

FARMCOOP's INITIATIVES IN MARKETING

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ABOUT FARMCOOP

- **An NGO based in Davao, Island of Mindanao, Philippines, home to the world's second biggest exporter of bananas.**
- **Founded in 1995 in response to the Comprehensive Agrarian Reform Law of 1998. - Its mandate; its intention.**
- **Service provider of 30 cooperatives - mostly in the banana industry.**

CORE SERVICES

- **Capacity Building**
- **Credit Access**
- **Technology Transfer**
- **Market Linkage**
- **Research and Development**
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TARGET PARTNERS

- **Agrarian Reform Beneficiaries**
- **Small-scale farmers**
- **Indigenous People**

BRIEF ON THE MARKETS FOR PHILIPPINE BANANAS

- **The Philippines is the world's second biggest exporter of bananas, next to Ecuador.**
- **Biggest exporters are Dole, Del Monte, Chiquita, and Sumifruits. Small exporters have emerged in the last five years, which are slowly eating into the market share of the big exporters.**
- **Markets for Philippine bananas are Japan, the Middle East and Mediterranean, China, South Korea, New Zealand and Hongkong. Emerging markets are Russia, Turkey and Ukraine.**

MARKETING INITIATIVES OF FARMCOOP

- ***Marketing bananas to MNCs***
- ***Marketing to China.***
- ***Marketing through a JOINT VENTURE***
- ***Direct Marketing of conventional bananas to Japan and South Korea***
- ***Direct Marketing of highland organic and low-chem (LEISA) bananas to Japan***

HIGHLIGHTS ABOUT THE HIGHLAND ORGANIC BANANA PROJECT

- **The highland organic banana project is in Sibulan, Davao City, dubbed as the last frontier in the watersheds of Davao City, and home to the famous Philippine Eagle and to more than 500 families of indigenous people belonging to the Tagabawa Bagobo tribe.**
- **The project started in August 2004. To date, 106 hectares are planted to bananas; 63 hectares are funded by loans from CORDAID, and the rest from NATCCO and Broderlijk Delen. The potential area in the village for production is 250 hectares.**

ORGANIC and FAIR TRADE CERTIFICATION

- **Organic inspection is on-going and is being undertaken by the Association of Organic Inspectors of the Philippines, the accredited inspectors of ECOCERT.**
- **The Fair Trade certification will come after the organic certification is obtained.**
- **FARMCOOP was tapped by the Fair Trade Label Organization (FLO) to participate in the fixing of fair trade price for Philippine bananas.**

UNIQUENESS OF SIBULAN BANANA

- **Sibulan bananas, if certified organic and fair trade, will have a special niche in the market.**
- **It is unique. It is different. It is a novelty.**
- **It is super sweet and organic.**
- **No other banana in the Japanese market has these qualities.**
- **More so when it is certified fair trade.**

BREAKING NEW FRONTIERS

- **FARMCOOP is currently accessing credit to six cooperatives of small-scale farmers, indigenous people, and agrarian reform beneficiaries to put up their own banana farms.**

ISSUES AND CONCERNS

- **Over expansion and over supply of bananas in the market.**
- **Market is not a problem if supply is available.**
- **Bias by banks, including the government bank, in favor of MNCs and against small exporters.**
- **Fraudulent certified organic bananas in the market.**
- **Unpaid exports.**
- **Risk of being bumped-off by shipping companies by shippers in favor of MNCs.**

LESSONS LEARNED

- **Workers-turned agrarian reform beneficiaries can manage and produce quality bananas as good as if not better than their MNC employers.**
- **In cooperative farms, production is higher under the individual farming system than the corporate or centrally managed system.**
- **Genuine organic bananas have a longer shelf life than conventional bananas.**
- **Negotiations in marketing take different approaches depending on whom you're dealing with.**