes an assessment of whether an investment contributes positively to the economy only if a proposal is submitted to request incentives (e.g. a tax holiday or tax credits). This assessment is based on net value added, net job generation, the multiplier effect, and the gap between demand and supply.

While the rules for registration are simple, in the case of investments in agriculture, investors also contact one or more government departments which are responsible for the land categories, geographical area or farmer group that they are seeking to invest in. Each of these departments has specific policies for promoting investments; the Board of Investments does not usually take part in these discussions.

The Philippine Agricultural Development and Commercial Corporation presents itself as the first point of contact for private investors looking to invest in land. The institution was set up in 2008 as a corporate arm of the Department of Agriculture. It works with the Department of Agriculture, the Board of Investments and Philippines Economic Zones Authority to promote large-scale investment in the Philippine agrisector. Since 2010, it has focused on developing comprehensive guidelines for inclusive and sustainable agribusiness investments in the

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17 The Department of Agriculture (DA) has recently been promoting private investment in rehabilitation of lands destroyed by Typhoon Pablo in late 2012 (Philippine Star, 19 December 2013).
Philippines, a process which is not yet complete. At present, there are different approaches and policies applied in different (sometimes overlapping) areas according to administrative divisions among the relevant agencies. For example, cadastral maps produced by the Department of Environment and Natural Resources may not be consistent with planning maps used by local authorities. In addition, there is little harmonization between the various national and local guidelines/procedures on land management.

Regional, provincial and municipal development councils have important roles in attracting and securing permission for investments in their area, the existence of which may or may not be registered with national agencies. Each Local Government Unit has its own set of guidelines, rules, or codes on investment, overseen by different agencies such as local investment promotion units or sustainable development councils. However, land use planning capacities of Local Government Units are limited, many of their existing land use plans are outdated, and – owing to the administrative complexity arising from different national land management regimes – zoning ordinances suffer from poor implementation. In this context, it is not surprising that problems have arisen in the introduction of land-related investment projects in many parts of the country.

The private sector is considered a key player in the development of local economic policy. For example in the Davao Region (Region XI), the co-chair of the Executive Committee of the Regional Development Council, which is in charge of economic and social development of the region, is reserved for a private sector representative. Private sector groups such as Pilipino Banana Growers & Exporters Association are also represented on the Regional Development Council’s Economic Development Sub-Committee.

**Regulation and promotion of land-related investments in agrarian reform areas**

Where large-scale commercial plantations were redistributed under the land reform programme, the government strongly promoted joint economic enterprises between Agrarian Reform Beneficiaries (ARBs) and large agribusiness companies known as Agribusiness Venture Agreements (AVAs). Guidelines produced in 1999 encouraged the participation of the private sector – namely, domestic or foreign investors, including the former landholders – in the development of the reformed land. Preliminary figures from the Department of Agrarian Reform show that as of 2012, a total of 38 856 ARBs on 48 226 ha were engaged in AVAs, with almost

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18 The Director of the PADCC has also played a central role in strengthening coordination of the initiatives of the four main rural development agencies – the DA, the DAR (Agrarian Reform), the DENR, and the DILG (local government) – as the focal point for the National Convergence Initiative for Sustainable Rural Development.

19 One representative for issues related to women, children and youth sectors in the region is also appointed to the 52-member council. This same representative, from a Women’s Organization, is currently also co-chair of the Social Development Sub-Committee.

20 DAR AO 2 of 1999 outlined the objectives of joint economic enterprises to be known as AVAs: “a) mobilize private sector investments in developing agrarian reform areas; b) provide adequate support services and facilities to beneficiaries; c) optimize the operating size of distributed lands for agricultural production; d) ensure security of tenure and security of income of participating beneficiaries; e) enhance and sustain the productivity and profitability of commercial farms; f) hasten the transformation of agrarian reform beneficiaries into farmer-entrepreneurs; and g) promote food security and enable local agriculture to be globally competitive.” Later in 2006, the objectives were slightly modified by DAR AO 9 of 2006, which gave priority to contract growing rather than leases and leaseback arrangements. Credit was encouraged through a tripartite agreement with the bank, investor and cooperative. Other new provisions included the need for a social fund and both a contract review mechanism as well as a price review mechanism, including the requirement of disclosure of post-harvest and marketing costs incurred by the investor.

21 Data on AVAs in different provinces of the Philippines are incomplete. The DAR notes that more proactive efforts will be needed from the local level DAR offices and communities in order to update the existence of AVAs. There is currently an ongoing process of revising the national AVA guidelines which, among other things, will call on ARBs and ARB organizations to present the many existing arrangements for proper registration and/or accreditation.
three-quarters of them located in Davao, Soccsksargen and Caraga (Regions XI, XII and XIII, respectively) in Mindanao (see next chapter).

AVAs comprise several different models, of which just over half are lease agreements and a third are in the form of a variety of contract growing/marketing agreements. In many cases, encouraged by the DAR, lands were leased by the ARBs (now as “landlords”) to the original landowners (now the “tenants”). While this ensured stability of production output and repayment of the amortization, critics saw such “leaseback” arrangements as a subversion of the reform, since control of the land and labour reverted to the original owner, often for several more decades. Department guidelines now stress that leasebacks are the least preferable option.  

There are many rules and processes put in place to govern the AVAs. For example, the Department of Agrarian Reform (DAR) is supposed to be a signatory to each contract and to initiate various processes of administrative review and approval of the AVA contracts at different levels, from provincial to national. It is clear that these rules were not observed in all cases, often leaving contract negotiations to the ARBs alone, who were ill-prepared for commercial negotiations. Also, the NGO advisers, although well-versed in agrarian justice, lacked the production and marketing knowledge needed to help secure favourable contract terms for the newly-designated beneficiaries. Many AVA contracts were later revealed to have led to poor outcomes for the ARBs (Borras, 2007; Menguita-Feranil, 2010; Borras, 1999, Quitoriano, 2008). Once contracts are signed, however, it is very difficult to modify their terms. Recently, in 2011, the DAR put in place a support programme for beneficiaries to access legal services; however this opportunity comes too late for farmers who have already signed unfavourable AVA contracts.

The DAR has put in place many programmes to develop the agribusiness potential of programme beneficiaries, regardless of whether or not they are working under an AVA contract. These include infrastructure development (Agrarian Reform Infrastructure Support Project), equipment and service provision (Agrarian Reform Community Connectivity and Economic Support Services) and credit assistance programmes (Agrarian Production Credit Program), initially prioritizing highland ARBs linked to mandatory crop insurance at a subsidized rate. It also coordinates with the Department of Agriculture to facilitate access to additional credit and extension services. However, a better coordination of these initiatives is needed. While there is a specific regulatory framework for investments in public “forest” lands that are of critical importance for indigenous peoples, this report does not refer to it, given this study’s focus on ARB areas. However it should be mentioned that a National Convergence Initiative has been established to streamline the work of the main agencies involved in rural development initially in public land. Ten pilot sites have been identified, and the programme is now being spread out nationwide to identify an agro-enterprise cluster in each province.

While gender equality is one point of the 16-Point Agenda of the Medium Term Development Plan 2011–2016, its importance is not apparent in the policies and regulations associated with

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22 According to a legal amendment as early as 1995 (i.e. before many of the leaseback arrangements appear to have been concluded), leaseback agreements were supposed to have been considered a last resort. Since 2006, leasebacks have been further discouraged, with a new rule that ARBs and the investor shall consider other types of agribusiness arrangements before deciding to enter into a lease agreement.

23 In some cases, the installation of the ARBs in the land was delayed until an AVA contract was agreed. According to one key informant, many of the large agribusiness companies in the banana sector agreed not to engage with beneficiaries in cases where the former landowner was attempting to secure a contract. This limited the potential set of contracting parties which the new beneficiaries could seek to deal with at any one time. Where beneficiaries sought contract farming arrangements, ARBs were expected to make the transition to becoming export-quality commercial farmers/managers in a very short space of time, and (as described in the next chapter) were initially ill-prepared for commercial contract negotiation.
investments in agriculture. The remarkably progressive gender equality legislations, policies and strategies adopted by the government have serious shortcomings in their implementation, and therefore no real integration of gender equality and women’s empowerment issues has taken place in key areas associated with rural development, the agriculture sector, and investment in agriculture. Moreover, as already noted, the agrarian reform programme has been de facto discriminatory, which has hindered women’s participation in the investment opportunities. Therefore, gender sensitive reforms of the framework regulating land-related agriculture investments and agribusiness is key to ensuring that investments lead to more inclusive, gender-equitable, and sustainable rural development.

2.3.3 Recent agricultural investment trends

According to figures available from the Board of Investments\(^{24}\), agricultural investment constitutes a small share of total investment in the country\(^{25}\). The 2011 Annual report indicates that PHP1.9 billion was invested in agriculture in 2011, which represented 0.52 percent of the value of all investments, despite being a priority sector under the Investment Priorities Plan. From 2000 to 2012, the value of registered investments in this sector amounted to PHP36.1 billion. Around 42 percent of the value of projects registered in this sector from 2000 to 2012 were from domestic investors alone, 15 percent from foreign investment alone, and the remainder (42 percent) were from joint ventures between Filipino and foreign investors (of which Filipinos held the majority stake in the majority of projects). Some of the largest foreign investments in agriculture were made by investors from Switzerland, the United States of America, and Singapore. Data is not systematically held by the Board of Investments to identify the area of land that has been dedicated to such investments. Moreover, data on land-related investments from any individual agency in the Philippines is not comprehensive\(^{26}\).

Figure 2: Agriculture investment trends, 2000–2012

![Registered Agricultural Investments Origin of Investments, by value of projects, 2000-2012](chart)

Source: Board of Investments, 2013. Note: data for 2012 only includes January to October.

Particularly during the period 2007–2009, the Philippines was the focus of intense interest among foreign agribusiness investors, with media reports of several diplomatic missions undertaken to help broker agribusiness investment deals. Published data indicate that as much as 1.34 million

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\(^{24}\) The Philippine Board of Investments (BOI), an attached agency of Department of Trade and Industry, is the lead government agency responsible for the promotion of investments in the Philippines and provide support to national and foreign investors.

\(^{25}\) Note this data covers only investment projects approved by the BOI; it does not represent all investment projects, as there is no legal requirement for investors to register with the BOI.

\(^{26}\) Several palm oil company investments which do not appear in the BOI data include projects which have reportedly begun operating, including local A. Brown Company in 2007 in Bukidnon (palm oil) and in 2010 in Misamis Oriental (PANAP,2012), as well as two subsidiaries of Agumil (palm oil) in 2005 and 2008 (Villanueva, 2011).
hectares of land were targeted for agribusiness development by foreign investors in various regions of the country during this time.

According to the government-controlled Philippines Agribusiness Development and Commercial Corporation, the majority of investment deals that were discussed during the period 2007–2009 were never pursued. The main reasons for this were the fact that a high number of requests did not comply with national norms and regulations; also investors could not be assured of access to large areas of contiguous land, as there are very few unused areas remaining. “It was very difficult even if they were public lands, to manage them, and organise them into possible plantation sites” (ibid).²⁷ Moreover, strong opposition to these deals was raised from environmental and farmer groups in the Philippines, citing negative experiences from previous large-scale private sector investment in rural areas, and calling for protection of the rights of rural people who derive their livelihoods from the lands, fisheries and forests targeted.

²⁷ One deal reported by PADCC is the EcoFuel/Green Future Innovations investment in sugarcane and ethanol production in and around San Mariano municipality, Isabela Province, in Northern Luzon, where preliminary research has highlighted shortcomings in the land access negotiation process, and also raised questions about the future benefits to the communities involved (de la Cruz, 2011; Franco, Carranza and Fernandez, 2011).
3. The case study
### 3.1 Background: case study location and overview of the banana sector

This case study focuses on Unifrutti’s operations in the banana sector, in particular on the agribusiness models emerging from the relationship between the company and four smallholder communities involved in banana production. Following a brief contextual background on the region and the banana sector, this chapter concentrates on the analysis of two different investment schemes.

#### 3.1.1 Background to the case study location

Mindanao is not only the largest island in the south of the Philippines, but also the collective name for the southernmost islands of the archipelago, which constitute a third of the country’s land area and are host to 21,911,661 people (a quarter of the Philippine population), with a female population of 10,758,453 or 49.10 percent (National Statistics Office, Dec 2013).

The Comprehensive Agrarian Reform Program (CARP) has reshaped the agrarian structure of parts of the region. The province of Davao del Norte is home to some of the most contested areas in the land reform, where large tracts of lands were owned by powerful political and economic elites until the 1990s and early 2000s. From 1972 to 2011 in Mindanao, 1.74 million hectares were redistributed to agricultural workers (AIS, 2012), representing 82.3 percent of the current revised target area for reform. In 2011, out of a total of 29,987 Agrarian Reform Beneficiaries (ARBs) in the six regions of Mindanao, 10,383 were women (34.63 percent). In the Autonomous Region of Muslim Mindanao, all ARBs are men.

**Figure 3: Poverty incidence in the Philippines in all provinces in 2012**

With an estimated 9.33 million people in the region living under the poverty line\(^\text{28}\) in 2012, the incidence of poverty in the Mindanao island group is higher than the national average. According to the National Statistical Coordination Board data, the proportion of the population of the different regions below the poverty threshold in 2012 ranged from 30.7 percent to 55.8 percent. The Autonomous Region of Muslim Mindanao registered the highest poverty incidence at 55.8 percent in 2012, with poverty in one province, Lanao del Sur, having increased considerably since 2009 to an estimated 73.8 percent of the population.

The Mindanao Commission on Women reported that in 2003, five million women from the rural areas were working in the farming and fishery sectors, commercial plantations, manufacturing, and

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\(^{28}\) Poverty line is calculated to represent the monetary resources required to meet the basic needs of the members of a household, including an allowance for non-food consumption. First a food poverty line is established, being the amount necessary to meet basic food requirements. Then a non-food allowance is added.
the informal sector in the Mindanao island group. However, much of the work done by women is non-monetized and they are much less represented in paid agricultural employment than men. The latest Agricultural Indicators System (AIS) Report published by the Bureau of Agricultural Statistics (BAS) indicates that in 2010, 1.13 million women were employed in the agricultural sector in the six Mindanao regions, compared with 3.097 million men.

3.1.2 Overview of the banana sector

Bananas is a major commercial crop in the Philippines. In 2012, banana production reached 9.2 million metric tonnes (valued at over PHP108 billion or US$2.4 billion at current prices). Until recently, much of investment went into the commercial development of Cavendish banana the main export variety. Currently, also the export marketing of Saba/Cardava banana products is being promoted. Other varieties such as Lakatan, Latundan, Bungulan and Señorita are important in the domestic market only. Exports of fresh bananas are economically significant, with a total of 2.6 million tonnes earning around US$646.7 million in 2012, making it the second major agricultural export product of the country in value terms (BAS, 2013). Philippine bananas are mostly exported to Japan and China; other markets include the Republic of Korea, Iran, and Singapore.

Overall, the banana export market maintains an oligopsonistic character, with 90 percent of exports handled by five multinational companies (World Bank, 2010). Several regional government departments are trying to find ways to secure small-scale banana farmers a larger share of the benefits from their involvement in the banana export sector. The Department of Agriculture together with the Department of Trade and Industry (DTI) have begun to promote the development of additional income streams from by-products of fresh banana production. Direct linkages between cooperatives and foreign buyers have also been established. The DTI’s “clustering” programme seeks to bring together interdependent businesses and supporting institutions in the banana and other major crop supply chains, to achieve more efficient supply through economies of scale and shared risks and opportunities, including lower production costs for farmers. However, according to some government actors, bringing major large-scale operators from the banana industry into the “clustering” initiative has been challenging.

Working conditions and regulation of the banana sector

Banana production is labour intensive, requiring daily attention and skilled care. In Mindanao, about 240,000 workers are employed by banana farms and when also considering their family, nearly 1, 400, 000 people depend on the industry. Men are mostly employed in plant and fruit care in the field, while women mainly work in the packing and administration. Employment practices in many banana companies have been the subject of criticism. Cases of labour rights violations and harassment have been reported, as well as practices of hiring workers on short-term contracts without employment benefits, such as pension and health insurance.

The Department of Labor and Employment along with several arms of regional government (including the Departments of Agrarian Reform, Agriculture and Trade and Industry) have worked with the major corporations involved in the banana industry in Mindanao, as well as labour unions,

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29 According to key informant interviews an average worker to land ratio is considered to be 1–1.5 full-time workers for each 1 ha of area.
30 See http://ro11.dole.gov.ph/fndr/mis/files/BITC-VCGP-Final-Signed.pdf. Looking at the export industry as a whole, about 317,000 persons are estimated to be directly and indirectly employed, including packaging/box-making, trucking, cargo handling and shipping, as well as allied industries such as fuel, agricultural inputs, consumer goods market and others (Pilipino Banana Growers & Exporters Association).
to develop a **Voluntary Code of Good Practices on Decent Work** for the banana industry in Region XI (signed in 2010). However, there appears to be little evidence that employers in the banana industry have altered their practices as a result of this initiative. According to a recent study, workers continue to be hired under short term contracts in large banana farms. The study found only partial compliance along with violations of prevailing Department of Labour and Employment Departmental Orders and employment standards (CTUHR/NLDFI, 2013).

**Involvement of small-scale producers in the banana sector in Mindanao**

Many of the small-scale farmers engaged in the Cavendish banana industry became landowners approximately 10–20 years ago as a result of the Comprehensive Agrarian Reform Program (CARP). In most cases, lands were transferred under collective titles to newly established cooperatives of Agrarian Reform Beneficiaries (ARBs). These cooperatives have become important actors in the Philippine banana industry.

Of the 18 commercial farms in Davao Region that were already redistributed in 2004, a total of 8,003 ARBs benefited. Most beneficiaries (78 percent) were men (Menguia-Feranil, 2010). The low percentage of female ARBs is the result of the qualification criteria for beneficiaries. Under the Programme, land was distributed primarily to full-time workers in the banana plantations. As most of them were men, only very limited number of landless women, working mainly as casual labourers, qualified.

**Types of Agribusiness Venture Agreements (AVAs)**

To maintain the production of this economically valuable crop, cooperatives were encouraged to develop Agribusiness Venture Agreements (AVAs) with the major players in the export industry. “Leaseback” and “contract growing/outgrower/growership” arrangements have been the two most common agribusiness venture arrangements between ARB cooperatives and private enterprises in the banana sector in Mindanao.

**In leaseback**, the land is leased to the former owners who resume management of the farms and employ workers in the same centralized plantation model as prior to the land reform. In this arrangement, farmers retain ownership of the land and receive an annual rent, but do not control the development of the farm. In most cases, beneficiaries have been recruited to work as paid contractual workers. In only one leaseback case, in addition to rent and wages these “owner-workers” also receive production incentives, quality incentives, credit assistance, etc.

**In growership contracts**, cooperatives run the management of the farm based either on collective or individual farming systems, and make collective supply arrangements with the export corporations, who may be their former employers. The duration of outgrower agreements in Davao del Norte ranges from 5 years to 40 years, although the contracts are open-ended and binding until the loan is fully repaid.

In many cases, the cooperatives’ poor legal experience and lack of familiarity with the economics of the banana export business have led to unfavourable contractual arrangements for farmers. Several cooperatives have discovered all too late that product prices previously agreed cannot subsequently be reviewed at their request. Over the last decade, some cooperatives have succeeded in rejecting proposed AVA contracts and even agreeing on new terms, sometimes following intense mobilization and public pressure, while in other cases, important terms such as the price per box of bananas have remained unchanged at low rates, despite price increases in the

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international market and fluctuating exchange rates.

3.2 Case 1: growership arrangements between Unifrutti and three cooperatives

This section focuses on the growership relations between Unifrutti and three cooperatives operating in the Mindanao Region. Before analysing the main features of the investment schemes and their implications, first an overview is provided of the company, FARMCOOP, and the cooperatives involved.

3.2.1 Overview of the company

Unifrutti Philippines is a foreign equity private sector corporation based in Mindanao. It was established in 1992 under the name OriBanEx (Oriental Banana Export Company) with investment principally from Chiquita Japan Bananas (Japan), De Nadai (Italy) and Abdullah Abbar & Ahmed Zainy Co. (Saudi Arabia). Since 2005, the company has been owned principally by the Italian De Nadai Group, and is engaged in production, processing and export trading of pineapple and banana. It is one of the country’s biggest banana exporters, shipping an estimated 44 million boxes of bananas a year to Japan, the Republic of Korea, China, Iran and other countries in the Middle East (Habito, 2012). Unifrutti has a strong corporate ethos, expressed in its mission statements, which declare a commitment to improving the quality of life of the communities with whom it works; set a very high standard of truthfulness; and commit to preserving and restoring the environment. However, commitment to gender equality is not explicitly specified in its vision.

Unifrutti is engaged in different business models in several provinces of Mindanao, including Davao Del Norte, Compostela Valley, Bukidnon, Lanao del Sur, and the Autonomous Region of Muslim Mindanao. In banana production, these include leasing land from local smallholders to run its own farm under direct company management (total area 1, 340 ha) or under joint ventures with other corporate farms (total area 2, 451 ha). The company has also entered into different sets of growership contracts. These consist of contracts with individual smallholder farmers who farm from as little as 1–2 ha, as well as with small corporate farms of up to 30 ha (total area committed to Unifrutti is 1, 969 ha); and also contracts with cooperatives made up of smallholders who have obtained their land under the Comprehensive Agrarian Reform Program (total area 1, 732 ha). Thus the total area of land producing bananas subject to various lease, management and purchase agreements with the company is 7, 492 ha.

3.2.2 Overview of FARMCOOP

The Foundation for Agrarian Reform Cooperatives in Mindanao, Inc. (FARMCOOP), a non-profit corporation, was created in 1995 by leaders of banana plantation workers and development-oriented individuals in response to the call of government for NGOs to assist in the implementation of agrarian reform to alleviate poverty in the countryside. The organization offers support services to Agrarian Reform Beneficiaries (ARBs) in the banana industry in Mindanao. It assists cooperatives in negotiating favourable sales contracts with international fruit companies, in addition to providing capacity building, credit access, and technology transfer services.

The FARMCOOP Board of Directors is made up of the chairpersons of the boards of each member cooperative. Since 2010, one element of its support work is to provide a “couples for cooperatives” training programme, which tries to redress problems which have emerged as a consequence of the exclusion of spouses from coop membership. Under this programme, both spouses and ARBs are given orientation on their rights to land, especially in relation to money
matters, to ensure that both fully understand the complex payment and deduction structure by which ARBs are paid (and also to avoid misunderstandings and possible concealments by one spouse from another).

### 3.2.3 Overview of the three cooperatives involved with Unifrutti

The three cooperatives involved in growership contracts with Unifrutti in the Mindanao Region are the AMS Kapalong Agrarian Reform Beneficiaries Multipurpose Cooperative (AMSKARBEMCO), the Checkered Farms Agrarian Reform Beneficiaries Multi-Purpose Cooperative (both located in the Davao del Norte province), and the Tagnanan CARP Beneficiaries Cooperative (TCBC).

Members of the cooperatives were awarded land under the Comprehensive Agrarian Reform Program. In all three cases, the land is held under a collective Certificate of Land Ownership Award. Individual land allocation depends on the total extension of land at the cooperatives’ disposal and their respective number of members. Each ARB is entitled to an equal-sized plot, which differs from cooperative to cooperative. In some families there may be two ARBs, each entitled in their own right as Agrarian Reform Beneficiaries. However in the majority of cases there is only one ARB per family. Table 1 shows that the total land area owned, the land use, the plot size allocated to ARBs, and the sex composition of membership differ substantially among the three cooperatives.

#### Table 1: Cooperatives’ land allocation and membership

<table>
<thead>
<tr>
<th>Cooperative</th>
<th>Land area</th>
<th>Tenure status of productive land</th>
<th>No. of ARBs</th>
<th>F</th>
<th>M</th>
<th>%F</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMSKARBEMCO</td>
<td>159 ha (banana plantation)</td>
<td>0.75 ha allocated to each ARB</td>
<td>212</td>
<td>11</td>
<td>201</td>
<td>5</td>
</tr>
<tr>
<td>CFARBEMCO</td>
<td>115 ha (banana) + 28 ha (banana) in new expansion +13 ha housing area</td>
<td>1.2 ha allocated to each ARB + 10 ha of common. Expansion land is held under a co-ownership title. Housing lots held in individual title.</td>
<td>87</td>
<td>17</td>
<td>70</td>
<td>20</td>
</tr>
<tr>
<td>TCBC</td>
<td>504 ha (banana) + 235 ha (coconut) + 8.4 ha (housing) + 16 ha (common area)</td>
<td>1.5 allocated to each ARB ha of banana + 0.7 ha of coconut + 0.7 ha of livelihood land each</td>
<td>336</td>
<td>46</td>
<td>290</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: Coop managers and Unifrutti staff.

Members farm on an individual farming system which means that each plot is farmed by one farming family, even if many of the inputs are collectively sourced, and the cooperative maintains a certain degree of oversight over the production process. The proceeds of selling bananas are allocated according to each “individual” ARB’s harvest, even though the land holding remains collective.

The coops are regulated by the Cooperative Development Authority and the Cooperative Code of 2008. The Cooperative Development Authority has the responsibility of formulating, adopting and
implementing integrated and comprehensive plans and programmes on cooperative development consistent with the national policy on cooperatives and the overall socio-economic development plans of the government. According to the Cooperative Development Authority’s rules, all ARB cooperatives are run on a “closed cooperative” basis, such that only ARBs are entitled to vote and only ARBs are eligible to stand for office in such a cooperative.

**Women’s participation and leadership roles in the cooperatives**

As mentioned in the previous chapter, there has been a noticeable gender gap in the number of beneficiaries of the agrarian reform, and this has led to substantial gender inequalities in the members’ composition in the cooperatives. As shown in Table 1, this has also been the case for the three cooperatives studied.

As a result, many of the women currently working alongside their husbands in the banana cooperatives are not counted as ARBs. Their names are generally listed as “spouses” to the ARBs on the Certificate of Land Ownership Award (CLOA), which means they should be recognized as having co-ownership rights to the land, including rights in decision-making about sales, leases and loans (Leyesa, 2007).

However, spouses are formally excluded from operational management of the land. This is because non-ARBs are excluded from membership in the cooperatives which manage the land, and cannot vote on important decisions concerning land use and marketing according to the “closed cooperative” rule. Thus, in the cooperatives, even though women have the right to exercise their ownership rights over their lands, their decisions and choices related to agricultural production are largely constrained by market arrangements in which non-ARBs play no formal part. In practice however, among the group of ARB spouses interviewed, non-ARB women reported that they were able to assert their voice at the intrahousehold level, including discussing issues related to the cooperative, and that there had not been significant points of disagreement between them and their spouses in bringing household perspectives to the cooperatives’ management.

Although women are in the minority in all three cooperatives that were studied, there are substantial differences among them, with CFARBEMCO having the largest percentage of females (20 percent) and AMSKARBEMCO the lowest (5 percent). Interestingly, in the cooperative with the highest female participation, women hold several key responsibility roles within the coop, including the position of coop manager. There are three women on the Board of Directors, and two of them are responsible for supervising the packing house operations. By contract, in TCBC there are no women on the Board of the Directors, as the only woman elected was recently deceased, while in AMSKARBEMCO only one woman has been appointed to a senior role in the management of the cooperative, as auditor.

The Department of Agrarian Reform is committed to encouraging the participation and empowerment of women ARBs and spouses through trainings for cooperative development and income-generating activities, with the aim to “develop self-esteem and enhance their chances to actively participate in community development undertakings” (ALDA, 2012). To boost attendance of women at DAR trainings, child care services are arranged during workshops.

**External support received by the cooperatives**

Since their inception, the cooperatives studied have grown and increased their capital. They have a considerable amount of infrastructure and assets including land for farming, packing houses, staff office buildings, consumer coop shops and health care centres.
CARP helped the cooperatives purchase their land via low-interest loans from the Land Bank of the Philippines. AMSKARBEMCO and TCBC also received support from Unifrutti to acquire their land. While many of the facilities were acquired at the time of the reform, others were built later with coop funds or in some cases assisted by loans from Unifrutti, cooperative federations or donors. Additional financial support has also been provided by other institutions, such as the government-owned Land Bank of the Philippines and MASS-SPECC, a cooperative development centre that offers low-interest credit assistance and serves more than 300 cooperatives, mostly in Mindanao.

The cooperatives have also benefitted from external support for improving their members’ capacities. For instance, the Department of Agrarian Reform along with the Cooperative Development Authority have provided a set of mandatory trainings on enterprise development, financial management, and assessments of organizational maturity, supported by a nationwide budget of PHP38 million. Coops failing to pass these trainings successfully may have their certificate of registration revoked.

The cooperatives have also received legal and organizational support from FARMCOOP\textsuperscript{32} in the following areas: cooperative development, farm planning, accounts management, health and safety, and environment.

3.2.4 Overview of the schemes and contractual arrangements

Under the cooperative arrangements, Unifrutti commits to buying the fresh fruit already sorted and packaged by the cooperatives in branded boxes, according to weekly orders with pre-agreed size and number specifications, and priced according to the prevailing price periodically set by Unifrutti.

<table>
<thead>
<tr>
<th>Farm enterprise and location</th>
<th>Business arrangement</th>
<th>ARBs</th>
<th>Workers</th>
<th>Banana planted area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMSKARBEMCO in Kapalong, Davao del Norte</td>
<td>Growership model. Contracts signed in 2003</td>
<td>212</td>
<td>19</td>
<td>39</td>
</tr>
<tr>
<td>CFARBEMCO in Tibungcol, Panabo, Davao del Norte</td>
<td>Growership model. Contracts signed in 2008</td>
<td>87</td>
<td>48</td>
<td>125</td>
</tr>
<tr>
<td>TCBC in Mabini, Compostela Valley</td>
<td>Growership model. Contract signed in 2009</td>
<td>336</td>
<td>109</td>
<td>174</td>
</tr>
</tbody>
</table>

Source: Unifrutti staff and coop managers.

\textsuperscript{32} Unifrutti pays a sum of US$0.10 per box of bananas supplied into a fund known as the “social fund”, which is a mandatory requirement under the DAR’s Agribusiness Venture Agreement regulations. In the case of the coops studied, this social fund money is paid to FARMCOOP.
Negotiation process

In the focus group discussions held with each of the three cooperatives, men and women reported that the negotiation process with the company was positive and transparent. In some cases, assistance from external actors helped the cooperatives during the negotiation process. For instance, during the AMSKARBEMCO process, the DAR was noted for providing support in land disputes, but not in contract development. Conversely, in the case of TCBC (which is in another province), local DAR officials provided assistance to the coop in the negotiations. In the case of CFARBEMCO, DAR officials were not involved in the negotiations and were not witness to the resulting agreements.

Communities were represented in the negotiation process by a delegation of around 30 people made up of the entire Board of Directors of allied cooperatives along with officers of FARMCOOP. Women’s representation was extremely limited. Spokespersons were appointed consisting of the managers of the coops, including one woman, and a lawyer. From time to time discussions were halted whenever an issue required private conference with the rest of the delegation. Unifrutti was represented in each set of negotiations by three of its senior managers.

The negotiations were carried out in a series of several meetings spread out over time (from three months in the case of AMSKARBEMCO, to eight months in the case of CFARBEMCO, to two years in the more unusual case of TCBC). Updates on the negotiation were disseminated to the membership at various points in this process, although a decision in the General Assembly was only discussed among coop members at the end of the process when a final draft contract had been developed. Company negotiators were reported to be responsive to the coop negotiating team’s demands and concerns, in what was described by both sides as an open dialogue.

Contracts signed with the company contain clauses calling for the resolution of disputes “amicably, and in the spirit of friendship”. The company’s and cooperative’s obligations are summarized in Table 3. Individual farmers reported that the most important terms and conditions of the contractual arrangements (which were written in English) were prices, length of contract, quality standards, technical support and managements of risks. Women and men from the three cooperatives reported in the focus group discussions that despite the fact that women were poorly represented during consultations and negotiations, contractual conditions were the same for male and female ARBs.

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33 AMSKARBEMCO negotiated together with two other cooperatives known collectively as the KaSaMa group. CFARBEMCO negotiated collectively with two other coops known as the Inter-Alliance group.
### Table 2: Obligations of the company and cooperatives in contractual arrangements

<table>
<thead>
<tr>
<th>Company obligation</th>
<th>Coop obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
</tr>
<tr>
<td>Obligation to buy</td>
<td>Obligation to sell bananas exclusively to company</td>
</tr>
<tr>
<td>all produce</td>
<td></td>
</tr>
<tr>
<td>**Prices and</td>
<td></td>
</tr>
<tr>
<td>incentives**</td>
<td></td>
</tr>
<tr>
<td>“Fixed Prices”</td>
<td>Incentives on an increasing scale depending on</td>
</tr>
<tr>
<td>specified for Class</td>
<td>coop volume supplied</td>
</tr>
<tr>
<td>A bananas, small</td>
<td></td>
</tr>
<tr>
<td>hands, Class B</td>
<td></td>
</tr>
<tr>
<td>bananas, cluster</td>
<td></td>
</tr>
<tr>
<td>packs. Volume</td>
<td></td>
</tr>
<tr>
<td>incentives and</td>
<td></td>
</tr>
<tr>
<td>quality incentives.</td>
<td></td>
</tr>
<tr>
<td><strong>Payment</strong></td>
<td></td>
</tr>
<tr>
<td>Payment to be made</td>
<td></td>
</tr>
<tr>
<td>in Philippine</td>
<td></td>
</tr>
<tr>
<td>Pesos at</td>
<td></td>
</tr>
<tr>
<td>Philippines Bankers</td>
<td></td>
</tr>
<tr>
<td>Association dollar</td>
<td></td>
</tr>
<tr>
<td>rate on the day of</td>
<td></td>
</tr>
<tr>
<td>delivery of bananas,</td>
<td></td>
</tr>
<tr>
<td>one week after</td>
<td></td>
</tr>
<tr>
<td>billing</td>
<td></td>
</tr>
<tr>
<td>**Packaging</td>
<td></td>
</tr>
<tr>
<td>materials**</td>
<td></td>
</tr>
<tr>
<td>Provided by company</td>
<td>Maintain them and pay for damage or loss</td>
</tr>
<tr>
<td>at no cost to coop</td>
<td></td>
</tr>
<tr>
<td><strong>Risk</strong></td>
<td></td>
</tr>
<tr>
<td>Risk is with company</td>
<td>Risk lies with coop until produce leaves the</td>
</tr>
<tr>
<td>after produce leaves</td>
<td>packing house/arrives at wharf</td>
</tr>
<tr>
<td>the packing house/</td>
<td></td>
</tr>
<tr>
<td>arrives at the wharf</td>
<td></td>
</tr>
<tr>
<td>(different</td>
<td></td>
</tr>
<tr>
<td>arrangements in</td>
<td></td>
</tr>
<tr>
<td>different</td>
<td></td>
</tr>
<tr>
<td>contracts)</td>
<td></td>
</tr>
<tr>
<td><strong>Orders</strong></td>
<td></td>
</tr>
<tr>
<td>Give notice of</td>
<td>Report estimated production nine weeks in</td>
</tr>
<tr>
<td>market and</td>
<td>advance. Pack according to company instructions.</td>
</tr>
<tr>
<td>specification of</td>
<td></td>
</tr>
<tr>
<td>harvest requirements</td>
<td></td>
</tr>
<tr>
<td>at least 24 hours in</td>
<td></td>
</tr>
<tr>
<td>advance</td>
<td></td>
</tr>
<tr>
<td><strong>Diligence</strong></td>
<td></td>
</tr>
<tr>
<td>Produce at maximum</td>
<td>Produce at maximum commercial farm capacity,</td>
</tr>
<tr>
<td>commercial farm</td>
<td>consistent with sound agricultural practices. Coop</td>
</tr>
<tr>
<td>capacity,</td>
<td>must make all efforts to comply with orders to</td>
</tr>
<tr>
<td>consistent with</td>
<td>prevent the company suffering damages under</td>
</tr>
<tr>
<td>sound agricultural</td>
<td>foreign third-party contracts.</td>
</tr>
<tr>
<td>practices. Coop</td>
<td></td>
</tr>
<tr>
<td>must make all</td>
<td></td>
</tr>
<tr>
<td>efforts to comply</td>
<td></td>
</tr>
<tr>
<td>with orders to</td>
<td></td>
</tr>
<tr>
<td>prevent the company</td>
<td></td>
</tr>
<tr>
<td>suffering damages</td>
<td></td>
</tr>
<tr>
<td>under foreign</td>
<td></td>
</tr>
<tr>
<td>third-party contracts.</td>
<td></td>
</tr>
<tr>
<td><strong>Company obligation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Coop obligation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Rejects</strong></td>
<td></td>
</tr>
<tr>
<td>Reject produce that</td>
<td>Not sell “chopped down” bananas to anyone else;</td>
</tr>
<tr>
<td>doesn’t meet</td>
<td>if it does, it must provide compensation</td>
</tr>
<tr>
<td>specifications. If</td>
<td></td>
</tr>
<tr>
<td>the company does not</td>
<td></td>
</tr>
<tr>
<td>want to take</td>
<td></td>
</tr>
<tr>
<td>delivery of</td>
<td></td>
</tr>
<tr>
<td>bananas, advance</td>
<td></td>
</tr>
<tr>
<td>notice must be</td>
<td></td>
</tr>
<tr>
<td>given with a “chop</td>
<td></td>
</tr>
<tr>
<td>down” price paid</td>
<td></td>
</tr>
<tr>
<td>per box.</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
</tr>
<tr>
<td>• Free technical assistance</td>
<td>• No obligation to follow advice</td>
</tr>
<tr>
<td>• Provide financial assistance,</td>
<td>• Allow company entry to banana plantations at</td>
</tr>
<tr>
<td>repayable at a per box rate</td>
<td>any time to observe all operations</td>
</tr>
<tr>
<td>• Sigatoka control may be carried out by company, charged to coop at actual cost</td>
<td>• Opt out of company’s Sigatoka control scheme</td>
</tr>
<tr>
<td>**Term and</td>
<td></td>
</tr>
<tr>
<td>renegotiation**</td>
<td></td>
</tr>
<tr>
<td>Five years.</td>
<td>Begin renegotiation in good faith 18 months</td>
</tr>
<tr>
<td>Renewable for</td>
<td>before termination. If debts are outstanding to the</td>
</tr>
<tr>
<td>another five years</td>
<td>company, contract will be automatically</td>
</tr>
<tr>
<td>on new terms, unless</td>
<td>extended.</td>
</tr>
<tr>
<td>cancelled 15</td>
<td></td>
</tr>
<tr>
<td>months before</td>
<td></td>
</tr>
<tr>
<td>termination.</td>
<td></td>
</tr>
<tr>
<td><strong>Force majeure</strong></td>
<td>Free to sell bananas to another buyer in</td>
</tr>
<tr>
<td>In cases of force majeure, including strikes and shipment delays (among many other cases), the company has no obligation to buy</td>
<td>circumstances where the company is affected by force majeure</td>
</tr>
</tbody>
</table>

**Source:** DAR.

## Prices and quality standards

Members of both men’s and women’s focus groups responded that the price of the product was the most important factor in their perception of contract fairness. Coop members reported that the basic price stipulated in the contract was higher than that being offered by other contracting companies, and had increased over time.

In the case of AMSKARBEMCO and CFARBEMCO, a fixed price is stipulated in each contract. The floor price per 13.5 kg regular box of Class A bananas agreed by AMSKARBEMCO and
CFARBEMCO with Unifrutti was US$2.50, 2.75 and 4.05 in 2003, 2008 and 2013, respectively. However the purchase price per box has been frequently adjusted by Unifrutti throughout the lifetime of the contract, triggered by fluctuations in the world market price as well as by the much higher buying prices of spot traders at different times of the year. Thus, while the contract in 2008 envisaged a regular price of US$2.75 per box, in practice this has since fluctuated between US$3.30 and US$3.60 per box. Nevertheless, there is no formal mechanism that allows coops to negotiate these seasonal adjustments above the floor price.

The arrangement between TCBC and Unifrutti involves a slightly different set of prices because of the historical relationship between the two. Although the supply agreement between them was agreed for 25 years, the level of the floor price is formally adjusted in a joint review of the contract every two years (only the price per box is modified; other terms remain the same). At the time of interviews, the price paid to TCBC for Class A bananas was US$3.88 per regular box, and US$4.88 per cluster pack.

Just like other companies in the sector, Unifrutti does not divulge the margins which it obtains by exporting the boxes abroad. FEDCO, however, a federation of cooperatives in Davao Region, is engaged in direct trading with foreign markets and thus able to provide a useful comparison for landed prices, shipping costs, etc. FARMCOOP is also developing expertise in trading produce directly to Japanese buyers. These initiatives may help cooperatives access regularly updated information and improve understanding of their contribution to the value chain.

Various incentives are included in the contracts, including a production incentive of US$0.03 per box if targets are exceeded. A signing bonus of PHP15, 000 per ARB is paid by Unifrutti upon ratification of the agreement. Moreover, in the most recent round of negotiations the tolerance level of ripe (unsellable) bananas has been increased from 0.5 percent to 1 percent of volume supplied. In other words, fewer bananas are rejected, which has led to increased coop sales, even if by a small margin.

**Length of contract**

In the case of AMSKARBEMCO and CFARBEMCO, the length of the contract was limited to five years. This was a key demand from the cooperatives based on previous negative experiences with other companies. However, Unifrutti was looking to issue a longer-term contract. The company agreed to a shorter-term contract only on the condition that renegotiation of the next contract must begin 18 months before the first contract expires. This allows the company sufficient time to adapt if a subsequent deal cannot be struck.

**Financial and technical support**

The company provides financial support to the cooperatives and their members. For instance, it has provided several loans at preferential terms for repairing, improving or expanding facilities, as well as short-term working capital loans. Since 2012, Unifrutti has assisted the coops in procuring inputs such as fertilizer, agrochemicals, etc., the cost of which is later deducted from banana sales revenues. The CEO explained that inputs are provided at cost price, as it is in the company’s

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34 According to coop managers and Unifrutti staff, non-standard size bananas are priced at similar rates, but prices for Class B bananas are substantially lower (US$0.70/1.10 in 2008). Special “cluster packs” attract a premium price – US$3.55 in 2008, increasing in 2013 to US$5.05 per box.

35 However, the company did arrange for members of the Board of Directors and managers of different coops to travel to Japan to meet with buyers and observe the market for bananas at the final stages of the export chain. DTI has also funded similar trips to Japan for banana farmers to understand the benchmark prices there.
interest to facilitate the farmers’ access to necessary inputs. Because Unifrutti buys in bulk, the cost is lower than that charged by other suppliers.

The company also provides regular support to the coops in terms of capacity development, including training and technical assistance. Technical support is provided in relation to packing house operation and quality assurance, including the standardization of operating procedures for farm management and plant and fruit care. The company employs various technical staff to be available whenever assistance is needed and to provide training to groups at the coop venue. Technical support is free of charge to both coop members and farm labourers (known as “help-outs”).

Risk management

Both focus group participants and managers and staff interviewed agreed that the main risks are environmental and market, as well as the risk of side-selling.

Pole-vaulting or side-selling is the practice of farmers reneging on their contractual obligation to supply a given buyer, and instead selling (secretly) the produce to another buyer, usually for a substantially higher price. Pole-vaulting is frequently cited as one of the most common problems with contract farming across all sectors in the Philippines.

According to company managers, the problem of pole-vaulting is less frequent in the cooperatives than among the independent small growers, and has been alleviated over time by maintaining a good relationship with the coops. The company does not impose any penalties on cooperative members who are found to engage in side-selling, as this is considered to be a matter of internal management by the cooperatives.

In the cooperative arrangements studied, pole-vaulting appears to be a minor problem. However in one coop a few cases were discovered, for which penalties included revoking the right to farm the land, as well as suspending the loyalty incentive for a limited period. Pole-vaulters were offered work in the packing house in the meantime.

Focus group participants expressed their satisfaction with the price given by Unifrutti, and felt pole-vaulting would be the wrong thing to do. As mentioned earlier, Unifrutti periodically adjusts prices to more closely match the market price when it is higher, thus avoiding the risk of pole-vaulting and undersupply.

Environmental risks: In a growership contract, the losses tend to be primarily borne by the small-scale producer. Therefore the contract does not include specific references to environmental risks, which are mitigated mainly by cooperatives through different support measures. Recently however, Unifrutti has acted as a guarantor for access to a government rehabilitation scheme, and also provided in-kind food aid and cash loans to ARBs affected by disasters.

Plant diseases also pose substantial risks for ARBs. Controlling diseases is costly, and outbreaks often entail a substantial reduction in banana volume produced. In some cases plant diseases might cause long-term negative consequences that endanger food security and livelihoods for farmers. Farmers receive continuous support both from the cooperatives and the company to ensure that disease control is effective and that inputs and fungicides are available. Moreover, the government is currently developing disease-resistant seed varieties.

Global market risks: In early 2012, the Chinese authorities imposed quarantine and full inspections on all banana imports from the Philippines, leading to lengthy delays which effectively
shut down the Chinese market for several weeks. The cooperative producers who had secure contracts with Unifrutti did not bear the risk of this market loss. At the time, all the produce supplied by the cooperatives was weighed and paid for by Unifrutti, even if the fruit was just left at the packing house. ARBs and packing house workers still lost some income at this time, but they were shielded to a large extent from the market failure (which lasted almost three months) because of the policy adopted by the company to protect farmers.

### 3.2.5 Benefits from the growership ventures

The benefits to local communities are three-fold. First, ARBs earn an income derived from the selling of banana produce and in some cases other crops. Second, cooperatives provide employment opportunities in their packing houses and offices. Third, cooperatives provide additional services that benefit cooperative members, their families, and in some instances members of the communities in which they are located.

**ARB production systems and farming benefits**

**Production and productivity**

Under growership contracts, some cooperatives appear to have reached higher rates of production than the industry average, which, according to the Pilipino Banana Growers & Exporters Association, currently stands at 3,500 boxes per ha per year. CFARBEMCO is one of the top banana producers among the ARB cooperatives. It produced an average of 4,884 boxes of Class A bananas per ha in 2011–2012 in its main area, and 5,100 boxes per ha in its expansion area. TCBC’s average production has improved from 2,800 Class A boxes per ha in 2009 (just after its shift from corporate-managed plantation to growership contract) to 3,700 boxes per ha in 2011, to a reported 4,216 boxes per ha in 2012. Average production in AMSKARBEMCO was the lowest of the three, with an average of 3,235 boxes per ha in 2011 and 3,895 boxes per ha in 2012. Of the various agribusiness models in which Unifrutti engages, the most productive group on average per ha is the cooperative group (see Table 4).

<table>
<thead>
<tr>
<th>Type of Farm:</th>
<th>COOPERATIVE S (8 coops)</th>
<th>SMALL GROWERS (various)</th>
<th>OWNED/MANAGED FARMS (4 farms)</th>
<th>JOINT VENTURE/OTHER CORPORATE FARMS (6 farms)</th>
<th>TOTAL UNIFRUTTI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (boxes/ha)</td>
<td>4,362</td>
<td>2,171</td>
<td>3,671</td>
<td>4,242</td>
<td>3,623</td>
</tr>
</tbody>
</table>

Source: Unifrutti staff.

Members in all three coops farm on an individual farming system basis. Farmers are individually responsible for managing their crop from planting to harvesting. The cooperative maintains a certain degree of oversight over the production process. In all three coops, ARBs are expected to follow standard operating procedures and to attend monthly technical orientation workshops held

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36 The major banana exporters, who reportedly lost sales of approximately PHP 1 billion from March to June 2012 (Asia Sentinel), had to work fast to divert shipments to other markets. However, cooperatives who were trading with China directly via FEDCO (a federation of 13 agrarian reform cooperatives in Davao Region) were not able to divert produce to other export markets so easily. The Mindanao Banana Farmers and Exporters Association (MBFEA) reports that over a million boxes of bananas were being turned away from China at the height of the crisis.

37 Pilipino Banana Growers & Exporters Association is a non-public corporation that serves as the central coordinating agency for the development and advancement of the banana export industry in the Philippines.
by the coop, especially if they do not meet production quotas. Coops may issue sanctions, including taking over the management of the land attributed to the ARB in question, if standard operating procedures are not followed.

The coops provide their female and male members with inputs such as seed, fertilizer, pesticides, and herbicides at cost price. The costs of these inputs are recouped later from each farmer according to an itemized bill. A major cost for farmers in Davao Region is aerial spraying, which is arranged by the coop in contract with a specialist from the company. The coop divides the cost among the farmers whose farms are covered by each flight, then charges them later.

The cooperatives also offer a number of services for their members that contribute to enhancing their productive capacities and providing them with safety nets in times of crises. The range of services provided depends on the cooperative’s financial capacity and the size of land farmed by each member (see Table 5). For instance, with the smallest area per ARB, low yields, and consequently low income, AMSKARBEMCO is unable to offer as many services as the other two coops. Production-related services include credit for small loans; bulk purchase of inputs, including planting materials, fertilizer and pesticides; contracting of aerial spraying; harvesting; packing house operation; training; and plot demonstration.

<table>
<thead>
<tr>
<th>Services</th>
<th>AMSKARBEMCO</th>
<th>CFARBEMCO</th>
<th>TCBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash advance for hospitalization</td>
<td>Yes – no interest</td>
<td>Yes – no interest</td>
<td>Yes</td>
</tr>
<tr>
<td>Cash advance for schooling</td>
<td>Yes – no interest</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Food at canteen</td>
<td>Yes – canteen</td>
<td>Yes – canteen + shop</td>
<td>No</td>
</tr>
<tr>
<td>Welfare payments to members in emergency</td>
<td>Yes – rice</td>
<td>Yes – payment</td>
<td>Yes – payment</td>
</tr>
<tr>
<td>On-site clinic</td>
<td>No</td>
<td>Yes – coop run, free</td>
<td>Yes – coop run, free</td>
</tr>
<tr>
<td>On-site day care</td>
<td>No</td>
<td>Yes – free</td>
<td>Yes – free, occasional small costs</td>
</tr>
<tr>
<td>Transport (e.g. tractors, ambulance, carpool)</td>
<td>Yes – for schoolchildren to and from school, small cost</td>
<td>Yes – carpool for high school students, free</td>
<td>Yes – tractors, ambulance</td>
</tr>
</tbody>
</table>

Source: Coop managers

Labour patterns in ARB farming systems

The gender division of labour

It is often reported that commercial banana production follows a clear gender division of labour, with men working in the fields and women working mainly in the offices and packing houses. While this may be true for some of the large commercial plantations, in the smallholder farms both women and men work in banana cultivation, including soil preparation and plant and fruit care (Menguita-Feranil, 2010); this was the case in the coops studied. Women farmers interviewed worked on fruit care tasks such as de-leafing/leaf trimming, stem removal, flower removal, wrapping and bagging fruit, de-fingering, and sanitation. All these jobs require training, experience and care, especially the handling of banana fruits.

Men also carry out these tasks but additionally work on harvesting, propping the stems with bamboos, bud injection, spraying the weeds and buds, and de-silting the water channels. Activities tend to follow a weekly cycle involving one set of tasks per day. Both men and women work on
adding fertilizer to the soil at different times of the year. CFARBEMCO and TCBC employ men to provide a collective harvesting service to members, hauling the heavy fruit stems on their shoulders, which can weigh over 20 kg each. In the case of AMSKARBEMCO, individual farmers or their “help-outs” (men only) haul their own produce to the packing house.

ARBs, who were previously employed as wage workers in the plantations, reported being better able as farmers to balance their household and work responsibilities. Some of them who used to work in the packing houses reported rushing out of the house early and returning late: “Before I really had to work fast. Now it’s easier for me, I get time for my children and have enough for relaxation”. Household burdens are still carried out by women, but participants in the three cooperative focus groups reported that chores were sometimes shared with other members of the household.

Working conditions for help-outs:

ARBs also generate employment in the plots under their control. They usually employ “help-outs” who are frequently their neighbours, relatives or friends, and eventually hire additional labour on a casual basis. Help-out arrangements are usually not formalized as they are based on kinship and community relationships. Help-outs in the field tend to be men around 25–30 years old. In AMSKARBEMCO, female spouses of ARBs are also hired as help-outs for paid work on the farm. The support of help-outs has meant that men and women ARBs sometimes work only half a day per week on their farms. Children under 18 are not allowed to work on the farm or in the packing houses.

Different systems of payment are used for help-outs. In AMSKARBEMCO, help-outs are hired on an individual basis and reportedly paid a standard rate of PHP170 per day, or approximately PHP4,500 per month. CFARBEMCO ARBs pay their help-outs an average monthly salary of about PHP5,000 (or approximately PHP200 per day), which does not reach the official minimum wage in the region (approximately PHP7,500). Help-outs work as many days as the farmers can afford to pay them, and may also work on Sundays during peak times. ARBs in CFARBEMCO reported that they provide Social Security System (SSS) entitlements and Home Development Mutual Fund (Pag-Ibig) counterpart contributions as employers for their help-outs, as well as cash advances and 13th month pay. TCBC on the other hand has established some rules requiring ARBs to pay help-outs at least the minimum wage of PHP291 per day for six days/week, plus employment-related benefits such as Phil Health; this is, however, an exceptional case. The lack of formal security or contractual benefits for most wage workers has led to the emergence of an “underclass” within the banana plantations (Menguía-Feranil, 2010).

ARB benefits from farming

Level and sources of income

For banana production, the coop pays each farmer according to the number of boxes packed from the farmer’s produce. Every two weeks farmers are paid at a rate per box which is US$0.50 less than the price received from the company. This “retention fee” covers all coop administration and common services not directly related to production (including honorariums, salaries, transportation, fuel, coop taxes, licenses, registration, insurance, clearing the drainage, harvesting facilities, repair and maintenance of packing house, electricity, etc). There is no annual coop membership fee.

38 Most help-outs are relatives, such as sons and cousins; however, some families also hire neighbours, described as “people whom we can trust”.


Inputs and other up-front costs are deducted from the proceeds of banana sales before the balance is paid to the farmer. The list of deductions which the coop makes from the proceeds also includes consumer loans taken out by the ARB’s family, regular payments for land amortization, and any housing loans, regular savings deposits, and capital buildup (based on individual circumstances).

Many ARBs in all three cooperatives reported being satisfied with their current incomes. However, some participants in all three coops mentioned that not all ARBs are in good shape, and cited cases of ARBs who are highly indebted. Key informants estimated that 20 percent of the farmers in AMSKARBEMCO community are currently indebted, a condition exacerbated by unforeseen events, such as Typhoon Pablo. However, the research team did not have the opportunity to interview directly unsatisfied ARBs but it focus group discussion participants mentioned that the most indebted tend to be those having smaller plots of land. More research would be needed to better assess those linkages.

Data from the coop accountant indicates that the average monthly net income of ARBs in AMSKARBEMCO is PHP13, 110 (US$293), with a range from less than PHP1, 000 (for those whose plots are decimated by disease, for example) to a high of PHP27, 500 (US$614.6) per month. Ten percent of ARBs in AMSKARBEMCO were earning less than PHP5, 000 (US$111.7) per month in 2012. No gender inequalities were reported by the focus group participants with respect to the income generated, as women were as likely as men to be in the low, middle or high earnings categories previously mentioned. Low incomes instead were reported to be related to the spread of diseases in the plantation, compounded by the destruction wreaked by Typhoon Pablo. After the typhoon, an estimated 20 percent of families became indebted. Some families received advance credit to pay for college exams, daily allowances, transportation of pupils/students, and hospitalization costs not covered by the Phil Health scheme. Without these cash advances, women mentioned that their children may not have had access to schooling.

The best situation is found in TCBC, where the majority of ARBs reported that their incomes have increased since the time they were working as wage labourers in the plantations. According to the coop accountant, the average ARB income ranged from PHP16, 600 to PHP25, 000 per month in 2012. More importantly, it was estimated that less than 5 percent of the farmers were receiving monthly safety net payments (income guarantees) in 2012. Women reported that higher incomes were making it possible to have better food and nutrition, sustained schooling for their children, enhanced rest and recreation, and household appliances. The improved situation of the TCBC ARBs might be associated with factors such as larger land endowments, crop diversification, and a larger membership base. However, more research is needed to get a clearer understanding of the situation and related causes.

It should be noted that cooperative members, in particular those in TCBC and CFARBEMCO, enjoy benefits in addition to those directly linked to Unifrutti. Besides the income from banana sales, their cooperatives have multiple income streams, including income from the commercialization of alternative cash crops, profits from cooperative consumer stores, and returns from lending activities. For example, each ARB in CFARBEMCO received PHP36, 000 in profit dividends (a “patronage refund”) at the end of 2012. TCBC has recently distributed cacao seedlings along with fertilizers to promote intercropping under the coconut trees. Coconut production is also being supported as an additional income stream. AMSKARBEMCO, however, does not have any additional income streams other than banana production. The lack of income diversification has left its ARBs exposed to high risks that have had serious consequences in times of shocks, particularly for women who are not direct beneficiaries of the out-grower schemes.

39 Some focus group discussion participants were aware that there is crop insurance available from Philippine Crop Insurance Corporation (PCIC), but were reluctant to apply because of high costs and complex requirements.
Employment opportunities in the cooperative packing houses and offices

The packing houses not only allow coop members to obtain good prices for the bananas produced, but also create additional employment opportunities for local communities: banana processing in the packing house, and managing and administering the cooperative operations in the coop offices.

Wage work in the packing houses

Altogether the three cooperatives have created around 253 employment posts, and in all cases women outnumber men as wage workers in the packing houses. The number of full-time employees differs considerably among the packing houses. It is supplemented by both seasonal labour during the peak seasons (which can vary each year) as well as casual labour hired on a day-to-day basis to cover absenteeism.

Table 5: Sex composition of the labour force and basic conditions in the packing houses

<table>
<thead>
<tr>
<th>Cooperative</th>
<th>Full-time workers</th>
<th>M</th>
<th>F</th>
<th>% F</th>
<th>Wages (same for men and women)</th>
<th>Regular hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMSKARBEMCO</td>
<td>54</td>
<td>16</td>
<td>38</td>
<td>70%</td>
<td>PHP7.00 per Class A box, PHP11.00 per CP box</td>
<td>Total days a week varies by harvest. Maximum 60 hours per week.</td>
</tr>
<tr>
<td>CFARBEMCO</td>
<td>63</td>
<td>23</td>
<td>40</td>
<td>63%</td>
<td>PHP7.30 per Class A box, PHP8.00 per special box</td>
<td>Total days a week varies by harvest (average five days).</td>
</tr>
<tr>
<td>TCBC</td>
<td>136</td>
<td>50</td>
<td>86</td>
<td>63%</td>
<td>PHP8.00 per Class A box, PHP11.00 per CP box</td>
<td>Total days a week varies between 48–54 hours/week</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>253</strong></td>
<td><strong>89</strong></td>
<td><strong>164</strong></td>
<td><strong>65%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Coop managers and Unifrutti staff. Note: Work is available all year round.

Many different activities take place in the packing houses before the fruits are ready to be delivered to the company. In terms of the gender division of labour, men tend to receive the bananas and load the packed boxes, as heavy lifting is involved. In the rest of the production line, any job that involves handling the banana fruit directly tends to be given to women, with the exception of jobs which involve the application or mixing of chemicals. Women are exclusively in charge of handling the fruit in the packing houses, as they tend to be more delicate in their touch and more diligent in packing the bananas. These attributes are critical to maintaining the quality of the bananas, which are easily bruised. However, it is speed of output that attracts a wage bonus.

In all three cooperatives, pregnant workers are offered lighter tasks. For example in the packing house, while women are mostly standing all day, a pregnant woman is seated and assigned to tasks such as labelling, stapling, etc. Moreover, cooperatives follow the legal obligations of the Social Security System, which allows female contractual employees 60–75 days paid maternity leave, with 7 days paternity leave for men. Table 6 shows the sex composition and basic conditions in the packing houses. Working hours are dictated by the coop and vary according to volume of production. Workers in AMSKARBEMCO and CFARBEMCO need to bring their own food not only for lunch, but also for evening meals if they’re expected to stay late. TCBC however provides food and late night transport home if the packing house stays open late.
A difference in workload was noted by the women working under new management. In CFARBEMCO, for example, women workers reported “Before, we worked as employees of [a] company that was stricter and output-oriented. Before, [the] packing house was limited to 60 packers for 202 hectares of land; now we hire 70–80 packers for 100 hectares. Work is lighter this time, I feel happier in my work now, as [the coop] management is more considerate.” The CFARBEMCO manager reported that because many of the packing house workers are mothers, the coop makes allowances when they need to take time off at enrolment and school closing time, or if there are school activities. “Sometimes when their children get sick the ‘mother packers’ are absent, that is why we have allowance for absences”.

Wages for packing house workers are not based on individual labour but team results – men and women are paid the same based on how many boxes are packed and dispatched each day by their “line” or conveyor belt team. Per box rates are different in each coop, but in each case rates do not vary, regardless of overtime hours worked. In AMSKARBEMCO, the average earnings of packing house workers is PHP5, 000 per month. However, this can vary from around PHP1, 000 to PHP8, 000 per month. In TCBC where the rates are higher per box, it is estimated that packing house wages average PHP8, 000 but could reach PHP12, 000 per month. In CFARBEMCO, the average income of packing house workers is PHP7 400–8, 000 per month.

Protective boots, waterproof clothing and hairnets are worn by packing house workers until the fruits have been packed in boxes. All coops have a personal protective equipment policy. Workers without the proper protective equipment cannot work. However, women noted that chemicals have been known to soak into the clothes of field workers, which must be washed immediately to avoid skin irritations.

**Cooperative officers and staff**

A number of people, both women and men, are employed to help manage and administer the coop operation (see Table 7). In each of the coops, the administrative and secretarial jobs are carried out by women, while most officer roles are given to men.

**Table 6: Coop full-time employees (management and administrative staff)**

<table>
<thead>
<tr>
<th>Cooperative</th>
<th>No.</th>
<th>M</th>
<th>F</th>
<th>% F</th>
<th>Hours</th>
<th>Salary range</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMSKARBEMCO</td>
<td>27</td>
<td>17</td>
<td>10</td>
<td>37%</td>
<td>8:00–4:00, 6 days a week</td>
<td>No data supplied</td>
</tr>
<tr>
<td>CFARBEMCO</td>
<td>22</td>
<td>15</td>
<td>7</td>
<td>31%</td>
<td>7:00–4:00, 5 days a week</td>
<td>PHP8, 000–15, 000 per month</td>
</tr>
<tr>
<td>TCBC</td>
<td>61</td>
<td>46</td>
<td>15</td>
<td>24%</td>
<td>8:00–4:00, 6 days a week</td>
<td>PHP8, 000–22, 000 per month</td>
</tr>
<tr>
<td>TOTAL</td>
<td>110</td>
<td>78</td>
<td>32</td>
<td>29%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: coop managers and Unifrutti staff.*

In AMSKARBEMCO, men fill all but one management officer role, while three women in TCBC and three in CFARBEMCO are in management positions. As reported earlier, only CFARBEMCO has appointed three women to the Board of Directors.

Several committees are formed in each coop, including the Audit and Inventory Committee, the Ethics Committee, the Education Committee, the Elections Committee, the Credit Committee, etc. Chairpersons of each committee form the Central Management Committee of the coop. Committee members are paid honorariums for attending meetings.
Officers of the coops receive salaries, depending on rank and duty, and a 13th month pay at Christmas time (as legally mandated under the labour code). All coops ensure that their full-time employees in the coop offices and the packing houses have Social Security System (SSS) entitlements, a Home Development Mutual Fund (Pag-Ibig), and Phil Health benefits, based on employee contributions and a counterpart payment from the coop.

**Additional services and benefits**

All three cooperatives provide social services, although there are differences among them. The most notable are support for hospitalization (emergency care), access to medicine and first aid, cash advances for schooling, day care for children under school age, food at the canteen, transport (including tractor and ambulance services), and a carpool to take kids to schools outside the compound.

All coops ensure that their employees have health care via the Phil Health scheme. Focus group participants in TCBC and AMSKARBEMCO reported that the coops assist where such insurance schemes do not cover the full cost of hospitalization. In CFARBEMCO, members subscribe to a private healthcare insurance called Maxicare which can provide additional support for hospital expenses in cases such as miscarriage. A clinic is available to coop members; medics provide assistance to coop members and non-members alike. In TCBC, an ambulance service is provided by the coop, and all members and help-outs are encouraged to undergo an annual physical examination.

By law, the coop is required to keep 30 percent of its annual profits to be equitably allocated to the general reserve (10 percent); to the “community development fund” and “optional fund” to make investments (10 percent); and to the education fund (10 percent). Members expect a “patronage refund” of the remaining 70 percent of the profits at the end of the year.

### 3.2.6 Cooperative perspectives on the relationship with company, and concluding remarks

In general, respondents, both women and men, commented positively about the relationship with Unifrutti, citing in particular its flexibility, approachability and perceived transparency. Face to face discussions were considered very important by both sides in the contract negotiations in building trust among the parties. Close contact is maintained during the lifetime of the contract. Senior decision-makers within the company are easily approachable by text or phone, allowing for quick decisions and direct discussions with the management team in the cooperatives when problems arise. Agronomists and quality monitoring staff, who are relied on for advice, are present in the coops on a daily basis. Women participants in the focus group of AMSKARBEMCO noted that “The company has a very good management system. They reply back to us when we call them or write to them.” Women in CFARBEMCO said “They treat ARBs fairly and they support us as business partner[s].” Men in AMSKARBEMCO reported that the company had never reneged on any agreements, nor had it delayed any payments.

Overall, the relationships between the cooperatives and the company, and between the cooperatives and their members, have been positive for all parties involved (although there is certainly room for improvement in all cases). On the one hand, the company has secured high quality banana provision at agreed-upon prices, from efficient and very productive cooperatives. On the other hand, most ARBs have increased their incomes and strengthened their capacities as producers and entrepreneurs. Moreover, the quality of the employment opportunities generated in the packing houses and the cooperative offices seems to be more adequate than was the case in the previous plantations.
The analysis also shows that the main gender inequalities with respect to the growership arrangements have their origin in the gender-biased agrarian reform. Few women can participate in their own right in the business relationship and often have to work as unpaid family labourers. Another issue that emerges is that, although the ARBs are creating labour opportunities for help-outs, these opportunities do not seem to offer them a pathway out of poverty.

Instead, with respect to wage opportunities it can be noted that they are highly influenced by gender patterns. While women have been the main beneficiaries of the wage work available in the packing houses, men are the main employees in the offices. In practical terms this means that women tend to be segregated in the less rewarding types of employment.

### 3.3 Case 2: MKAVI corporate-managed farm

Mt Kitanglad Agri-Ventures, Inc. (MKAVI) is located in Barangay Alanib, Lantapan, Bukidnon. It commenced operations in 1998.

#### 3.3.1 Key characteristics

- **Ownership structure:** owned and managed by Unifrutti
- **Crops involved:** banana
- **Business model:** managed plantation on leased land
- **Number of (male/female) individuals/households employed in the scheme:** 1, 528 people (328 female / 1, 200 male)

Overall the plantation covers an area of approximately 1, 100 ha, but the area dedicated to the William variety of Cavendish banana is currently only 628 ha, with approximately 50 ha undergoing rehabilitation.

The company makes efforts to protect the plantation environment. Around 200 ha have been planted with native forest species in gullies and riversides, and 65 ha of the land has been conserved as native forest. There is a policy of no hunting or cutting of trees in these areas. MKAVI was the first highland banana plantation in Asia to be certified by the Rainforest Alliance. Company officials explained that the company carries out seven internal inspections of the plantation and management systems throughout the year to check that environmental and social criteria are being met consistently and systematically. Previous audit results have shown high rates of compliance with all 12 criteria. In 2013, the audit was passed with an overall 97.3 percent compliance rate.

#### 3.3.2 Acquisition of land and its implications for men and women

**Consultation process**

Ownership of the land lies with several hundred title holders – local women and men, mostly of Tala’andig ethnicity (an indigenous people’s group) who have occupied the area since at least the 1940s. Data relating to land ownership in Barangay Alanib, obtained from the Head of the Land Management Services of the province of Bukidnon Department of Environment and Natural Resources, shows that 327 patents/titles have been issued to men (58 percent) and women (42 percent) since 1998. In the focus group discussion at MKAVI, some women reported that they owned land jointly with their siblings or husbands, and some in their own names. The average landholding of focus group participants is 2–3 ha, with a range from 0.5 ha to 6 ha. Women in the
focus groups reported that they had authority to decide over their own land. Both men and women reported that they consulted their spouses in their decisions.

The process of consultation with local community representatives – who were mostly men – from the Barangay Council, the Municipal Council, and tribal authorities, took place over approximately six months before discussions with individual landholders. Once the plans were presented and discussed, the company undertook its own cadastral field survey. In many cases the information gathered by the company differed from the official cadastral survey. A process of mediation was established by the local council to hear from different claimants to resolve disputes over land rights, and to clarify title documentation before agreements with the company could be established. In the end around 400 landowners, men and women, signed a Farm Development and Marketing Agreement with MKAVI that contained conditions governing the rights of the two parties, in a relationship that the company describes as a joint venture.

One conflict with the company relating to land was the cutting of a tree considered to be sacred by the community. The manager of the MKAVI farm acknowledged in hindsight that “We thought we were being very sensitive [in our development process]. But [we found out later] there was a lot of resentment. For years! It was a silent protest, but they blamed their ill-health on [the destruction of the tree]. Eventually they talked to us. I’m from here and I still made that mistake.” The issue was resolved through dialogue. The manager concluded that all members of the community, and not just those with land claims recognized by the authorities, should be consulted before clearing – and for that, “there needs to be a study of the land claims, the landmarks, and the important places, especially when there are Indigenous Peoples living in the area”. Another issue raised was the case of lands which were subject to agrarian reform where ownership was not settled before the plantation was established, or in a few cases, not for many years afterward.40

**Land contract terms with MKAVI**

The agreement states that landowners “entrust” their lands to the “developer” MKAVI for a period of 25 years on the basis of a “Farm Development and Marketing Agreement”. These contracts are written in English and are customized to each landowner. All have the same format, rate and terms and conditions. Landowners are entitled to an annual land income per ha according to a fixed schedule (see Table 8),41 plus a one-time crop disturbance compensation fee based on the age and potential of the existing crop (as assessed by the company). According to the farm manager, “When we started in 1998, the [prevailing] rental for land planted with corn was PHP3,500 per ha per year. [Even] sugar cane was less than PHP5,000. As we valued long-term [relationships], we gave [the landowners] much opportunity of higher value [sic]”.

In addition, landowners are given a modest share of the harvest from the plantation as an annual bonus (“incentive”) from year 3 onwards. This is based on a fixed rate (PHP6 per box), counting the number of boxes produced by the farm in excess of 3,000 boxes per ha per year. With the current production rate of approximately 3,500 boxes per ha, this can add approximately PHP3,000 per ha to the annual land income.

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40 Data relating to Barangay Alanib from the provincial DAR office indicate that only a small minority of cases of Voluntary Land Transfer/Direct Payment Scheme were prolonged in this way.

41 For comparison purposes, the current BOI industry profiles (2011) state that land lease rates (US$ per hectare per year) in Bukidnon are approximately US$125.00–208.33 (or approximately PHP 5,000–9,000 /ha/yr).
Table 7: MKAVI land rental escalation schedule

<table>
<thead>
<tr>
<th>Escalation schedule</th>
<th>Income rates</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>PHP24, 000 /ha paid in lump sum covering 2 yrs</td>
<td>(2 x PHP12,000)</td>
</tr>
<tr>
<td>Years 3–5</td>
<td>PHP12, 000 /ha/yr</td>
<td></td>
</tr>
<tr>
<td>Year 6</td>
<td>PHP24, 000 /ha paid in lump sum covering 2 yrs</td>
<td>(2 x PHP12,000)</td>
</tr>
<tr>
<td>Years 8–10</td>
<td>PHP12, 000 /ha/yr</td>
<td></td>
</tr>
<tr>
<td>Year 11</td>
<td>PHP48, 000 /ha paid in lump sum covering 3 yrs</td>
<td>(3 x PHP16,000)</td>
</tr>
<tr>
<td>Years 14–15</td>
<td>PHP16, 000 /ha/yr</td>
<td></td>
</tr>
<tr>
<td>Year 16</td>
<td>PHP60, 000 /ha paid in lump sum covering 3 yrs</td>
<td>(3 x PHP20, 000)</td>
</tr>
<tr>
<td>Years 19–20</td>
<td>PHP20, 000 /ha/yr</td>
<td></td>
</tr>
<tr>
<td>Year 21</td>
<td>PHP120, 000 /ha paid lump sum covering 5 yrs</td>
<td>(5 x PHP24, 000)</td>
</tr>
</tbody>
</table>

Source: Farm Development and Marketing Agreement, MKAVI.

Under the contract, the company retains the right to the infrastructure and crops planted on the land, and according to the contract should be compensated for these investments following the end of its term. Landowners are obliged to pay the real estate taxes on their land.

3.3.3 Wage employment: opportunities, conditions and gender implications

Typology and gender characteristics of employment

MKAVI employs 1,137 full-time workers of which approximately 80 percent are men. As shown in Table 9, women workers are in the minority with the exception of the packing house, where they account for 52 percent of the total number of workers (228). Women are favoured as employees in the packing house because they are more careful in handling the fruit. In the field, women are mostly hired for work in fruit care, with activities related to the bagging of fruit, removal of obstacles, etc. Overall, unlike the cooperative model, workers in the plantation tend to specialize in one specific activity along the production chain.

Table 8: Number and gender of banana plantation staff

<table>
<thead>
<tr>
<th>MKAVI banana plantation staff</th>
<th>Total</th>
<th>Women</th>
<th>Men</th>
<th>% women workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management staff</td>
<td>16</td>
<td>2</td>
<td>14</td>
<td>12.5%</td>
</tr>
<tr>
<td>Management staff</td>
<td>85</td>
<td>21</td>
<td>64</td>
<td>24.7%</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>81</td>
<td>23</td>
<td>58</td>
<td>28.4%</td>
</tr>
<tr>
<td>Technical staff</td>
<td>131</td>
<td>13</td>
<td>118</td>
<td>9.9%</td>
</tr>
<tr>
<td>Farm workers</td>
<td>596</td>
<td>49</td>
<td>547</td>
<td>8.2%</td>
</tr>
<tr>
<td>Packing house workers</td>
<td>228</td>
<td>119</td>
<td>109</td>
<td>52.2%</td>
</tr>
<tr>
<td>Total</td>
<td>1,137</td>
<td>227</td>
<td>910</td>
<td>19.9%</td>
</tr>
</tbody>
</table>

Source: MKAVI farm manager.

The number of seasonal workers ranges from 120 to 180 according to the season; they are mostly men. For the packing house, seasonal labourers tend to be hired for around four months in the busy seasons.

It is estimated that 99 percent of workers and almost all of the management team are from the Lantapan municipality area. Priority in recruitment is given to landholders who have committed their land to the plantation. According to the farm manager, approximately 70–80 percent of the
full-time employees are landholders or their relatives. The company undertook a census to gather family tree data (extending to grandchildren/grandparents and in-laws) to determine applicants’ relation to the landholders, and thus ensured priority in recruitment.

The ratio of workers to productive land area (2.1 person days per ha) in MKAVI appears to be higher than the average ratio in the lowland banana corporate plantations (reportedly 1.5 person days per ha). The farm manager attributes this to the low-chemical farming policy of the farm, which requires additional labour for manual weeding and fruit care.

**Contractual arrangements**

Until 2006, very few workers were full-time employees. Then Unifrutti changed its labour policy in all of its directly managed plantations (including MKAVI) in response to face-to-face discussions with workers, including one man who walked nine hours to talk to the Chairman in person. This man explained that, having been dismissed the previous week as a contractual worker, his children would now have to drop out of school and he had no money to buy them food. The Chairman described the conversation thusly: “If someone is there in front [of] you telling you something like that, and you are looking into his face .... That is totally different [from] sitting in the Board Room or in an office, getting a presentation that this practice can save us 35–40 percent of labour cost.” Direct hiring and regularization of the labour force were then introduced in all of Unifrutti’s managed plantations. While this policy has significantly increased the operational costs, the Chairman expressed confidence that the decision was correct in a rural context where there are very few other job opportunities for dismissed rural workers. Repeated short-term hiring is now illegal under the Department of Labor and Employment (DOLE) Regulation 18-A, section 7(7), issued in 2011.

Employment contracts are written in Cebuano, a local language, and an employment manual is issued to workers detailing the company’s employment policies and social policy, which includes the commitment to respect and enforce the Universal Declaration of Human Rights. Following requests from workers, seminars have been held on employee rights including those mandated by the government. Focus group participants were all full-time workers, although some had family members who were working under short-term contracts. Unemployment in the area was raised as an important problem, particularly by women workers concerned about the lack of work opportunities for youth, especially those who have already married and established their own households.

**Wages and living conditions**

Daily wages are set above minimum wage levels. The provincial minimum rate at the time of the interviews was PHP259. The level of wages depends on the department to which the workers are assigned. There is no difference in wage rates set for women and men for equal work; however, different jobs are valued differently.

In the packing houses there are a variety of payment rates used. Those carrying out heavy work or working in the canteen are paid by the day. However, those who handle the fruit directly, mostly women, are paid by the box. Incentives were reported to differ depending on each supervisor’s management norms. In one packing house incentives were paid for each box that exceeded the daily target, which women workers reported could add around PHP200–600 per month to their wages. In another packing house, incentives of up to PHP 2,000 per person were offered to workers if they worked a full 12 days in a fortnight, but hours in this packing house were often
later than the others – reportedly (9 days out of 12) later than 6pm. Women reported that they did not clearly understand the reasons for the differences in payment and conditions. However, as noted by the manager, earnings are guaranteed by the company, so that even if target rates are not achieved, wages will not fall below the government mandated minimum wage.

The harvesting teams, exclusively men, are paid according to team performance. Their target is to deliver 30 stems a day, and workers reported being able to earn PHP500–600 a day. Other farm jobs such as fruit care are paid a daily wage of PHP314 per day, but workers can earn performance incentives of PHP2, 600–3, 000 per month (or around an extra PHP100 per day) if they complete coverage of a target area of the farm within the allotted time. A 13th month salary is paid to employees at the end of the year as a right according to labour law. According to the manager, for the last six years, a 14th month bonus has also been routinely awarded for all workers.

Focus group participants, who were all full-time workers, reported that living conditions have improved. Both male and female workers had memories of food shortages and droughts in the area prior to joining the company. One male worker said “I used to plant and harvest corn before. After two harvest seasons [in one year], I could hardly get PHP12, 000. After harvest, we got the chance to buy our needs but during drought, there was really a food shortage. In fact, sometimes we just ate rice once a day.” Participants in both men’s and women’s groups noted that now they were able to have regular meals and to send their children to school.

However, indebtedness appears to be a constant feature of life among the workers; this was a problem raised by women workers in particular, especially those with many children (up to 11 children in one case). Focus group participants reported borrowing small cash advances from MKAVI when they could, as this was interest-free and thus much easier to repay compared with bank loans, which have high interest rates. Women noted that “If we take loans from outside, they [carry] high interest and when we receive our payment, our cheque goes directly to the lender. One of us even lost his [sic] lands.”

Employment benefits and entitlements

Employees reported that they were entitled to several employment-related benefits including sick leave – 15 days; vacation leave – 15 days; emergency leave (in case of accident or family illness, natural calamity or political disruptions) – 5 days; and bereavement leave – 5 days. These entitlements are specified in the employment policies and practices booklet of the company. There is no difference in entitlements between men and women.

Both employees and MKAVI pay contributions to the Social Security System (SSS), Pag-IBIG (Home Development Mutual Fund), and Phil Health national medical insurance system. These entitle the employee to obtain a salary loan, a housing loan, sick leave benefit, maternity leave benefit, and a pension fund. The company has a mandatory retirement age of 60 years old. Employees are enrolled in the Phil Health scheme as well as private medical insurance; medicines are also subsidized. Contractual employees (on a five-month contract) also receive the Social Security System (SSS), Pag-IBIG (Home Development Mutual Fund), and Phil Health insurance benefits, but do not get vacation leave, emergency leave, or hospitalization assistance.

A further benefit offered by the company is child care, which was established in 2012 in collaboration with local municipalities. The service is free of charge, with 30 children to a teacher. However, classes are only for two hours a day, from 8:00 to 10:00, after which another member of the family must pick up their children.
Working hours

Work extends for six days a week, with Sunday considered a rest day/family day for all staff except security. Workers in the plantation work an eight-hour day. However, women in the packing houses reported that the most difficult aspect of their work is the long hours involved. Daily time-out from the factory is dependent on the volume of bananas to be packed. It is not unusual for workers to stay until 6 pm or even 9 pm during the busiest times, having started work at around 7:30 am. When they stay late, a meal is offered at a subsidized price, and transportation is also provided to take workers back to the local town.

The company’s overtime policy was changed in 2010, limiting the weekly overtime to a maximum of 12 hours with a maximum average of 2 hours overtime per day. This was changed because it was noted that excessive overtime was taking a toll on workers’ health. The new limitation of overtime has implications for the output of the farm. Harvested fruit must be discarded if it is not packed within the day, so the harvest is limited to the capacity of the workers.

The social implications of long hours were raised during the women’s focus group discussions. For some women the workload is beginning to put a strain on family life and is a cause of absenteeism. “Since I get home late most of the time, I barely get the chance to assist my child in her studies. I have very [sic] less time for my child.” Another woman described “feel[ing] very tired when I get home and my husband and I have no time to talk to each other”. Other women emphasised that the increased workload is compensated by the higher income: “I worked less hours [sic] before, now I work longer hours but at least I get paid. It’s better now meals are regular and income is higher, I am able to send my children to school, and I can buy [sic] my needs.” Some women reported that if their husbands were home earlier, they often helped with household chores.

Occupational health and safety issues

According to Unifrutti plantation policy, no woman is allowed to work in the packing house station that applies the treatment of fungicide to unripe bananas, as there may be a risk for an unborn foetus, and it is not possible to determine if a woman may be newly pregnant at any given time. Pregnant women in later stages of their term are given lighter tasks within the packing house, such as sticking labels onto bags. Workers in the packing houses mostly stand throughout the day until rest time. Pregnant women are given lighter tasks that allow them to sit down.

As in the cooperatives, MKAVI also provides protective gear (boots, waterproof clothing, and hairnets) to packing house workers to wear up until the fruits have been packed in boxes. Wearing personal protective equipment is mandatory.

There is a clinic available in the plantation, but workers in the focus group discussion felt that there were not enough medicines at the clinic. Following a request from the workers, there is now an ambulance permanently available on standby.

Workers’ representation and voice

The group of workers who are also landowners are organized into an association, with officers elected once a year. At their quarterly meetings they discuss issues such as incentives, contractual employment, and increases in annual land income. Members are entitled to write problems down and drop them into a box, but focus group discussion participants report that there is no direct feedback. Issues relating to increasing the employment of workers outside of the landowners’
community have been brought to the attention of the Land Owners Association, but so far there has been no response.

There have been attempts in the past by people outside the landowners’ community to organize a labour union. However, focus group discussion participants indicated that landowners, who are the largest workers’ group, did not favour unions. Asked if focus group discussion participants thought a union would be helpful, one male participant answered: “For us? No. A union came here before but it did not prosper. We did not vote [for it]. And if we voted for the coming in of the union, we might get terminated. Also, as most of us are landowners we give our loyalty to [the company]. We are happy with our benefits.” Another man also expressed his opinion that “If we join a union, it is more likely that we [will] lose our jobs. If we join the union, we won’t get job[s] from the company anymore.” These statements indicate that workers are not aware that they cannot legally be dismissed on such grounds. Women workers also emphasised that “[if we complain] we are afraid that our supervisor might report that we are fighting against the company. Dili lakas (‘We don’t have power’).”

3.3.4 Values Reconciliation Board

Unifrutti has recently established an unusual mechanism for internal accountability called the Values Reconciliation Board. Since 2012, the VRB meets once a month in each company-managed plantation or Unifrutti office and is composed of representatives of employees at all levels (except intermediate level managers). There is no formula for discussion, but all employees are entitled to bring any issues relating to employment conditions or internal company relations to this Board. The purpose of the Board is to allow workers to bring to light areas where the company’s actions are not in line with Unifrutti’s expressed values. The Chairman of Unifrutti attends some of these Board meetings and considers them to be one important way in which the stated values of the company can be put into practice. These values are also regularly discussed in one-hour, weekly “values formation sessions” (an established practice of the company since 1999); all employees are strictly expected to attend, and they are counted as paid working hours.

The representatives on the monthly Board are elected by the workers; a few are women, though in the case of MKAVI it is mostly men who lead the Values Reconciliation Board. Company officers noted cases where rank and file employees called on upper management to be more equitable in the way they operate. Other staff noted that certain managers have been replaced as a result of complaints raised through the Values Reconciliation Board. The company’s Code of Dismissal was given to the VRB over a process of four months in order to involve the entire staff in determining rules and processes for disciplinary action.

Asked if the Values Reconciliation Board was a valuable mechanism to mediate problems, male workers responded “Yes, if it functions very well, and [no] if it doesn’t. What matters to us is that the VRB should bring our voice and resolve our issues. However, the system is better now as the CEO and a representative from the administration attend Values Reconciliation Board meetings.”

One example of an issue brought to the Board by the focus group discussion participants was the lack of availability of medicines, which still had not been addressed at the time of interviewing. The need for clarification of employment policies and statutory benefits was raised through the Board, which led to a series of seminars on employee rights. Another issue, a request to lower the retirement age from 60 to 55 for the packing house and harvesting staff, is still under consideration and is being debated in the Board at MKAVI.

Some of the female workers in the focus group discussions were reluctant to raise complaints. One woman expressed it in this way: “We never tell [management] of our issues because it might affect our personal/work evaluation. We have to protect ourselves. We become hesitant to push
and speak of our problems and issues because we feel they are biased. Even if we wish to, we never approach them, because we believe they won’t listen to us”. These comments indicate that more efforts are required to empower workers to assert their rights – especially the more vulnerable groups, which may include Indigenous People women – and to provide clear safeguards that their jobs will be safe, if the VRB is to become the “levelling mechanism within a hierarchical structure” that the Chairperson of the company envisions it to be.

3.3.5 Community outreach

In addition to the activities of the Hineleban Foundation in the Bukidnon area, MKAVI also provides financial support for local community livelihood activities, including metalworking, raising indigenous chicken, and portable water supply facilities, in collaboration with local government units. Women workers in the focus groups valued the availability of scholarships from MKAVI. Since 2002, scholarships have been funded for 30 children (four years of high school and four years of college) from poorer households, according to certain selection criteria (means testing and school grades achievements). Some MKAVI employees are previous scholarship recipients. MKAVI also supports community and school libraries as well as science lab classrooms and water and sanitation facilities for rural schools. Asked about the broader impacts of MKAVI on the community, male workers in the focus groups cited the preservation of the environment and the employment provided by the plantation to the community, also noting that peace and order in their area is currently stable.

3.3.6 Environmental management in the corporate plantations

Water quality has been a persistent problem in the banana industry. Aquatic species in the rivers have been killed as a result of toxic runoff from some plantations, reportedly due to extensive use of strong chemical nematicides applied to banana plant roots. Unifrutti reports that 15 years ago they banned the use of such chemicals and now instead apply copious organic composts. Water conservation is reported by company officers to be particularly critical in the highland farms in view of the large numbers of people in the community, and further downstream, who depend on the use of the water. In MKAVI, a drip irrigation scheme is adopted, along with water filtering and recycling and monitoring of water quality in impounding pools. The company also has a soil conservation policy which states that no topsoil should leave the farm.

Sixteen of the banana farms managed or marketed by Unifrutti (all producing highland bananas) have been certified by the Rainforest Alliance as complying with the required 12 good practice standards, including environmental management systems, equitable benefits, and fair working conditions. The farms have achieved high rates of compliance with RA standards every year (Prospero, 2009), with the latest report for MKAVI showing 97.28 percent compliance in 2012–2013. Currently all Rainforest Alliance certified banana farms in the Philippines are linked to Unifrutti.

The company is a major partner of the Hineleban Foundation, a not-for-profit organization working on reforestation and livelihood projects in Bukidnon and Autonomous Region of Muslim Mindanao. This has initiated livelihood projects for Indigenous People mountain communities growing coffee and other forest crops, providing support for the indigenous farmers to develop

42 For standards related to Philippine banana production, see: http://sanstandards.org/sitio/_files/250810112723.pdf. According to the Rainforest Alliance website, as of April 2013, the total area of RA-certified banana production in the Philippines was 3 583 ha in 16 farms, all of which are under the management of Unifrutti Services Inc. Certification is carried out by a company, Sustainable Farm Certification, Intl. The Rainforest Alliance certification generally requires higher environmental and social standards than conventional production methods. It allows the use of agrochemicals under certain guidelines.
their own seedling nursery, carry out post-harvesting and roasting, and then sell the product directly to consumers. The aim is to support a stable and sustainable livelihood for indigenous peoples' communities and to strengthen their role as custodians of the rainforest. Hineleban has entered into a partnership with the Department of Environment and Natural Resources, Local Government Units, and people’s organizations for the sustainable reforestation and watershed management of 1,054 hectares of mountain rainforests in the two provinces of Bukidnon and Lanao del Sur in Mindanao.

In synthesis, the Mt Kitanglad Agri-Ventures Inc. (MKAVI) banana plantation is a joint venture between Unifrutti and local landowners in Bukidnon province. The land title holders – 58 percent men and 42 percent women – lease the land to MKAVI in return for annual rent and a modest share of the banana harvest. Women constitute a minority (approximately 20 percent) of the 1,137 full-time workers, except in the packing houses where they account for 52 percent, owing to their care in handling the fruit. Although there are pay incentives for exceeding production targets, this often involves working many extra hours in a given day or week. Some female workers find the long hours to be a strain on their family life; however, most full-time workers (male and female) find that their living conditions have improved since working for MKAVI. Both male and female employees receive health insurance and retirement benefits, and small cash advances are available interest-free.

The MKAVI management has shown itself to be responsive to the needs of women and families, and of workers’ requests in general. Accommodations are made for pregnant women who are working, and some child care and scholarships are provided. The full-time hiring policy that began in 2006 was the result of listening to workers’ needs through face-to-face discussions. Furthermore, the company has established a Values Reconciliation Board, whereby workers may raise concerns about working conditions or company relations. This has yielded some positive results, including removing managers for impartial behaviour and offering seminars on employee rights. However, even though the representatives are elected by the workers, the board tends to be mostly male; in addition, some women are reluctant to raise complaints for fear of endangering their jobs.
4. Lessons learned, good practices and recommendations
4.1 Introduction

This report analyses the engagement of Unifrutti Philippines, a major producer, processor and exporter of pineapple and banana in the Mindanao Region of the Philippines, with rural local communities through two main agribusiness models: growership arrangements with agrarian reform cooperatives, and a corporate-managed plantation. The analysis clearly shows that by they own reports rural communities have benefitted from the income-generating and employment opportunities created by the investment, and that the livelihood of rural women and men participating in the schemes, as well as that of other members of the communities involved, have improved.

Several factors have contributed to these positive outcomes. In the case of growership schemes, four major factors have played a significant role. First, the Comprehensive Agrarian Reform Program granted poor rural communities access to land and a certain degree of land tenure security, primarily through the formation of Agrarian Reform Beneficiaries (ARBs) cooperatives. Second, the creation of cooperatives was fundamental not only for engaging more efficiently and on a more level playing field with investors, but also for generating additional benefits for the communities involved. Third, ARB cooperatives have received technical, legal, organizational and financial support from the government and FARMCOOP to engage in agribusiness ventures with Unifrutti. And finally, fair and transparent contractual arrangements were established in which rewards, risks and responsibilities were shared and satisfied all parties involved.

In the case of the plantation model, the company has adopted specific measures to respect the rights of the landholders and to ensure that they and their families benefit from the employment opportunities created. Likewise, the plantation model offers interesting lessons in terms of quality employment and good environmental practices. In both business models, Unifrutti has demonstrated a strong corporate ethos and the willingness to establish long-term, sustainable relationships with local communities.

At the same time, the study also illustrates that despite the positive results obtained there is still room for improvement, particularly regarding gender issues. The insufficient attention given to gender from all the actors involved, including the company, the cooperatives and the government, has led to a situation in which benefits and opportunities have been unequally distributed among rural women and men. For instance, women’s participation in growership models has been limited primarily as a result of a biased agrarian reform programme. Similarly, men benefit more from the jobs created in the plantation, while women are greatly under-represented in managerial positions and tend to be concentrated in the packing houses.

This chapter highlights the main implications for the participating communities of the investment opportunities implemented by Unifrutti. It also makes some specific recommendations for the cases analysed and draws lessons for agriculture investment policy processes so that more gender equality results can be achieved.

4.2 Key implications relating to access, use and control of land

A critical component underpinning the growership schemes is the fact that contracting farmers had relatively secure land tenure prior to the investment, owing to the agrarian reform programme previously implemented in the country. However, different initial endowments of land, from as little as 0.75 ha to a full 3 ha per ARB in the three cases examined, have influenced different outcomes for farmers engaged with the same company on similar terms. For farmers with smaller plots of land, indebtedness is a constant concern. Because these farmers have fewer opportunities
for diversification, they also suffer the highest income losses from crop diseases and climate events.

Land was distributed under the CARP without attention to gender equality, such that women are in the minority of ARBs nationwide and in the banana sector in particular. The eligibility criteria excluded many women from the ARBs: land was distributed primarily to full-time workers in the banana plantations, who were mostly men. Thus only a limited number of landless women, who were mostly casual labourers, qualified as beneficiaries.

In the case of the corporate-managed plantation, about 400 landowners ceded control over the land by leasing it to the MKAVI company (a subsidiary of Unifrutti) under a Farm Development and Marketing Agreement for a period of 25 years.

Leases were formalized after a series of informal and formal consultations with male local community leaders, including tribal chieftains and local government representatives (which included women representatives). Due diligence was observed, as the company also carried out its own cadastral survey to clarify the land rights of the local communities; a process of conflict resolution was also established. A lesson learned by the company was that participatory approaches to understand prior land tenure rights should go beyond identifying individual landholders, given that overlapping claims may exist, for example on shared land resources such as trees and water.

Landowners participating in the focus group discussion reported that they were allowed to participate in the negotiations and are currently working in the company. They expressed satisfaction with the yearly rent received and the labour conditions in MKAVI, in particular since the new employment policy was adopted (see section 4.4). However, further research is needed to confirm that their livelihood conditions have improved.

4.3 Key implications relating to the outgrower schemes

The business relationship between Unifrutti and the three cooperatives analysed offers several lessons and good practices for the establishment of fruitful and sustainable partnerships between private enterprises investing in the agriculture sector and local communities.

Inclusiveness and gender equality

The degree of inclusiveness of the cooperatives and therefore of the venture has been limited by the country’s gender-biased agrarian reform process. The research shows that access, use and control of land is a critical requirement for participating in and benefitting from the agribusiness ventures between the cooperatives and the corporation. The fact that women were discriminated against when land was redistributed has clearly excluded them from participating on an equal footing with men in consultation and decision-making processes. In all three cooperatives studied, men represent the large majority of members, with women representing only between 5 and 20 percent.

The gender imbalance in coop membership has resulted in a lack of female representation in decision-making roles within the cooperatives, including two where almost all management staff and committee chairmen, and indeed all Directors of the Board, are male. In the third cooperative, although females are still in the minority, women play stronger roles in the management of the cooperative, including taking the lead in negotiating with the agribusiness partner on behalf of an alliance of three cooperatives. Strict adherence by management to coop policies and production standards, with women as key managers, has been credited with maintaining consistently high
yields and positive working arrangements for coop employees. However, further research is needed to assess if there is a direct correlation between female representation and improved coop performance.

Moreover, while support for ARBs engaged in Agribusiness Venture Agreements (AVAs) has focused on primary production development, off-farm incomes and livelihood opportunities for other members of the community, particularly non-ARB spouses, remain limited. These are particularly important in cases where land resources are poor in either quantity or quality and prove insufficient to lift families out of poverty. Given the gender bias in ARB selection, this in essence represents a lack of attention and support to generating additional opportunities for women’s livelihoods in these circumstances.

A set of Guidelines for Mainstreaming Gender and Development in Cooperatives has been recently adopted by the Cooperative Development Authority. The guidelines require the definition of a gender policy, the approval of a plan of action with a clear budget allocation, and the establishment of accountability and monitoring mechanisms. Such a strategy should help to close the existing gender gap in cooperative membership and decision-making. In addition, the government should adopt the necessary measures to ensure that cooperatives fulfil the requirements in terms of gender equality and women’s empowerment.

**Production and income generation**

The research found that both male and female farmers participating in the scheme were satisfied with their current role as farmers and with the levels of production and income achieved, as well as with their relationship with the cooperatives and the company. For instance, ARBs felt that their concerns were heard in an open dialogue and that the contractual arrangements were fair and transparent. By negotiating a Free on Board (ex-packing house) contract with the company rather than a simple contract-growing agreement, communities have been able to derive value not only from primary production, but also from post-harvest care and processing, collective farm management, and quality control.

The contract negotiations between the cooperatives and the company ultimately formed a good foundation for the current commercial relationships in the cases studied. Communities were represented during the negotiation process by large delegations that engaged directly with senior company decision-makers. However, it must be said that with the notable exception of one cooperative, women’s participation in these processes was low.

For the communities involved, the price of the product is the most important factor in the perceived fairness of the contract. For many of the banana-producing ARB communities elsewhere in the region, it has proven very difficult to arrive at a price that farmers consider to be fair, which has influenced the widespread practice of “pole-vaulting” or side-selling. In the cases analysed, the company initially offered a floor price that compared well with other contracting companies, and then periodically raised the price paid in response to market increases. This, along with the willingness to support the coops through financial difficulties with preferential loans, low-cost inputs, and technical advice, were reported to have helped build a positive company–community relationship and minimized the incidence of “pole-vaulting”. As farmers continue to develop their own business acumen and expertise, they are becoming more prepared to negotiate for a fairer product price.

Interestingly, figures from the company show that banana yields under cooperative production models, including the three cooperatives studied, are higher on average compared with those achieved under other production models. The high performance of these cooperatives might be due
to the fact that farmers have received continuous technical support from the cooperatives, the company, the government and NGOs to help them succeed in their new roles as farmers and business partners.

Equally important has been the recognition that both outgrowers and the company share risks unique to their roles, and therefore support each other. For example, when there were sharp declines in demand because of restrictions on shipments to Iran and China, Unifrutti continued to purchase fruit from the coops (even if the produce was simply discarded), thereby shielding the coops from global market risks.

Although environmental risks tend to fall on the farmers, the company makes environmental management a priority, and its extension staffs are available on a daily basis to provide advice on sustainable farming techniques. However, environmental/production risks appear to be on the increase, with unusual weather and pest outbreaks causing serious damage to crops. The state has ended up bearing some of these risks, but often it can take time for it to deliver adequate support. Smarter, better-planned distributions of these risks among investors, farmers and government could help to provide a more effective safety net in times of extreme weather events and rapidly spreading crop diseases.

**ARB labour patterns**

The study found that both female and male outgrowers work in banana cultivation without major differences in the tasks performed. In the coops studied, both women and men work in banana cultivation including soil preparation, plant and fruit care. Wives of male ARBs participate and contribute to all these tasks but do not have a direct input in the decisions adopted by the cooperative.

Overall, coop farmers seem to be satisfied with their new role as managers of their farms, with expanded responsibilities but also increased flexibility over working hours (although in some cases the workload has increased). Women reported having a better work–life balance compared with when they were wage workers. Particularly appreciated is the fact that they now have more time for their children.

Both male and female ARBs are often supported by help-outs whose contribution, along with unpaid family labour, to the success of each household’s banana enterprise is significant. Help-out arrangements tend not to be governed under contracts but by kinship and community relationships, and their payments seem to be well below the minimum wage in the region (except in the case of one coop that is stronger financially). Two coops do not regulate help-out rates or labour conditions; the third coop has rules in place to make sure help-outs are not underpaid. However, despite some exemplary behaviour from individuals or single coops, the lack of formal security or contractual benefits provided by many farmers has led to the help-outs being described as a newly emerging “underclass” within the banana sector.

Interestingly, coops seem to take the prevention of child labour seriously. Farmers interviewed reported that only youth over 18 were recruited on the family farm, in line with policies developed by the cooperatives.

**4.4 Key implications related to wage work**

In addition to farming, the agribusiness partnership has contributed to the creation of formal wage employment both in the three cooperatives analysed and in the corporate plantation model.
Working conditions and wages

Altogether 635 ARBs in three coops have created around 253 full-time jobs in their packing houses and 110 positions for management and administrative staff. Numbers are higher in the corporate plantation, with close to 1 200 full-time jobs – including workers, employees and managers. In MKAVI, farm workers make up more than 50 percent of the labour force, mainly men.

The number of full-time employees in the packing houses of the three coops differs considerably and is supplemented by both seasonal labour during the peak season and casual labour hired on a day-to-day basis (to cover absenteeism). In MKAVI the large majority of the labour force is made up of full-time workers who have job security as well as benefits mandated by labour law.

The analysis conducted clearly shows that the employment opportunities generated are strongly influenced by gender patterns. On the one hand, women’s employment in the packing houses, both in the coops and MKAVI, are higher than those of men. This is particularly true in the cooperatives, where women workers represent altogether 65 percent of workers, while in MKAVI the rate reaches around 52 percent. Furthermore, women tend to be concentrated in activities that involve more care (i.e. handling the banana fruit directly), while men tend to be given heavier tasks and jobs involving the application or mixing of chemicals.

On the other hand, the more rewarding positions, such as office staff and managerial positions, are male-dominated in both the cooperatives and the corporate plantation. In MKAVI for example, female participation in managerial staff positions reaches only 24 percent, and in senior managerial positions reaches less than 13 percent.

Coop packing house workers reported that hours and conditions have improved with respect to conditions in previous corporate employment, as cooperatives have opted to hire more workers per output than previous employers, which reduces the amount of overtime required. However, packing house workers, both men and women, are paid at piece rates that equate to little more than the minimum wage, despite their skills being as critical to maintaining the value of the product as the crop production process.

Both the coops and MKAVI have an occupational health and safety policy which requires workers to wear personal protective equipment to minimize health risks, with particular attention given to protecting pregnant women.

MKAVI has enacted a number of interesting measures that can be seen as good practices. First, after workers mobilized to request an end to short-term hires, the company changed its labour policy in 2007 towards regularization of the labour force. Second, almost all workers are from the local area, and family members of the landowners who leased their land to the plantation are given priority in recruitment. Family trees were recorded at the outset as a mechanism to ensure priority to those who gave their land. Third, ethical values are reiterated through weekly assemblies, and an internal mechanism known as the Values Reconciliation Board has been established within the main offices of the company. Through these Boards, workers are invited to review management policies and practices and make the case for improvements.

Trust, fairness and ethical values

The company is perceived by outgrowers and wage workers as a business with a strong corporate ethos. The good relationship between the cooperatives and Unifrutti has been sustained by many factors. Foremost among these is the accessibility of senior decision-makers within the company.
This allows both parties to discuss, negotiate and address emerging problems directly and relatively quickly. Also important is the fact that the company is seen to hold itself to standards of transparency and fairness. Focus group discussion participants noted that the company has not reneged on any agreements or promises, nor delayed any payments, and has lived up to its contractual obligation to purchase produce even during external market collapses.

One important factor influencing Unifrutti’s practices is that it maintains its base in rural Mindanao. This works to expose officers to the direct consequences of the company’s interaction not only with the communities involved, but also with the environment. The proximity also serves to motivate the company to ward off problems before they become too serious. The company’s expressed commitment to improving the communities’ quality of life, restoring the environment, and to ethical values has led it to take important decisions (such as the regularization of its labour force) in order to sustain its relationship with the communities.

Moreover, the company managers demonstrate that they are open and willing to improve the overall conditions for the workers. After this report was shared with the management to verify the accuracy of the information provided, the research team received the following message from the manager:

“The section on our ‘Values Reconciliation Board’ in the report, which [sic] points out that the representation on the VRB is mostly men – which really means that in the elections, the women decline to be nominated against their male counterparts – with the result that their concerns are not voiced. We appreciate this observation and will set up a ‘Family Reconciliation Board’ to be composed of members elected by workers, but only women elected by women. In this ‘FRB’ they may raise any issue that is raised at the VRB, in addition to those that may be more the concern of women and their family concerns.”

4.5 Fostering policy, legal and institutional environments for more inclusive, responsible and gender-equitable agriculture investment

While the case studies analysed constitute interesting examples and shed light on both shortcomings and good practices, the existing national policy, legal and institutional environment is not conducive to the promotion of responsible, inclusive and gender-equitable investments in agriculture – although some promising elements are in place.

**Recommendation 1: A careful review of all policies, legislations and institutions regulating agriculture investments is needed to ensure policy coherence, as well as better governance and accountability mechanisms.**

The review of the policy context associated with land-related investments in the Philippines reveals an extensive web of laws, administrative regulations and memorandums governing the responsibilities of line ministries related to rural development. However, many laws remain sectoral in approach, including the Agriculture and Fisheries Modernization Act (AFMA), the National Integrated Protected Areas System (NIPAS), the Comprehensive Agrarian Reform Law (CARL), the Indigenous Peoples Rights Act (IPRA), and the Local Government Code (LGC), leading to disjointed provisions in different sectors and land use zones. A more integrated approach would likely be more effective, that is an approach that will bring together labour, trade and finance policies and strategies.

The complexity of laws and policies in the Philippines has created areas of administrative overlap, particularly within the rural sector. It has also left important gaps. For example, there is no government agency that can present comprehensive information concerning the extent of land-
related investments in the country. The availability of updated and reliable data is essential for informed policy-making as well as for monitoring and evaluating activities. Relevant data on land-related investments should be registered and updated by one national institution, to which all agencies and local government units actively contribute. The information should be comprehensive and include data disaggregated by sex and age.

Likewise, the promotion of agribusiness development is carried out in different ways by various agencies, according to diverse priorities. Efforts are currently under way to try to integrate the approaches implemented by the main rural development agencies (particularly in public lands) through the National Convergence Initiative. Within this, a process has begun to unify and improve the various guidelines and procedures for attracting, assessing and monitoring new investment projects. This will be important in setting standards and improving regulation. However, a more comprehensive approach to land use planning and management is necessary at local as well as national levels. At the time of the fieldwork, this was under discussion in Parliament through consideration of the National Land Use Management Bill. The government should move towards devolved long-term, participatory land-use planning frameworks, where there is increased input from local people (both women and men), and should also establish strong accountability mechanisms.

The fragmented approach to promotion of agribusiness development is mirrored by the regulatory functions of government. However, these are much fewer and tend to be shared among sectoral agencies. Policies of the DAR, such as requiring the evaluation and endorsement of Agribusiness Venture Agreements, have not been carried out in most cases – although recent moves towards such evaluations as well as legal support for Agrarian Reform Beneficiaries have been noted. There should be one agency with overall responsibility to ensure that the modes of operation of investments adhere to standards of equitable and responsible practice, and that the impact generated genuinely contributes to the goals set out in the PDP.

**Recommendation 2: Monitoring and evaluation systems should be strengthened to ensure that agriculture investments further development goals and objectives in terms of inclusive growth, gender equality, food security and poverty reduction.**

Given that rural investment projects are promoted and permitted in the name of development, and are also underpinned by various forms of government support, such contracts/projects should be more closely monitored by responsible agencies. One agency should be given the lead responsibility for remedial action in cases where the implementation of the investment is having adverse or risky implications for rural women and men involved. Furthermore, the government should identify the steps that can be taken to remedy the situation, including providing support to communities who seek a contract termination in cases where the venture appears to be leading to their prolonged impoverishment.

**Recommendation 3: Inclusive, gender-equitable and participatory policy-making should be encouraged.**

The former policy strategy of trying to match the needs of investors to areas of “available” lands has not prospered, not least because such areas do not exist in reality. Almost all land suitable for agriculture is already legally occupied or claimed by low-income communities, and is critical for their livelihoods. Furthermore, a top-down approach is not conducive to finding a good match with the needs of the rural population. Rather, a bottom-up and participatory approach should be adopted to assess what the differentiated needs of women and men are, and where the barriers are that limit their own investments and employment generation. Particular attention should be given
to ensuring that the voices of women and marginalized groups are heard and taken into account in policy-making processes. Properly assessed, these can be more closely matched with proposals from responsible investors or targeted government funding to support producers’ collective efforts.

**Recommendation 4:** When negotiating contractual arrangements with investors, regular and consistent support should be given to producers’ organizations, cooperatives, and farmers’ groups in general.

Governmental efforts for promoting joint economic enterprises between ARBs and large agribusiness companies, known as Agribusiness Venture Agreements (AVAs), have not always been successful. Very often the many rules and processes put in place to govern the AVAs have not been observed, which has led to unfavourable contracts for the ARBs. In 2011, the DAR put in place a support programme for beneficiaries to access legal services; however this opportunity comes too late for farmers who have already signed AVA contracts under unfavourable terms.

Communities should be supported when negotiating with investors, particularly when they are inexperienced in commercial production. Support should come from both legal experts and independent business experts to help smallholders understand and articulate the full and variable costs of production, making sure that labour and environmental standards are observed. A set of guidelines could be developed in major sectors, such as the banana industry, to help protect small-scale farmers from unfair deals and to ensure that the interests and rights of women are respected. For example, long-term contracts should be discouraged while communities are still learning the ropes of the agribusiness or are unfamiliar with the operating norms of the other party. Tenure security, development of productive and organizational capacities, timely relief from the impact of natural disasters, and other governmental support can help empower communities and increase their negotiating strength.

**Recommendation 5:** Attention and priority should be given to investments that will create decent employment for the rural population (in particular marginalized groups), paying particular attention to gender equality and women’s empowerment.

Investments that provide opportunities for diversification of incomes, for example encouraging community-level processing and other rural services, should be prioritized to address the critical lack of existing rural employment in many areas. In developing new sustainable opportunities for women and their families, their needs for investment and government support should be carefully assessed. These opportunities should aim to alleviate existing burdens and to improve the well-being of rural women. This entails channelling investments to strengthen access to rural services, in addition to improving the working conditions of both women and men employees.

Efforts should also be devoted to ensure that the Voluntary Code of Good Practices on Decent Work+ signed in 2010 for the banana industry in Mindanao is implemented by investors. Awareness raising campaigns show-casing how better working conditions are conducive to win-win situations for workers and investors can contribute to change investors practices. MKAVI offers lessons and good practices that that can be disseminated, albeit more attention needs to be given to gender.
**Recommendation 6:** The government should devote particular attention and efforts to ensure gender sensitivity in all agriculture investment policies, including land policies.

As in many countries, national gender policies and objectives within broader agricultural development and poverty reduction strategies exist on paper, but are often lacking in implementation. As a result, the work of developing a gender framework in the Department of Agriculture is just beginning, and gender mainstreaming in investment-related policies and programmes is absent. A gender audit of rural investment policies should be conducted so that recommendations can be included in future review processes. Concerning land legislations and policies, efforts are needed to redress some of the negative gender and equity aspects of securing local land rights in rural areas. Gender mainstreaming in all institutions managing and administering land is critical. Without awareness raising and training within institutions, the implementation of gender-sensitive strategies will fall short of stated objectives.

Gender issues also continue to be compartmentalized when it comes to the implementation of laws by different departments, despite the attention given to integrating relevant provisions of overarching laws into all other legal and policy frameworks, such as the landmark Magna Carta of Women adopted in 2009. For example, gender provisions in the CARP are the subject of one set of implementation guidelines, while there are separate sets of CARP implementation guidelines addressing land acquisition, distribution, etc. Guidelines form the basis of separate annual work plans and budget allocations. This situation is not conducive to integrating gender issues into the “mainstream” work components of the main rural development agencies.

A clearer focus on stimulating economic livelihoods within the Gender and Development strategies of different rural development agencies could pool budget resources to promote investments that can benefit women who have been excluded from opportunities elsewhere. Preliminary efforts to promote the processing and marketing of a variety of food and other commodity products (rejected bananas in one community, for example) should be expanded, along with other opportunities for decent employment in rural communities.

Concerning changes in customary practices that underpin and reinforce gender inequalities, significant awareness raising and education for public and traditional authorities is needed. Although this is a complex and sensitive process, it is essential for promoting gender equality and therefore for fostering sustainable food security and poverty reduction.
UNIFRUTTI GROUP - PHILIPPINES

VISION
We are stewards of God, involved in efficiently producing quality fresh fruits & vegetables;

We share the fruits of our lands, with our communities and stakeholders;

We provide a better quality of life;

We contribute to the peace and development of our brother Muslims, Indigenous Peoples and Christians in Mindanao;

We preserve and restore the environment.

MISSION and CORE VALUES
We are a God-centered organization, united as One Family.
We uphold God’s values of Love, Truthfulness, Trustworthiness, Discipline and Perseverance;

We want to be the preferred supplier of best quality fruits and vegetables to the markets that we serve, adding value to our customers at a reasonable cost;

We are committed to improve the quality of life of our brother Muslims, Indigenous Peoples and Christians by pursuing agricultural activities in our lowland and highland farms;

We will expand our investment presence in Bangsamoro, Mindanao to support our country’s aspiration for lasting peace through economic development;

We will safeguard the interest of our shareholders by providing fair returns for their investments;

We will preserve and restore the environment by implementing reforestation and other enhancement measures to maintain the ideal micro-climates conducive for sustainable agricultural production.
Annex 2: Key informants and focus group discussions

Manila
Maria Lisa Alano, Ph.D. student
Joann Fernandez, Researcher, RIGHTS Net Officer
Gisela H Tiongson, Executive Director, Jollibee Foundation
Joanna T. la'O, Programme Officer, Jollibee Foundation
Henry Lim Bon Lioni, Chairman and CEO, SL Agritech Corp
Estrella Penunia, Secretary General, Asian Farmers Association for Sustainable Rural Development (AFA)
Elena Rebagay, Advocacy Officer, AFA
Marciano Virola, Operations Officer, AFA
Socrates Banzuela, Paksama
Aristeo Portugal, Assistant FAO Representative, FAO
Riza Torrado, Gender and Development Officer, Pantawid Pamilya Programme, DSWD
Venus Samson, Pantawid Pamilya Programme, DSWD
Markus Dietrich, Director, Asian Social Enterprise Incubator, ASEI
Marites Dejelo-Barnardo, Executive Assistant, Office of the Secretary, Department of Agriculture
Amparo Ampil, Economics and Policy Analysis Officer, Office of the Undersecretary
Segfredo Serranom, Department of Environment and Natural Resources
Henry Padilla Pacis, Deputy Executive Director, Land Administration & Management (LAMP) Project, Department of Natural Resources
Isagani Serrano, President, Philippine Rural Reconstruction Movement (PRRM)
Rebecca Miranda, President, Daluyong (Women Farmer’s Federation)
Larry Digal, Dean, School of Management, University of the Philippines (UP) in Mindanao
Sarah Lacson, Assistant FAO Representative, FAO
Marriz Agbon, Executive Director, Philippine Agricultural Development and Commercial Corporation (PADCC)
Marriz Agbon, National Focal Person, DA-DAR-DENR Convergence Initiative for Sustainable Rural Development
Gladys Gopez, Project Development Officer at National Convergence Initiative for Sustainable Rural Development, PADCC
Andreas Lange, Chief Advisor, Local Governance GIZ
Matthias Oesterle, Programme Coordinator, Civil Peace Service, GIZ
Genevieve Asselin, First Secretary Development, CIDA
Narcisa Rivera, Senior Program Officer, CIDA
Danilo Carranza, Director, RIGHTS
Anna Manahan, Director, Kaisampalad Farmers Organization
Daryl Leyesa, Secretary General, National Rural Women Congress (PKKK)
Lorenza A. Umali, Chief, Monitoring and Evaluation Division, Philippine Commission on Women
Corazon Halili-Dichosa, Director, Industrial Policy Department, Department of Trade and Industry, Board of Investments
Lilian Cotaz, Sectoral Studies Division, Resource-Based Industries Department, Department of Trade and Industry, Board of Investments
Resty Osias, Executive Director, CLUPPI, Department of Agrarian Reform
Nathaniel Don Marquez, Executive Director, ANGOC Asian NGO Coalition for Agrarian Reform and Rural Development
Maria Golda Paz Hilario, Economic Justice Policy Advocacy Officer, Oxfam Philippines
Genaro Castro, Programme Staff, FAO

Mindanao
Atty Koronado Apuzen, Executive Director, FARMCOOP, Bajada, Davao City
Fidel B. Morales, OIC Regional Director, DAR-Region XI, Davao City
Aurora Canasal, Chief for Agrarian Reform Program, DAR-Region XI
Richard C. Ano II, Focal Person GAD, DA-RFU XI, F. Bangoy St., Davao City
Merlinda Castillo, Agribusiness Division, DA-XI
Teofila Capirig, Banana Point Person, DA-XI
Melanie Provido, Program Mgt, High Value Crops
Marizon S. Loreto, Regional Director, DTI-XI (Also the National Point Person for the Banana industry)
Rita Pombo, Senior Trade Development Specialist, CARP, DTI-Region XI
Dennie K. Udtohan, Sibulan Organic Banana Growers
Pedro Cruz, MARS, Malagos Garden Resort, Calinan, Davao City
Edren Panti, Unifrutti, AVP Corporate Environment, Health and Safety
Roberto Sebastian, Jr, Unifrutti, External Head, JVC Quality
Edgar L. Bullecer, Unifrutti, Environmental & External Relations
Hermínio Martin, CEO, Unifrutti
John Perrine, Chair, Unifrutti
Mr Coquilla, Subasta Coop, Calinan, Davao City
Ireneo Dalayaon, CEO FEDCO
Gerlon Mawili, Coop Manager, Manuel Guianga Banana Cluster Cooperative (MCBC)
Oren Ocleasa, Monitoring & Eval Manager, ACDI VOCA
Pedro Terry Tuason, Senior Program Manager - Agriculture and Natural Resource Management, CRS
Rodolfo P. Del Rosario, Governor, Davao Province, Government Center, Mankilam, Tagum
Dominador A. Encarnacion, Jr, Provincial Agriculturist Officer, DA-Davao Province
Engr. Edwin O. Banquerigo, Provincial Director, DTI-Davao del Norte
Tedosito Galvez, Technical Person for Banana, DTI-Provincial Office, Davao del Norte
Eldorado Gualberto, Comprehensive Agrarian Reform Officer, DAR Davao Province
Pefecto Urdaneta, DPRDI
Bobong Dela Cruz, DA, Kapalong
Anselma Ronquillo, BOD Chair, AMSEFFPCO, Sampao, Kapalong, Davao del Norte
Nonoy Antipuesto, BOD Chair, AMSKARBEMCO
Carmela Pedregoza, Coop Manager, CFARBEMCO
Cleotse Chicote, Office Manager, TCBC
Theodore Garcia, CSI Trade Ventures, San Isidro, Dvo Norte
Nenita Nazareno, Former DTI Provincial Director (Dvo Norte) & Consultant, CSI
Gacita Probara, Coop leader, Dacudao MPC
Rosalinda Sarmiento, Coop leader, Samasami Coop
Romana Mahilum, Coop leader, Linao Farms MPC
Diosdada Cuertas, Coop leader, Manangan Farms MPC
Nehru Abejuela, Farm Manager, MKAVI Bukidnon
Librado Sagalar, MKAVI-1, Bukidnon (Unifrutti Staff)
Emelie Modequillo, Provincial Planning & Devt Office (PPDO), Malaybalay City, Bukidnon
Engr. Norberto Baltazar, Jr, PPDO, Malaybalay City, Bukidnon
Abs Datun, Rural Development Institute-Sultan Kudarat
Genevieve Bajala, Former Managing Director of SK Palm oil Kenram Cooperative
Zenia Leysa, Community Organizer, RDI-SK
Victor Dumingsel, External Growers System Implementation – Unifrutti (TCBC), Tagnanan, Compostela Valley
Ariel S. Cordero, Municipal Agriculturalist, Municipal Government of Lantapan
Norberto L. Aparicio, Head of Land Management Services, PENRO, Bukidnon Province
Atty Manual Felicia, Registrar of Deeds, Land Registration Authority, Bukidnon province
### Focus group discussions

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<td>AMSKARBEMCO Men</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td>0 1 3 7</td>
<td>9 0 3 0</td>
<td>0 9 0 0</td>
<td>19%</td>
</tr>
<tr>
<td>CFARBEMCO Women</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>3 5 7 0</td>
<td>8 0 8 0</td>
<td>1 8 0 1</td>
<td>2%</td>
</tr>
<tr>
<td>CFARBEMCO Men</td>
<td>11</td>
<td>11</td>
<td>0</td>
<td>1 5 7 0</td>
<td>8 0 8 0</td>
<td>1 10 1 1</td>
<td>1%</td>
</tr>
<tr>
<td>MKAVI women</td>
<td>13</td>
<td>0</td>
<td>13</td>
<td>0 3 7 0</td>
<td>13 0 13 0</td>
<td>1 10 1 1</td>
<td>2%</td>
</tr>
<tr>
<td>MKAVI men</td>
<td>11</td>
<td>11</td>
<td>0</td>
<td>1 3 0 0</td>
<td>11 0 11 0</td>
<td>1 10 0 1</td>
<td>1%</td>
</tr>
<tr>
<td>Tagnanan TCBC women</td>
<td>15</td>
<td>0</td>
<td>15</td>
<td>0 2 9 0</td>
<td>10 5 11 0</td>
<td>4 8 0 3</td>
<td>2%</td>
</tr>
<tr>
<td>Tagnanan TCBC men</td>
<td>14</td>
<td>14</td>
<td>0</td>
<td>0 2 9 0</td>
<td>4 12 0 12</td>
<td>0 12 1 1</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>45</td>
<td>51</td>
<td>2 5 18 48 23 41 55 78</td>
<td>6 79 2 9</td>
<td>100 47 53%</td>
<td>2%</td>
</tr>
</tbody>
</table>

* Note that in some cases participants were employed full-time, but self-employed in their farms on days off, however these are listed here as employed.

**in the cooperatives case studies, landowners refers to ARBs
Annex 3: List of institutions visited/interviewed

FAO Philippines

Department of Social Welfare and Development
Department of Agriculture (DA)
Department of Environment and Natural Resources (DENR)
Department of Agrarian Reform (DAR)
Philippine Agricultural Development and Commercial Corporation (PADCC)
DA-DAR-DENR Convergence Initiative for Sustainable Rural Development
Philipine Commission on Women (PCW)
Department of Trade and Industry, Board of Investments (DTI- BOI)
DAR – Region XI
DA – Region XI
DTI – Region XI
Davao province Government Centre
DA – Davao del Norte province
DTI – Davao del Norte province
DAR – Davao del Norte province
PPDO Provincial Planning and Development Office – Bukidnon province
PENRO Provincial Environment and Natural Resources Office – Bukidnon province
MARO Municipal Agrarian Reform Office – Lantapan municipality
DA – Kapalong municipality

GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit
CIDA – Canadian International Development Agency

FARMCOOP – Foundation for Agrarian Reform Cooperatives in Mindanao
FEDCO – Federation of Cooperatives in Mindanao
ACDI VOCA
CRS – Catholic Relief Services

Kennemer Foods
Chocolate de San Isidro Inc.
Mars Inc.
Annex 4: Questionnaires and checklists for interviews

Data tables and interview guide – Focus group discussions

### GENERAL INFORMATION
| Case (company) |  |
| Type |  |
| Date and time |  |
| Location |  |
| Facilitators |  |
| Comments |  |

### PARTICIPANTS

<table>
<thead>
<tr>
<th>AGE</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 – 18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 – 24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 – 35</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36 – 45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46 – 55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>56 and over</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MARITAL STATUS</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single – never married</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married – spouse resident</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married – spouse away</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Divorced or separated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Widowed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household head</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEMBERSHIP of ORGANIZATIONS</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer organization</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Labour union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Church membership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural improvement club</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (indicate)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Why did you join the cooperative or producer group?*

*What are the benefits of participating in organizations?*

*What are the reasons for not participating?*

*Structure and decision-making procedures.*
### OCCUPATION

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming (own)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sell crop to investor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract farmer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other livelihood</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed in case company – full-time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed in case company – casual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other employment – full-time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other employment – casual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How did this investment come about?
Working conditions and safety.
Rainforest Alliance certification.
Has the company provided benefits to the community — such as infrastructure and services?
Have there been negative effects on the community?
How were you affected?
Discuss training and new skills through the company/investment? Examples? Impact?
Discuss inputs and support from the company: quality, timing, cost, problems?
Has the company/projects affected health issues: positive and negative effects?

### LAND

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Were you involved in negotiations over land?</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Did you lose farmland?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did you get compensation?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did you lose access to common land?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Factors in decision-making.
How were different groups of people involved in consultations/negotiations and decision-making about land? Were some excluded?
Were there conflicts over the giving up of land? If they were resolved, how was this achieved?
If there are still conflicts, what are they?
Do you control the use of the land you farm? Who chooses the crops? Who controls the income from the land? Can you lease it or sell it?
Did your own use of land change after the investment? How and why?
Did your family’s use of land change after the investment? How and why?
Did you yourself decide whether to participate in the investment – as a worker, or as a contract farmer? If not, why not?
<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>Employees</th>
<th>Casual labourers</th>
<th>Contract farmers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>M</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td>Wages/prices</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid sick leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternity/Paternity leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child care</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What are the advantages and disadvantages of different ways of being involved with the company? Who sets the wages for employees and casual labourers? Have you taken part in discussions or decision-making about that? Do men and women get the same wages for the same type of work? How often are you paid and how? Do you get money directly or through a family member? Please explain the time/labour requirements of work for the investor, throughout the day, week and seasons? If you or your family have had to work more, in what way and how has it affected your life? Would you be willing to work more? As an employee? As a contract farmer? Why/why not? Do you employ labourers in farming? What kind of people do you employ, for example young men or widows? How much do you pay them? Do you pay women and men the same? Are you thriving in this work? Have your livelihoods been affected by lack of water, firewood, keeping livestock, hunting, forest products, new livelihoods? Has your income increased? Have your costs increased? Is your family better off? Have any of your livelihood activities changed since the investor came? Negative effects? Positive effects? What was your main source of cash before the investment? Did the investment bring new opportunities to make money? Is your family better or worse off in terms of your income than before the investment? Why?

<table>
<thead>
<tr>
<th>ASSESSMENT OF IMPACT – Food security</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NEG</td>
<td>POS</td>
<td>NEUTRAL</td>
</tr>
<tr>
<td>Are food items and patterns affected?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are food prices affected?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is food security affected?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Are there any changes regarding food – preferred foods, frequency of meals, quantity of food you eat, and so on – compared with before the land acquisition/investment? Why? Are there any changes in food prices? Why? Has your food security been affected: for you as an individual, for your family, for the community? Why? Has the food security of anyone outside the community been affected? Why?
### ASSESSMENT OF IMPACT – Overall

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th></th>
<th>Men</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NEG</td>
<td>POS</td>
<td>NEUTRAL</td>
<td>NEG</td>
<td>POS</td>
<td>NEUTRAL</td>
</tr>
<tr>
<td>What has been the overall impact?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on equity?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on women?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the investment sustainable?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More such investments would be:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Do you see it as good to have this investment and investor in your area? Why?**

**How do you see the sustainability/longevity of the investment/investor?**

**Is the company/project benefiting some people more than others?**

**Is it causing inequity in the community? In the district?**

**Is the impact on women positive or negative? Does it affect men and women differently? Why?**

**Has the project affected your human rights? How?**

**Would you welcome to have more investments and investors in your area like this one? Why?**

**How could one get more benefits from investments like these in your area?**

**Do you have other comments or suggestions?**

### Key Informants

**Producers’/farmers’ associations and trade unions**

1. What is the name and nature of the association/trade union and who does it represent?

2. How long has the organization been established? Where is it based? How many members – and how many male and female? What is the proportion of male and female members who take part in the association’s decision-making procedures? Which are the governing bodies of the association? How are the members elected/chosen? Is equal representation ensured?

3. What type of services and support does the organization provide to members? How often are meetings or trainings held? Are those differentiated for men and women? How? How much interest does the organization pay to gender issues (such as equality of opportunity, employment, providing additional services to female farmers, etc.)? Please explain.

4. Does the organization have any direct relationships with any investors in the area? If so, which ones, and please explain what that involves, whether the relationship is positive and constructive, and how?

5. What about the organization’s relationships with the local government? How do they work together to help development for local people? For example, do they play any role in government negotiations with investors, or between the investors and local people?

6. What is the informant’s view of agricultural land-based investments, especially involving private foreign investors? In general, do you think these investments are good or bad for local livelihoods? Can you explain more about this and how the investments affect men and women differently?

7. Would the organization welcome more foreign private land-based agricultural investments in the local area? If yes, why, and if no, why not?

8. What terms or conditions should be attached to the investments, or what should the investors provide to local people in general, as well as to the workers (employees and casual labourers) and outgrowers who work directly for the investor? Are these terms and conditions usually met for existing investments, or do
new and higher standards need to be set for future investors to ensure a more beneficial impact of the investment on the local community? What could the government do in terms of policy to make investments more beneficial to the local community? What can investment schemes do to reduce gender inequalities in employment, land rights, and other income-generating opportunities?

9. Have investors in the area brought people new opportunities to make money, through small businesses or employment that is not directly linked with the investor (multiplier effects)? To whom exactly? For example, men, women, youth, local businessmen? Please explain.

National government officials

1. What are the current level, role and importance of foreign private investors? Which are some of the main companies operating in the agricultural sector? From which countries?

2. How do you interact with investors at the national level to support development for local people through their investments? Are the government’s relationships with investors generally good or bad? Please explain.

3. To what extent does the government work with farmer’s associations and trade unions to support Filipino people to get the best terms and conditions from and the most benefit out of agricultural investments coming into the country? How much attention do you pay in this to addressing women and gender issues? Do you find value in involving such organizations in negotiating with investors at the national level? Why/why not?

4. Which other stakeholders are important at the national level in helping to manage relations with investors and in ensuring that their land-based agricultural investments have the most benefit for Filipino people?

5. What is your personal view of agricultural land-based investments, especially involving private foreign investors? In general, do you think these investments are good or bad for local livelihoods? Can you explain more about this and about how the investments affect men and women differently?

6. Would the government welcome more foreign private land-based agricultural investments, or do you think the current level of such investments is enough? Please explain what you think is the optimum level of investment and what policies and measures the government has in place to achieve this?

7. What terms or conditions should be attached to the investments, or what should the investors provide to local people – in general and also to the workers (employees and casual labourers) and outgrowers who work directly for the investor? Are these terms and conditions usually met for existing investments, or do new and higher standards need to be set for future investors to ensure a more beneficial impact of the investment on local communities and on the country as a whole? What could the government do in terms of policy to make investments more beneficial to local communities and to the country as a whole? What can investment schemes do to reduce gender inequalities in employment, land rights, and other income-generating opportunities?

8. In general, have investors brought people new opportunities to make money, through small businesses or employment that is not directly linked with the investors (multiplier effects)? To whom exactly? For example, men, women, youth, local businessmen? How important is regional trade in this? Please explain.

Companies and investors

1. What is the name and nature of the business and the type and structure of the business model? How many years has the company been operating? What other developing countries does the company operate in? Where is it based? What country are the investors from? Is the business mainly export-driven or producing for the domestic markets? However important is regional trade to the business?

2. How many employees do you have? How much and how often are they paid, and by what method? Where do the employees come from – are they from the local area or from other areas or countries?

3. How many casual labourers do you employ on average each day? How much and how often are they paid, and by what method? What seasonal variations are there in this and how do you forecast labour needs
and plan for this? For example, do you try to attract workers from the local area or from other areas or
countries? If so, where from, and do they do the same jobs and earn the same money as local people who
work for you, or do they do different types of work? If so, why?

4. On average, how many hours per day, and days per week do the different types of workers (employees
and casual labourers) work for you? What are the seasonal variations? Are there differences for women and
men?

5. How many outgrowers do you have contracts with? How many ad hoc outgrowers do you have for extra
capacity? What kind of contractual arrangement(s) do you have with your outgrowers? Who signs the
contract and who receives the payment, how are they paid, and how often? Can there be more than one
person on each contract?

6. Do you have gender-disaggregated data on all these types of workers (employees, casual labourers and
outgrowers) that your company relies on? Can you tell us how many of each type are male and female? Do
the men and women tend to do the same jobs and earn the same money for the same work, or different
jobs/different money? Please explain.

7. Concerning your outgrowers specifically, are you aware if the outgrowers contract wage labourers
themselves? Also, are there differences between women’s and men’s outgrowers with respect to
productivity, quality of the product or reliability, for example? Which types of difficulties have you faced
with outgrowers so far, and are there differences between men and women?

8. What are the ages of your oldest and youngest employee, casual labourer and outgrower, and also the
average age of each type of worker? Do you know what proportion of outgrowers with whom you contract
or workers that you employ are female-headed households? Do you know what proportion of female and
male outgrowers with whom you contract and what proportion of male and female employees are between
24 and 35 years old?

9. How much land does the company own or lease? For what purposes, on what length of lease, and how
long have they had it? How did they get the land and if they had to pay compensation, how much and to
whom? Can you briefly describe the process for acquiring the land, including the consultation process, if
applicable? Who has participated in the negotiation process? Were women represented?

10. What was the company’s directly-controlled land (plantations/factory site) used for before the
investment started operating? Do you know what has happened to your outgrowers’ land use patterns since
you started your investment? For example, do they still grow food crops? Do you know what they were
doing (cultivating) with the land before?

11. What social benefits are provided to workers/casual labourers/outgrowers (e.g. pensions, paid sick leave
or maternity leave)? Are those differentiated for women and men? Why? Any measures specifically
targeted at youth, women or other groups? Please list.

12. What training and skills development is provided to workers/casual labourers/outgrowers? Are those
differentiated for women and men? Why? Any measures specifically targeted at youth, women or other
groups? Please list.

13. What health and safety equipment and training are provided to workers/casual labourers/outgrowers?
Are those differentiated for women and men? Why? Any measures specifically targeted at youth, women or
other groups? Please list.

14. Are there are any other benefits that employees of your company receive, for example access to credit
facilities or subsidized transport, food or other goods and services, or corporate healthcare and educational
provision? If employees receive such benefits, what is the situation for casual labourers and outgrowers?

15. Are your workers/casual labourers/outgrowers in any associations, trade unions or other organizations
with which you negotiate as a company to set wages and prices, and to deal with other issues relating to
their welfare? If yes, are women represented? Please tell us a bit about what wages and prices you pay and how these are set.

16. Is there any way in which the policy environment could change to help you to improve the creation of new and better employment opportunities, or to improve the conditions offered to employees, casual labourers and outgrowers?

17. What infrastructure or services have you built or do you provide for the local community, including child care facilities?

18. What are your plans for development of your business at the present time? Do you think local people would welcome you to expand and develop your business? Who might welcome it, and why, and who might not welcome it, and why not?

19. How do you think your company is perceived by your workers/outgrowers and by the local community (good, bad, average, indifferent)? Do you consider that you have a good relationship with them? Why/why not? If not, how could it be improved?

20. How do you take into account gender issues in your business? For example, have you done any social studies or collaborated with workers to address gender-specific issues? Have you adopted specific measures or provisions to include women whether as employees, casual labourers or outgrowers? If so, which ones?

21. In general, what impact do you think your business is having on both men and women’s livelihoods in the local area, for example in terms of land tenure/rights/access, employment generation, increasing household incomes, education, health services, bringing agricultural technology, etc.? Is there anything you could do to improve the impact of your business specifically on women?

Provincial and local government officials

Background on local investment and relations with investors

1. What are the current level, role and importance of foreign private investors in the local area? What are the government officials’ relationships like with the investors? Which companies are operating locally and how do you interact with them to support development for local people? Are your relationships with investors generally good or bad? Please explain.

2. What is the governance structure around land-based and agricultural investments at the local level? What is the role that you/your office plays in it? What is your relationship with traditional authorities?

3. To what extent do you work with local farmers’ associations and trade unions to support local people to get the best terms and conditions from and the most benefit out of agricultural investments? How much attention do you pay in this to addressing women and gender issues? Do you find value in involving such organizations in negotiating with investors at the local level? Why/why not?

3. What is your personal view of agricultural land-based investments, especially involving private foreign investors? In general, do you think these investments are good or bad for local livelihoods? Can you explain more about this and about how the investments affect men and women differently?

4. Would the local government welcome more foreign private land-based agricultural investments in the local area? If yes, why, and if no, why not?

5. What terms or conditions should be attached to the investments, or what should the investors provide to local people in general, as well as to the workers (employees and casual labourers) and outgrowers who work directly for the investor? Are these terms and conditions usually met for existing investments, or do new and higher standards need to be set for future investors to ensure a more beneficial impact of the investment on the local community? What could the government do in terms of policy to make investments more beneficial to the local community? What can investment schemes do to reduce gender inequalities in employment, land rights, and other income-generating opportunities?
6. Have investors in the area brought people new opportunities to make money, through small businesses or employment that is not directly with the investor (multiplier effects)? To whom exactly? For example, men, women, youth, local businessmen? Please explain.

National Ministries

Ministries related to land management

What is the status of land use planning and land legislation? Are there any priority project areas for land use planning (e.g. where there is lots of demand for land acquisition by foreign investment)? How is this going to be reconciled with customary tenure systems that are in use in most parts of the country? How (mechanism/processes) are traditional authorities’ (ancestral chiefs) included or not included in the governance set-up?

Clarify the current status of the Land Reform Policy Project. How will the implementation of the policy work in practice, particularly in relation to land-based investments? What are the conditions (laws, regulations, institutions, actors, etc.) that need to be in place for this to happen? In your opinion, to what extent are land disputes related to land investments and what is needed to improve governance of the sector?

Clarify the current governance and institutional set-up around land-related investments (who does what, when), including the current structure of land administration at the central and decentralised levels. Who would be the key local actors that we need to contact at the field level?

Ask them to explain the land acquisition process for foreign investors seeing land for agricultural investments. Check if it is the same basic land acquisition process for all investors, regardless of the type of investment (e.g. mining, agriculture), or whether there are special procedures for the agricultural sector. If they have any documentation of the process, that would be very useful to obtain.

Ask if there is any danger that investors could ask for land which is in an area where people are meant to be allocated land, or where they have already left, and that could cause potential problems for the people’s livelihoods and maybe resentment toward investors?

Clarify the current status regarding food security. Which crops are agricultural investments focusing on, and for each case, what might be the impacts for domestic consumption and sufficiency in those crops? And impacts for broader local/domestic food production?

Policy framework? How is it being implemented particularly in relation to promoting the private sector-led transition to commercial agriculture and to supporting small-scale producers? What is the current status of major activities within the policy framework?

How is gender mainstreamed in the plan and in its programmes?

Which partners does the government work with in projects at the local level? Are they seeing any problems with implementation already? How is gender being mainstreamed in the plan?

Board of Investments and Philippine Agricultural Development and Commercial Corporation

Try to clarify the current extent of foreign investment, especially for the agricultural sector but also in general. Do they have up-to-date facts and figures on the number of deals, who the companies are, which countries they are from, land areas involved, purposes of investment and so on, which they can share with us? This will give us a useful perspective on the whole situation.
Any documents setting out procedures for acquiring land and for investing in the country? Are there some designed for investors which they could give us copies of?

Are they worried about talk of “land grabbing” being out of control in the world, or do they feel that, as government, they have it under control – that there are procedures and safeguards in place to ensure that the country and the people benefit from all foreign investments coming in? Do they worry that too much investment – or too many investors – could become hard to manage?

What policy instruments do they have to ensure that investors bring benefits to local communities and people? What can they improve on in terms of policy reform? Also what are the links with regional trade?

How does the government work with other organizations, such as trade unions or business groups like the Chamber of Commerce, to manage the investment process and ensure land-based foreign investments will be beneficial and not undermine domestic investment?

How are gender issues addressed in the planning policies, investment and land acquisition procedures, negotiations with investors and so on?

*Philippine Commission on Women*

What is the current status of the implementation of the Magna Carta of Women (for instance, in relation to women’s participation in governance, women’s economic empowerment, women’s access to natural resources, and strengthening women’s farmers associations to claim their rights on access to land)?

Ask about main policy initiatives around agriculture, land and investments. How does the Philippine Commission on Women ensure gender mainstreaming when working with other line ministries?

Try to clarify how they work with other line ministries, at national and local levels, to promote awareness of gender issues in relation to agricultural investments and private land-based foreign investment.

What is needed in policy terms to ensure that gender issues are considered when deciding whether to allocate land to investors or to allow them to come and operate in the country and start agricultural investments?

What do they think are the key gender issues in relation to these kinds of investments? In other words, which are the priorities as far as they consider it?


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Web sites with updated statistical data

BAS (Bureau of Agricultural Statistics): http://www.bas.gov.ph
NSCB (National Statistical Coordination Board): http://www.nscb.gov.ph
SWS (Social Weather Stations): http://www.sws.org.ph