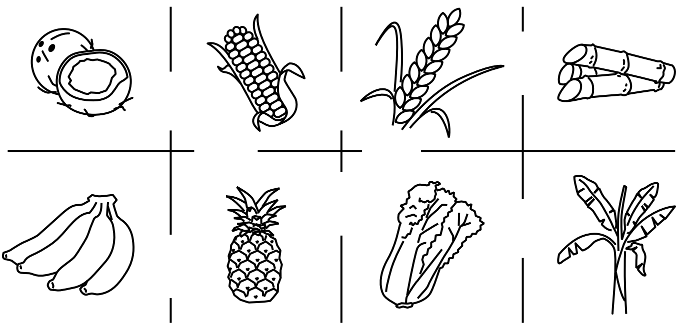
Agrarian situation under pandemic



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PREFACE

This pamphlet features a series of articles published in Ang Bayan this year regarding the situation of selected agricultural subsectors. These contain relevant information regarding the production of palay, corn, coconut, sugar, banana, pineapple, abaca and major crops under the Duterte regime—from 2016 up to the pandemic.

These articles show the accumulated impact of four decades of liberalization on the agricultural sector. It is currently beset in crisis due to the influx of cheaper imported products which undermine local production and impinge on the country's food sovereignty. Philippine dependence on imports—both legal and smuggled—continues to worsen, from garlic and onions, to monggo beans and rice, further subjecting crop prices to market vagaries. The burden on the peasant masses' shoulders grow heavier amid rising production costs and falling farmgate prices. This has worsened further since the Covid-19 pandemic last year. There is pervasive hunger due to low income, wages, and levels of production.

The pandemic has brought to light the longstanding state neglect of food security. Not anyone from those interviewed by Ang Bayan in the guerrilla fronts received any form of financial aid from the state. Only a few have received aid even amid the pandemic.

The pandemic, combined with successive typhoons and floods in 2020, further exposed the oppression and exploitation suffered by farmers and farmworkers. There was a massive destruction of farmlands, especially during the third quarter of the previous year. The costs of production increased due to price increases on fertilizers and other inputs.

During this period, crop sales dropped due to lockdown restrictions which limited mobility and public transportation. Instead of increasing, the prices of agricultural products were further pulled down by big traders who are also primarily behind the push for more importation.

Small peasants and farmworkers suffer worse oppression and exploitation amid militarization in the countryside. In many villages placed under the armed control of military forces, the movement of people are strictly controlled, and food and economic blockades are the norm.

The articles in this compilation provide a glimpse to the worsening agrarian situation in the country characterized by backward and scattered production of food and export products under the semicolonial and semifeudal system. Farming generally remains small-scale, non-mechanized and rain-fed. The production of crops for the market are dependent on imported inputs (seeds, fertilizer, pesticides).

All these issues take place under the overarching problem of landlessness among tillers. Due to landlessness or insufficient land, the wealth created by the peasant masses through hard work are claimed by landlords, usurers and traders. Serving the interest of big landlords and bourgeois compradors, the reactionary government and its neoliberal policies further oppress farmers.

By publishing this pamphlet, Ang Bayan seeks to provide the revolutionary forces led by the Party—especially units of the New

People's Army—a guide to understand and further deepen the analysis of the conditions of the peasant masses in various parts of the country, and serve to arouse and mobilize them in mass struggles and the path of the people's war.

Farmers face bankruptcy amid low PALAY *farmgate prices*

Local rice farmers continue to face poverty due to feudal exploitation, lack of production support, low farmgate prices, and the regime's all-out importation of cheaper rice.

They are facing severe hardships due to the declining farmgate price of palay. According to the Philippine Statistics Authority (PSA), palay farmgate price was only ₱17.14 up to ₱20.87 per kilo in the past five years. Farmers, however, said that prices have bottomed out to ₱7-₱10 per kilo in the past two years. These farmgate prices were recorded in Central Luzon which is the major producer of palay in the country.

Farmers have long demanded that farmgate prices of palay be raised to ₱20 per kilo to support local production. Despite the low farmgate prices of palay, the average retail price of rice in the past five years was ₱42.59, which peaked to ₱45.18 in 2018.

Farmgate prices are pulled down further by the influx of imported rice after the enactment of the Rice Tariffication Law (RTL) in February 2019. During the same year, the country recorded the highest volume of imports which reached 3.131

million metric tons (MT) or five times higher than imports recorded in 2016. Imports remained high in 2020 and 2021. Contrary to claims by proponents of the RTL, the average retail price of rice in local markets only decreased by 1%.

Rice farmers are left with almost no income. The average cost of production per kilo of rice is estimated at ₱12.41. This is way higher than the cost of production in other rice-producing countries such as Vietnam (₱6.22 per kilo) and Thailand (₱8.86 per kilo).

The coverage of the regime's free irrigation law is very limited. Despite being enacted in 2018, funds allocation for irrigation decreased over the years from ₱41.67 million in 2018, to ₱35.29 million in 2020.

Farmers are burdened further by increasing prices of fertilizer. The price of urea, commonly used by rice farmers, increased by 12.06% from 2016 to ₱1,046.44 in 2020. The prices of other types of fertilizers such as ammonium sulfate and diammonium phosphate have also increased by 8.32% and 7.57%, respectively.

More or less five and a half sacks of rice (1 sack = 50 kilos) are used per hectare of rice field. In sum, the cost of fertilizers utilized by farmers per hectare of rice field increased by ₱688-₱711.

Data by the PSA indicate that the "highest" palay production (19.44 million MT) in the country in recent years was recorded in 2020. Farmers, however, pointed out that this was primarily because of bigger volumes of rain and lower yield in previous years caused by El Niño. The total land area of palay land in the country shrank by 300,000 hectares from 4.81 million hectares in 2017 to 4.53 million hectares in 2020)

Published in Ang Bayan, Oktubre 7, 2021

Floods and low farmgate prices

During the last cropping cycle last June, rice farmer Miguel spent ₱19,350 to buy fertilizer which he applied in his 3-hectare rice field. On top of this, he also spent ₱5,730 to buy herbicide and ₱4,324 for pesticide. He also spent an additional ₱16,200 to rent farming machinery and pay the wages of farmworkers whom he employed for harvesting.

He was further burdened by the destruction of about a fourth of his rice fields due to the typhoon which hit South Cotabato during that period. He was only able to harvest 170 sacks of palay (69.47 kilo per sack) in September. Eight percent of this or 13 sacks of palay was deducted from his output as payment for the harvester which they rented. Twelve sacks of palay were also reserved to be planted for the next cropping cycle.

Of his net harvest (145 sacks), 25% (36 sacks) will be paid to the landlord as land rent. He will also pay 18 sacks of palay to his financier and 12 sacks of palay to pay the debt incurred by his family over the planting season.

He will only be able to sell his produce at a farmgate price of ₱13.50 per kilo, which will be further pulled down by the trader who buys his produce with various deductions. Overall, Miguel will be left with a gross income of ₱70,134 which he will use to cover over ₱60,000 in production costs and pay other debts. He is left with a net profit of ₱10,134 which their family will spend to survive until the next harvest season.

Neglect in CORN production

Corn is the second most important staple agricultural commodity produced and consumed in the country next to rice. This is not only consumed by the people, but also serves as an important raw material in the production of animal feeds and other food products. Despite this, the reactionary state is systematically neglecting corn production. Over the past years, the local production of corn has been decreasing while the country is becoming increasingly dependent on imports. Farmers face bankruptcy due to underpricing. Instead of supporting corn production, the government is pushing for all-out liberalization of importation.

Under the Duterte regime, corn farmgate prices remained low, while retail prices in local markets soared annually. From 2016 to 2020, the retail price of white corn increased by 32% from ₱22.77 to ₱30.15. On the other hand, farmgate prices dropped by ₱0.27 from ₱12.30 to ₱12.03. Yellow corn prices also increased by 13% from ₱20.36 to ₱22.97, while the average farmgate price increased by a mere 2% from ₱11.78 to ₱12.

White corn is usually milled and consumed as substitute for rice, or processed as cornstarch, corn chips and binatog (a corn snack). Yellow corn, on the other hand, is a vital material in feeds for hogs, chicken and fish, and is also used to manufacture corn chips. On average, every Filipino consumes 15 kilos of white corn per year. The consumption per capita is higher in the regions of Zamboanga Peninsula (159 kilo), Northern Mindanao (45 kilo), Davao (41 kilo), and Central Visayas (37 kilo) where corn is more commonly consumed instead of rice.

Around 500,000 farmers depend primarily on corn production. In 2020, a total of more than 8.1 million metric tons (MT) of corn was produced by the country. Of this volume, around 60% were processed as feeds. Nearly 2.5 million hectares of farmlands are planted with corn across the country. The biggest of these are located in the provinces of Isabela (1.1 million MT) and Bukidnon (0.8 million MT). Cornfields are typically small-scale and non-contiguous with an average area of only 1.3 hectares.

Although non-contiguous, yellow corn production is dominated and controlled by only four big local companies which manufacture animal feeds: B-MEG of San Miguel Foods Incorporated owned by capitalist Ramon Ang, Univet Nutrition and Animal Healthcare Company of the Campos family, Pilmico Foods Corporation of the Aboitiz family, and Universal Robina Corporation of the Gokongwei family. These companies usually have processing plants in areas with a huge concentration of cornfields. These include the provinces of Isabela, Bukidnon and South Cotabato where 45% of the total volume of local yellow corn is produced. These companies control farmgate prices and impose requisites in buying corn including resiko (moisture content). The Biggest of these companies is B-MEG which controls 25% of the animal feed market in the country.

Under Duterte, the volume of corn imports slightly increased, primarily those from the ASEAN and US. From 2016, the share of imports in the total supply of corn in the local market increased by 10% to 12% in 2018. The largest volumes were imported from Indonesia (25%), Thailand (23%) and the US (21%). On average, the country imports around 580,000 MT of yellow corn per year.

Foreign control of the local corn industry is set to tigher with the attempt of the American Chamber of Commerce of the Philippines and European Chamber of Commerce of the Philippines to push for the enactment of the Rice and Corn Industry Liberalization Act. This is being pushed in Senate by its Committee on Agriculture and Food chairperson Sen. Cynthia Villar. The bill seeks to allow foreign companies 100% foreign ownership of corn processing companies in the Philippines. Villar also authored the Rice Liberalization Law which resulted in the influx of imported rice in the local market and bankrupted local rice farmers.

Corn farmers are facing threats of bankruptcy with the continuing spread of the African Swine Fever. A report by the Global Agricultural Information Network indicated that the total production of corn in the country will drop by 2.4% to 8 million MT this year due to the spread of the virus, primarily in Luzon, which continues to result in lower consumption and demand for hog feeds.

Published in Ang Bayan, Setyembre 21, 2021

Backbreaking corn production

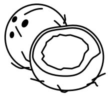
Roger is 32-years old and one of nine siblings who own corn farms in the island of Negros. Seven of them live under one roof and work together in their cornfields. They own a total of 12 hectares of farmlands, a fourth of which is dedicated to the production of white corn for family consumption. The larger part of their farmlands is dedicated to the production of other crops which they sell to raise income and sustain other basic needs. Their farmlands are located in different parts of an isolated community which can only be reached by horse.

Corn production is backbreaking, from land preparation to corn milling. Roger and his siblings work six days a week in their cornfields. They spend around two and a half weeks in clearing their fields, a day or two in plowing, a day in planting, and a week in waiting. This is equivalent to around 30 days of backbreaking labor every cropping cycle. They regularly start work at 7 a.m. and end at 4 p.m.

They are able to harvest thrice a year. Typically, they are able to plant two to three gatangs (1 gatang or equivalent to approximately 2.25 kilos) of corn per cropping season in two separate parcels of land. The ears of corn which they plant are locally sourced and do not require fertilizers, pesticides and herbicides. Their only means of production are their carabao and plough.

On average, they are able to produce 34 sacks of corn every year. They manually use these stones and are able to produce approximately 17 sacks of corn grits. This is only enough for their consumption. They do not bother to have their produce milled in the town center as this will require them to travel for one day, and spend ₱500 for transportation.

Rogers' family consumes around three sacks and 15 gatangs (33.75 kilo) of corn grits each month. On top of this, they have to raise ₱2,400 monthly for other basic needs by selling cash crops. They can barely make ends meet and survive only on dried fish, especially amid the pandemic when the farmgate price has dropped while the prices of basic commodities continute to increase. They were not able to receive any form of aid during the period. They said that they are further burdened by largescale military operations in their community because soldiers prohibit residents from working in their farms.



Intense exploitation COCONUT *farmers*

In contrast to the hardships of coconut farmers, big landlords, traders and monopolistic corporations continue to fatten their pockets. Amid the pandemic, the exploitation of coconut farmers has further intensified.

In December 2020, a tenant family based in a barrio of Camarines Sur which tends a four-hectare coconut farm earned a measly ₱4,900. Of the 661 kilos of copra which they processed, 20% (which is valued at around ₱3,960 at a price of ₱30 per kilo) was not purchased by the trader. Despite how well the copra was processed, traders still impose resiko or the percentage arbitrarily shaved off from the price of the product due to moisture content.

The whole family participated in the production to minimize their expenses. After deducting transportation costs to their gross income for 529 kilos of copra (₱15,870), the family was left with ₱14,700. Under the tersyuhan system, two-thirds of the said income will go to the landlord, while while the farmer gets only one-third (₱4,900). This is equivalent to ₱109 per day which the farmer has to stretch over the next 45 days for his family of eight.

Due to successive typhoons which hit the said barrios during the last quarter of 2020, the income of coconut farmers further shrank. They were able to survive by planting vegetables and asserting their right to forego land rent payment for two copra processing seasons.

While farmers went hungry, traders accumulated huge profits from the copra they bought. According to the Philippine Coconut Authority, the farmgate price of copra significantly decreased from ₱54 per kilo in January 2017 to ₱13.39 per kilo in January 2019. In some areas, farmgate prices went for as low as ₱12 per kilo. In 2020, the average farmgate price of copra was only ₱18.75 per kilo. Lowest of which was in Eastern Visayas (₱14). Although the price in Bicol increased to ₱30, the income of a coconut farmer is actually low due to resikada. Traders make around P8.45 profit for every kilo of cheap copra when these are sold to factories, who in turn further jack up prices when they sell to the export market.

Local plants primarily supply copra to large foreign companies which manufacture food and other consumer goods. These plants include those which are under the Coconut Industry Investment Fund-Oil Mills Group which was funded during the Marcos dictatorship using the taxes of coconut farmers. These plants initially process copra into coconut oil or other products.

From January to October 2020, the Philippines exported a total of 1.4 million metric tons of copra. Due to the pandemic, this is lower by 21% from 1.8 million metric tons during the same period in 2019. The Philippines is the leading exporter of copra (64%) globally.

Processed food products and sanitation products that are copra-based became in demand since the lockdown. This includes products by Nestlé and Cargill (food manufacturing multinationals), and Procter and Gamble (P&G) which source their raw materials from the Philippines and two other countries in Asia.

Profits of Nestlé, Cargill and P&G increased during the pandemic. Among all food manufacturing companies globally, Nestlé recorded an income of $13 billion in 2020 which was the biggest during the said year, higher by 2.8% than in 2019. The highest income of the corporation was from its sales of Purina, which manufactures animal feeds using the byproduct of processed copra.

Cargill on the other hand recorded an income of $3 billion during the same year from $2.56 billion before the pandemic. P&G, the biggest multinational company which produces personal care products (soaps, shampoos, toothpastes) recorded an income of $12.76 billion in 2020 from $3.63 billion in the previous year.

Millions of dollars in profit was accumulated by Philippine-based companies which produce coconut oil. These include the Peter Paul Philippines Corporation and Primex Coco Products, which are among the biggest processors and exporters of coconut products globally, and recorded $13.8 million in sales in 2020.

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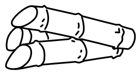


Worsening labor and production conditions in the SUGAR industry

Whenever Tiempo Muerto is nearing, farmers and farm workers in sugarcane plantations typically look for alternative sources income. Tiempo Muerto pertains to the off-milling period between sugarcane planting seasons from August to September. During this period, their incomes plummet drastically, while many others earn nothing at all.

A survey by the reactionary state indicates that sugarcane farmers are the second poorest among all agricultural workers in the country receiving an average daily wage of ₱273. Their actual income, however, is lower according to data by the National Federation of Sugar Workers. According to the group, farmers only receive an average income of ₱1,000-₱1,500 every fifteen days (₱67-₱100 per day) during the milling season, and only ₱200-₱500 (₱13-₱33 per day) during Tiempo Muerto. This is far from the stipulated regional minimum daily wage rates (₱295-₱500) and way lower than the family living wage of ₱1,059.

Sugar barons evade the implementation of minimum wage rates through the pakyawan scheme wherein farm workers are compensated based on quota. In a sugarcane plantation in Isabela, farm workers only receive a daily salary of ₱16-₱50 for weeding, ₱150 for fertilizing, ₱94 for taking care of sugar cane plants and ₱225-₱250 for harvesting.

Sugar industry

According to data by the Sugar Regulatory Administration (SRA), 789,681 Filipinos are currently working in the sugar industry. Majority of them are seasonal farm workers (686,968) and farmers (88,748) who directly participate in the production of sugarcane. Sugar mills also employ 13,965 workers. Almost 85% of the farmers (75,241) cultnivate less than five hectares of sugarcane farm. Landgrabbing and reconcentration of sugarcane farms by landlords are also prevalent in the form of various farming arrangements such as sugar block farming, stock distribution option, ariendo system and agribusiness venture agreement.

Sugarcane is the top agricultural commodity produced by the Philippines in terms of volume. In 2019, almost a fourth of the volume of the country's agricultural produce was sugarcane. Nearly two-thirds of this was from Western Visayas.

Sugarcane farms cover 398,478 hectares of agricultural lands in 10 regions across the country. Largest of which are located in the Negros island (approximately 200,000 hectares) followed by Mindanao (80,000 hectares) and Southern Tagalog (20,000 hectares).

Despite this, local sugarcane production is declining. From 28 million metric tons (MT) in 2016, the volume of sugarcane harvested and milled locally decreased to 24.6 million. The decline is attributed to massive use-conversion of sugar farms and the closure of four out of 27 sugar centrals in the country in the past five years. Under the Duterte regime, the total area of sugarcane farms plumetted by 5% (22,880 hectares). Its sugar milling capacity also declined from 196,000 MT/day to 173,300 MT/day during the same period. Under Duterte, the total volume of sugar produced by the country plumetted by 19% from 3.5 million MT in 2016 to 2.8 million MT in 2020.

Experts also attributed this to high costs of farm inputs such as fertilizer and herbicide, as well as low incomes which push farmers to look for other jobs. The adverse impact of climate change is now also being felt in the industry in the form of more destructive natural disasters such as the flashfloods in Negros Occidental last January which inundated thousands of hectares of sugarcane farms.

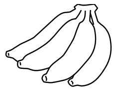
In 2020, the country was able to produce 2.1 million MT of raw (brown) sugar and 703,800 MT of refined (white) sugar. According to SRA, the average price of raw sugar in the local market is currently ₱32.42/kilo, which is higher by 2% (₱0.70) compared to its price in June 2019. The increase is primarily due to declining local production and the 13% increase in demand for cheap raw sugar during the pandemic.

From 2016 to 2019, the total value of sugar products exported by the Philippines amounted to ₱33.7 billion, more than half of which was exported to the US.

Compared to this, the volume of sugar products imported by the Philippines is way higher at ₱116.7 billion during the same period, 36% of which was from China.

To push for all-out importation, the regime's economic officials are proposing to dismantle tariffs (up to 50%) on sugar products, as well as the 64,050 MT-minimum access volume (MAV) on raw sugar. This move is being opposed by farmers and even sugar barons as this will flood the local market with cheaper imported sugar which will pull down local prices, and ultimately cause the demise of the entire industry.

Published in Ang Bayan, Hunyo 21, 2021



Shortchanged BANANA *farmers*

The United Pantaron Banana Workers Union (UPBWU) filed a pettion at the office of the Regional Tripartite Wages and Productivity Board (RTWPB) in Sto. Tomas, Davao del Norte on April 6 to demand a ₱100-daily wage increase for all workers in the Davao Region. The said region is the main source of bananas, both for export and local consumption, in the country (35% or 846,230 metric tons or MT in the last quarter of 2020). Like all farm workers, they suffer from extremely low wages imposed by capitalists and landlords despite the high demand for banana in the global market.

The petition stated that the ₱396 minimum wage for farm workers in the region has already been devalued due to high inflation of oil prices and basic commodities. The group noted that the amount is not even half of the ₱1,057 family living daily wage needed by a family to live decently. Latest data by the regime indicate that inflation in the region increased to 2.7% from 1.9% in January, which is the highest since June 2019. The last wage adjustment of minimum wage in the region was in February 2019.

The situation of farm workers who are compensated on piecemeal basis is far worse as they are only paid based on the quantity of bananas they are able to process. In most plantations, farmers are paid a measly $2.5-$3 (₱120-₱144) for each box of bananas weighing 13 kilo each, or equivalent to ₱9-₱11 per kilo.

Plantations also deduct various costs from this measly income. In the banana plantations of multiational company Dole for instance, the company deducts the transportation costs (₱3.4 per box); stevedoring (₱3.8); and rent for the packaging plant, irrigation and other facilities (₱3.8). Farmers are often left with a gross income of ₱100 per box or ₱7.7 per kilo. On the other hand, the market price of banana in the countries which import from the Philippines reach up to ₱136 per kilo. In Lapanday Foods Corp., workers earn around ₱2,000 per month on average, equivalent to ₱70 per day from their monthly net income of ₱15,000.

Bananas are the most traded fruit in world, and among the top agricultural products exported by the country. Last year, total local production dropped by 101,000 MT to 9.1 milyong MT. However, it still remains as one of the the top agricultural exports of the country.

In 2020, local banana production was equivalent to 15% of the total agricultural production in the country. Around 450,000 hectares (as big as the seven largest cities in Metro Manila) are covered by banana plantations, majority of which are in Mindanao and cater to the export market. The biggest among these is the Tagum Agricultural Development Company sa Panabo, Davao City (5,308 hectares). The said company sells its products to Del Monte owned by the Campos family which also operates its own plantations. The top players in the banana industry also include the Dole Philippines (US), Sumifru Corp. (Japan), Lapanday Foods Corp. (Lorenzo) and Unifrutti Tropical Philippines (Perinne).

The Philippines is the seond largest exporter of banana in the world. Around 40% of its banana products (3.6 million MT) last year was exported, primarily to Japan. It is also important to note that under Duterte, the Philippine's export to China rose sharply by 500% from 319,291 MT in 2016 to 1.9 million MT noong 2019. Almost half or 45% of its banana imports in 2019 and 2020 came from the Philippines.

Banana exports dropped significantly during the pandemic primarily due to transport restrictions. In 2020, the value of bananas exported by the country decreased by 21% to $1.55 billion or ₱74.5 billion.

As in the past, Duterte continues to favor capitalists while turning a deaf ear to the plight of banana farmers. During the pandemic, his regime implemented several programs to support big companies. In December 2020, the regime reportedly allocated ₱220 million to subsidize the production of big banana plantations under the Productivity Enhancement Project. This January, the regime loaned ₱645 million to Hijo Superfoods Inc., a company linked to Lapanday which manufactures banana flour. Before the pandemic, it also reportedly loaned ₱1 billion to Unifrutti to fund the expansion of its plantations.

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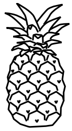


Multinationals dominate Philippine PINEAPPLE production

Pineapple is among the top agricultural products in the Philippines. The country is the biggest pineapple exporter in the world. Last year, the country recorded a production of 2.7 million metric tons (MT) which has a value of ₱26.1 billion. Majority (85%) of local production is controlled by two multinational companies Del Monte Philippines Incorporated and Dole Philippines (Dolefil) which were both established by US companies in the 1920s. Del Monte Philippies is currently owned by big bourgeois comprador Campos family, while Dolefil was bought by Japanese company Itochu Corporation.

Pineapples are either sold fresh, canned, as beverage or mixed in in other food products. A small portion is also processed into fabric. Based on latest data by the regime, the average retail price of fresh pineapples is ₱53.07 per kilo. It claims that the average farmgate price is ₱19.37 per kilo, while farmers are actually forced to sell their produce for as low as ₱5 per kilo.

Pineapple is planted across 66,048 hectares of agricultural land across the country. A huge part of this in concentrated in the Northern Mindanao Region (26,507 hectares) ad Soccsksargen

(24,561 hectares). The pineapple plantations of Dolefil covers approximately 32,000 hectares of agricultural land, while Del Monte covers 20,000 hectares. These were originally ancestral lands which have been grabbed from Lumads. Smaller pineapple farms are mostly controlled by these companies under leaseback and contract growing agreements. On top of these companies, Lapanday Foods Corporation of the Lorenzo landlord family also contracts out smaller farmers to produce pineapples.

These companies are aggressively expanding their plantations to accumulate more profit from pineapple production. In 2014, Dolefil announced that it plans to expand its plantations by 12,000 hectares. This will cover agricultural and ancestral lands in Soccsksargen which have long been cultivated by settlers and Lumads.

These companies are using contract growing and leaseback as schemes to directly control lands which owned by farmers to produce pineapple. Contract growing is a farming arrangement where the production process is fully shouldered by the farmer, while the price, quota and quality of products is solely determined by the corporation habang ang presyo. The leaseback system on the other hand involves the long-term leasing out of lands (owned by "cooperatives") to corporations at extremely low rates. Farmers are prohibited from planting other crops, including those for consumption, in lands covered by these arrangements.

Expoitation of farmworkers

During harvest season, big plantations commonly employ sacadas to minimize production costs further. These workers are denied their rights to organize, unionize, and receive decent wages and benefits. The pakyawan scheme is also commonly implemented in plantations to accumulate more profit in the production of pineapples.

Farmers are further burdened and put under hazardous conditions due to systematic and long-term exposure to toxic chemicals (pesticides, herbicides and fertilizer) which are used by multinationals to expedite the growth and extend the shelf-life of pineapples.

Production for exports

In 2020, the Philippines exported 990,780 MT of fresh and processed pineapples which has a value of ₱674.54 milyon. This comprises more than a third of the total pineapple production in the country. The biggest volume of pineapples (71%) were exported by the country to the US (236,810 MT), China (231,340 MT) and Japan (231,080 MT). Under the Duterte regime, exports to China inceased five times from 44,360 MT in 2016 to 231,340 MT in 2020.

In the US, the average retail price of fresh pineapple is is $1.44 (₱72) per kilo or four times higher than the farmgate price (₱19.37) in the Philippines. Meanwhile, pineapple juice costs $2.8 (₱140) per liter.

Published in Ang Bayan, Oktubre 21, 2021

Cheap farmgate price set by Dolefil

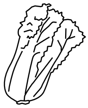
The Unyon ng mga Manggagawa sa Agrikultura (UMA) criticized the report of the Philippine Statistics Authority (PSA) on October 4 which stated that pineapple is the "most profitable agricultural products for Filipino farmers." The group belied this statement stating that thousands of farmers in Polomolok and Tupi in South Cotabato who are under contract growing agreements with Dole Philippines (Dolefil) are obliged to sell their produce to the company at an extremely low rate.

UMA exposed that Dolefil buys pineapples from farmers for as low as ₱5 per kilo, and not ₱19.37 per kilo as claimed by PSA. At this rate, PSA's claim that farmers earned an average net income of ₱658,097 per hectare of pineapple farm in 2020 is only an illusion for farmers.

In real terms, farmers only earned an average gross income of ₱202,100 per hectare. Each hectare of land yields around 40,422 kilos pineapples per year.

Their actual gross income is only ₱404,220 for a three-year crop cycle as pineapples bear fruit after 18 months from planting. This means that their gross income is only ₱134,740 per hectare annually. But minus the production cost of ₱124,881, their net income for three years is only ₱154,458 or only ₱4,290.50 per month.

On the other hand, Dolefil posted a net income of P284,273 per hectare for a three-year period or P94,757 per hectare per year, or almost twice higher than the income of farmers.



Wilting under costly VEGGIES

Vegetable prices spiked drastically last month. In Metro Manila, the price per kilo of cabbage (₱300) reportedly increased by 375%. The price of Chinese cabbage and carrots also doubled, while the prices of eggplants rose by 75%, and squash and bitter gourd by 25%.

The Department of Agriculture (DA) blamed the increase in prices and supply shortage to typhoon Fabian and southwest monsoon which lashed various parts of Luzon during the last week of July. Even prior to this, however, the country has long been facing a worsening decline in vegetable supplies. The DA itself warned earlier this year that the country will face a vegetable shortage of 434,840 metric tons (MT) this year. The shortage is being used by the department to further liberalize the importation of vegetables.

An average of 2 million MT of vegetables are consumed by Filipinos every year, or equivalent to 18.24 kilos per capita. Estimated other uses for vegetables such as seeds, feeds and waste was projected at around 136,934 MT.

Declining production

Since 1995, vegetable production in the Philippines has been dwindling due to the liberalization of agricultural trade in compliance to the General Agreement on Tariffs and Trade. Not even half of the vegetables produced locally in 1996 (4.8 million tons) is projected to be produced this year. The decline in vegetable production is primarily a result of bankruptcies faced by farmers due to all-out liberalization.

The local garlic sector faced the worst impact of vegetable trade liberalization. In the 1990s, 100% of the garlic consumed in the country was produced locally. In 2020, 91% of the total garlic supply was already imported. This same problem has affected the production of monggo beans and onions, in which 51% and 39% are now imported respectively. Among vegetables imported by the country in 2019, monggo beans recorded the highest volume at 36,656 MT which is valued at ₱1.7 billion, followed by onions (23,590 MT or equivalent to ₱261.8 million).

Along with massive use-conversion, the production and area of vegetable farms in the country continues to decrease. Latest data indicate that 240,724 hectares of land in the country are devoted to the production of the nine primary vegetables in the country in 2020. This is 6,365 hectares less compared to the vegetable land area in 2016 when the regime Duterte came into power. Vegetables planted in these area include bitter gourd, cabbage, cassava, eggplant, monggo beans, onion, potato, sweet potato and tomato. A huge portion of vegetable farms are located in Ilocos, Cordillera, Central Luzon, Southern Tagalog, Northern Mindanao, Bangsamoro and Eastern Visayas. Majority of vegetables in Metro Manila are sourced from Benguet in Cordillera.

Among the vegetables imported by the country in 2020, onion recorded the biggest volume (40,585 MT or ₱2.03 billion), followed by monggo beans (26,980 MT or ₱1.8 billion) and garlic

(23,590 MT or ₱1.82 billion). Almost all of the imported garlic, and more than a third of imported onions in local markets were sourced from China. Around 80% of the total monggo bean imports were from Indonesia and Myanmar.

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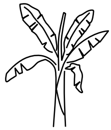
Bitter conditions in bitter gourd production

Tatay kaloy is a 60-year old bitter gourd farmer in Southern Mindanao. He is landless and only rents a half-hectare land in order to farm. In an interview with him by comrades, he narrated how he suffered losses during the last planting season.

He said that the regular planting and harvesting cycle of bitter gourd takes about four to six months. During the last planting season, he spent at least ₱12,600 for farm inputs including seeds, fertilizer, pesticide, wires and straw ties. On top of this, he occassionally employs other farm workers to help him plant and harvest at a rate of ₱200/day. In the past, he was able to harvest 24 times and produce up to 336-408 kilos of bitter gourd. He sold his products at ₱35/kilo, enabling him to earn a net income of ₱14,208. Deducting the cost of production, he was left with almost no profit.

Tatay Kaloy is one of the many farmers who continue to suffer from the backward and manual farming in the country, and the lack of subsidy in the form of farm inputs, cheap credit and irrigation.



Bankruptcy among ABACA *farmers in Bicol*

Abaca farmers in Catanduanes have already been facing bankruptcy even before the Covid-19 pandemic. Fifty kilos of abaca are sold for only ₱3,000 which is relatively lower than the ₱5,000-cost of production shouldered by farmers, including rent to landlords.

Overall, at least 200,000 peasant families across the country plant abaca. The crop line covers 180,302 hectares of farmlands. Abaca production is generally backward, small-scale and unsystematic. There is no significant improvement in the production equipment of farmers who typically do manual labor from planting to stripping to produce abaca fiber.

Farmers commonly wait up to two years to benefit from and harvest their abaca. They wait for another three months before abaca plants grow again. With 20-30 abacas, farmers are able to harvest 20 kilos of produce. These are harvested in 2-3 days by at least 2-3 people.

According to the Philippine Fiber Industry Development Authority, the province of Catanduanes produces 30% of the *abaca* supply in the country. The Bicol region has the largest share in the local *abaca* production.

Based on a research by the Instructor's Bureau of the Communist Party of the Philippines in Bicol, the average pre-pandemic price of dried *abaca* in Catanduanes was ₱60/kilo. Prices vary depending on the quality of dried *abaca*. *Abaca* that is less white is usually bought cheaper. To be able to sell 50 kilos of dried *abaca*, farmers shoulder up to ₱4,210 in production costs.

Part of the costs covers ₱600 for clearing and cutting *abaca* plants; ₱2,400 salary for two farm workers employed to strip *abacas*; and ₱300 for drying.

In transporting the produce from the farm to the road, farmers spend ₱1 per kilo of *abaca*. The transportation from the barrio the market costs ₱30 per bundle of *abaca* fiber. For three days, approximately ₱450 is spent for food expenses.

Up to 25% is deducted from the farmers' net income for land rent, leaving them with a loss of ₱1,960 in the end.

Exceptional Filipino product

The Philippines is among the very few countries across the world which supply *abaca*. *Abaca* produced in the Philippines is internationally known as the Manila Hemp. Aside from the Bicol region, other areas including Mindoro in Luzon; Leyte, Samar, Negros Oriental, Iloilo and Aklan in Visayas, and all provinces in Mindanao produce *abaca*. Many of those who produce these are small and poor farmers and indigenous peoples.

The Philippines produces 87% of the global supply of *abaca*. In 2019, the Philippines exported $156 million or ₱7.8 billion ($1=₱50) in *abaca* products. The average value of *abaca* exported by the country annually is $97.1 million, 12.6% of which is raw *abaca* fiber.

In 2020, the total local production of *abaca* fell by 2.17% from 72,300 metric tons in 2019 to 70,770 metric tons. This was primarily caused by transportation restrictions during the Covid-19 pandemic and successive typhoons which hit the country during the last quarter of 2020.

Data by the Food and Agriculture Organizaton of the United Nations indicate that the average price of exported *abaca* fiber in 2016 was $1.99-$2.35/kilo (₱99.32-₱117.5). This is higher by ₱30 than the price at which traders buy the produce of *abaca* farmers.

In sum, exporters gain about ₱4,966-₱5,875 per 50 kilos of *abaca* fiber, 60% more than the income of farmers which is only ₱3,000. This is despite the fact that production costs are shouldered solely by farmers, and that no value is added to the raw fibers exported to other countries.

Around 57% of *abaca* fibers produced locally are processed for the production of tea bags and other paper products. Each tea bag costs ₱1.5-₱2 each.

Abaca is also used for the production of paper bills, clothers and others. Last year, *abaca* was promoted as a good material for producing face masks.

Published in Ang Bayan, Abril 7, 2021

Volume of Production ('000 MT)

Crop	**2016**	**2017**	**2018**	**2019**	**2020**
Palay	17,627.2	19,276.3	19,066.1	18,814.8	19,294.9
Corn	7,218.8	7,914.9	7,771.9	7,978.8	8,118.5
Banana	8,903.7	9,166.3	9,358.8	9,157.7	9,056.1
Coconut	13,825.1	14,049.1	14,726.2	14,765.1	14,490.9
Mango	814.1	737.0	711.7	737.9	739.2
Sugarcane	22,370.5	29,286.9	24,730.8	20,719.3	24,398.9
Pineapple	2,612.5	2,671.7	2,731.0	2,747.9	2,702.6
Cassava	2,755.1	2,806.7	2,723.0	2,630.8	2,607.8
Rubber	362.6	407.0	423.4	431.7	422.4
Sweet Potato	529.5	537.3	537.3	525.9	546.9
Onion	122.6	184.4	172.7	222.1	229.5
Eggplant	235.6	241.9	244.8	249.9	242.7
Coffee	68.8	62.1	60.3	60.0	60.6
Tobacco	56.5	51.0	50.4	51.1	52.4
Abaca	71.8	68.8	71.5	72.2	71.0
Tomato	210.7	218.8	220.8	223.3	222.0
Potato	116.8	117.6	117.4	116.1	113.6
Ampalaya	87.5	89.5	87.4	89.3	87.8
Cabbage	123.1	122.5	120.7	128.1	129.8
Calamansi	118.2	116.7	113.6	126.0	108.7
Monggo	34.0	35.3	36.7	36.2	37.0
Cacao	6.3	7.0	8.0	8.5	9.3
Others	3,360.8	3,383.5	3,426.5	3,434.6	3,414.5

Source: Philippine Statistics Authority,
Selected Statistics on Agriculture 2021

Total Production Area (‘000 ektarya)

Crop	2016	2017	2018	2019	2020
Total	13,091.5	13,507.8	13,476.3	13,298.1	13,422.3
Palay	4,556.0	4,811.8	4,800.4	4,651.5	4,718.9
Corn	2,484.5	2,552.6	2,511.4	2,516.7	2,553.8
Banana	442.9	446.8	447.9	449.0	451.2
Coconut	3,565.1	3,612.3	3,628.1	3,651.9	3,651.3
Mango	187.8	186.0	185.9	186.6	186.8
Sugarcane	410.1	437.5	437.5	379.3	399.1
Pineapple	65.2	66.0	66.2	66.0	66.9
Cassava	229.8	234.5	227.6	222.4	219.2
Rubber	223.3	226.3	228.9	229.4	230.7
Sweet Potato	84.8	85.0	84.0	83.3	83.7
Onion	13.0	18.3	17.9	19.9	18.4
Eggplant	21.0	21.4	21.7	21.8	21.8
Coffee	114.8	112.8	113.4	112.0	113.3
Tobacco	32.5	30.8	28.2	28.0	28.9
Abaca	134.4	132.5	132.3	132.4	132.4
Tomato	16.2	16.5	16.5	16.4	16.4
Potato	7.7	7.8	7.6	7.5	7.2
Ampalaya	10.5	10.7	10.7	10.7	10.7
Cabbage	8.0	7.9	7.8	7.8	8.0
Calamansi	19.8	19.8	19.8	19.6	19.7
Monggo	41.3	41.9	41.6	41.7	41.9
Cacao	14.8	18.3	27.1	30.3	31.3
Others	407.9	410.3	413.8	413.7	410.9

Source: Philippine Statistics Authority,
Selected Statistics on Agriculture 2021

Top export of crops and crop products (2020)

Crop/Product	Volume ('000 MT)	Value (milyong $)
Abaca	3808.47	1644.3
Coconut oil	920.5	899
Pinya	990.78	674.54
Tobacco (processed)	35.97	302.52
Desiccated coconut	144.26	260.74

Source: Philippine Statistics Authority,
Selected Statistics on Agriculture 2021

Prices of Urea fertilizer (December 2020-July 2021

Province	Dec 2020 -Apr 2021	Jul 2021	Increase in Php	Increase in %	Added cost/ha (8-10 bags)
Nueva Ecija	₱850-870 /bag	₱1,300 /bag	₱430-450 /bag	49-53%	₱3,440-₱4,500
Isabela	₱950 /bag	₱1,230 /bag	₱280 /bag	29.50%	₱2,240-2,800

Data fromAmihan and Radyo Guimba

Palay farmgate prices

Luzon	Price/kg
Bicol region	₱10-14
Tarlac	₱11-12
Ilocos Sur	₱11-13
Nueva Ecija	₱11-13
Camarines Sur	₱11.50-14
Bulacan	₱12
Isabela	₱12-13.50
Pangasina	₱12-12.30

Visayas	Price/kg
Negros Occidental	₱10-14
Capiz	₱10-11
Antique	₱12.50

Mindanao	Price/kg
CARAGA	₱11
Agusan del Sur	₱13
Davao de Oro	₱13-14
Davao del Norte	₱13.50
South Cotabato	₱13.50
Surigao del Sur	₱13.50
North Cotabato	₱14
Lanao del Sur	₱15

Gathered by Amihan, KMP, Bantay Bigas Mindanao