Outline

1. Importance coconut industry in the Philippines
2. Description of case study area
3. Steps for data collection
4. Methods for data analysis
   a. Value chain network
   b. Motivations, barriers and opportunities
   c. Policy challenges
5. Options and recommendations
   a. Policy options for organic certification
   b. Recommendations for multi-stakeholder platform
Importance of coconut industry in the Philippines

- One hectare of coconut farm has the highest average carbon storage with the potential to absorb 17.54 tons of carbon per year.
- Coconut areas in 68 out of 79 provinces in the country.
- About 331 million coconut trees in 3.3 million hectares of land, accounting for 30% of the total farmlands.
- About 3.5 million coconut farmers who comprised 20% of the country’s poor and are working in coconut farms in 1,195 municipalities.
- With an average household consumption of one litre per week, coconut oil is the most important oil product in the Philippines.
- Most important agricultural export commodity in the Philippines, contributing 23% to the total value.
- Value of coconut oil exports was 101.29 Million US$ in 2017 and grew by 16% as of June 2018.
Case study area in the Philippines

- The province with the largest coconut production is in the region of Calabarzon.
- Quezon Province in Calabarzon ranks 1st among the 29 provinces.
- Accounts for about 10 percent of the coconut production in the Philippines in 2016.
- Priority-I consists of highly suitable areas with yield of at least 2.5 tons copra or 11,250 nuts per hectare per year.
- Processing plants and companies for coconut products are also located in Calabarzon.
Steps for data collection in the case study area

1. Defining the population and identifying subjects
2. Considering the sample size
3. Selecting and assessing settings
4. Gaining access
5. Initiating chains and identifying locators
6. Pacing and monitoring of the referral chains
7. Discontinuing the referral chains

Entry points to access respondents for conducting the survey
Methods for data analysis

Aactors and Institutions Survey
(Chapters 3.2.1 – 3.2.2)

In-depth Interviews
(Chapter 3.2.3)

Value Network Mapping
(Chapter 4.1-4.2)
- Institutions and value chain
- Roles of actors in coconut oil value chain

Policy Analysis
(Chapter 4.5)
- Policy challenges and implications on organic certification

Quantitative Analysis
(Chapter 4.3-4.4)
- Motivations, barriers and opportunities
- Value chain, VSS and SDGs

Options and Recommendations
- Policy Options for a National Action Plan (Chapter 5.1)
- Options Multi-Stakeholder Platform for VSS (Chapter 5.2)
Value network mapping

Institutional context of organic certification for coconut oil value chain
Value network mapping

Links among the actors in the value chain
Value network mapping

Opinion on most important actors in the value chain, by type of activities
Motivations for organic certification by level of importance
Quantitative analysis

Proportion of value chain actors following organic practices
Severe barriers to certification during (a) decision-making and (b) implementation stages, by value chain actors.
Economic (a) and non-economic (b) opportunities from organic certification, percent of actors who both agree and strongly agree.
Quantitative analysis

Proportion of actors and institutions who agree and strongly agree on the contribution of VSS to the SDG, in percent
## Policy analysis: Challenges for certification identified by actors in the value chain

<table>
<thead>
<tr>
<th>Challenges for certification</th>
<th>Value Chain Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a. Producers</strong></td>
<td><strong>b. Processors</strong></td>
</tr>
<tr>
<td><strong>1. Prerequisites for/Transition to certification</strong></td>
<td>Not qualify with non-organic inter-crops; Lack knowledge on certification; Long transition period to organic; Source of organic inputs</td>
</tr>
<tr>
<td><strong>2. Costs of certification</strong></td>
<td>Not affordable; Short validity</td>
</tr>
<tr>
<td><strong>3. Application requirements</strong></td>
<td>Cumbersome paperwork; Renewal require the same documents</td>
</tr>
<tr>
<td><strong>4. Inspection/Quality compliance</strong></td>
<td>Difficult to keep record</td>
</tr>
<tr>
<td><strong>5. Contract compliance</strong></td>
<td>Cannot increase production per hectare</td>
</tr>
<tr>
<td><strong>6. Economic benefits</strong></td>
<td>Labour intensive but low price for certified organic raw coconut; Low demand for organic products in national market</td>
</tr>
</tbody>
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### Policy analysis: Challenges for certification identified by actors in the value chain

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<th>c. Brokers</th>
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<tr>
<td>7. Government subsidies</td>
<td>Requires three years of organic practices; Lack of national OCBs to provide guarantee on organic practices</td>
<td>Requires three years of organic practices; Not affordable for SMSEs because subsidies in form of reimbursements</td>
<td>Exporters do not qualify for subsidies</td>
</tr>
<tr>
<td>8. Pest and diseases</td>
<td>Reduce harvest; Forced use of pesticide</td>
<td>Affected supply</td>
<td>Affected image of exporters in global market</td>
</tr>
<tr>
<td>9. Low productivity</td>
<td>Low harvest due to senile trees, poor soil quality, conversion to built-up areas</td>
<td>Unstable supply of raw coconut</td>
<td>Middlemen has unstable supply of raw coconut</td>
</tr>
<tr>
<td>10. Climate change impacts</td>
<td>Rehabilitation of typhoon-destructed coconuts in remote areas; Lack of knowledge to respond to climate impacts leading to low productivity</td>
<td>Unstable supply of raw coconut</td>
<td>Middlemen has unstable supply of raw coconut</td>
</tr>
<tr>
<td>11. Impacts on SDGs</td>
<td>Low farm productivity does not support food security</td>
<td>Partnership do not extend to producers of raw coconut</td>
<td>Labour-intensive trading of raw coconut difficult to support women employment</td>
</tr>
</tbody>
</table>
# Policy Options: How to address the challenges in organic certification

<table>
<thead>
<tr>
<th>Options</th>
<th>Actions</th>
</tr>
</thead>
</table>
| 1. Enhance knowledge on organic practices | Producers’ key role in certified value chain: Build public awareness  
Mobilize community to create knowledge: Organic education in schools |
| 2. Provide access to resources and facilities | Production of organic inputs: Build capacity and integrate in livelihood programs  
Small-scale processing facilities: Create accessibility at affordable rates (i.e. rental, sharing) |
| 3. Strengthen partnership in value chain | Shift away from traditional production: Provide entrepreneurial skills/support  
Get support from entrepreneurs: Provide extension services, Membership in associations |
| 4. Develop a competitive sector of OCBs | Accreditation of OCBs: Accessibility of accreditation offices  
Capacity building for OCBs: Education and training on accreditation |
<table>
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<tr>
<td>5. Create innovative but affordable certification system</td>
<td>Create incentives Provide premium to producers, Sharing costs of certification</td>
</tr>
<tr>
<td></td>
<td>Simplify requirements Reduce paperwork, Less documents for renewal, Align standards</td>
</tr>
<tr>
<td></td>
<td>Knowledge sharing Online platform for best practices</td>
</tr>
<tr>
<td>6. Create domestic market for organic products</td>
<td>Increase demand Processed organic products affordable for local consumers</td>
</tr>
<tr>
<td></td>
<td>Change consumer behaviour Increase awareness, Marketing strategies for organic products</td>
</tr>
<tr>
<td>7. Consolidate government support programs</td>
<td>Link to other programs Integrate organic practices in livelihood and productivity programs</td>
</tr>
<tr>
<td></td>
<td>Improve subsidy programs Provide to farmers and MSMEs during transition period</td>
</tr>
</tbody>
</table>
Opinions on establishment of a multi-stakeholder platform for VSS

Recommendations: Multi-stakeholder platform for VSS

Reasons not to participate:
1. Tenants – lack of time, capacity, knowledge, and interest
2. Brokers and farmers – lack of time, only if receive invitation
3. Workers – lack of time and capacity
4. Processors – lack of time and additional expenses
5. Institutions – lack of time and knowledge

Opinions on establishment of a multi-stakeholder platform for VSS
Recommendations: Multi-stakeholder platform for VSS

GOALS
✓ Need to be more targeted and adapted to the local contexts
✓ Need to create sense of “country-ownership”

REPRESENTATION
✓ Inclusive - “active participation of weak(er) stakeholders in the decision-making process
✓ Represented by those with “stake” in achieving the goals

POWER BALANCE
✓ Need to consider asymmetries in knowledge, capacity, resources, and embeddedness among the value chain actors
✓ Power dynamics will have to be managed effectively

LEADERSHIP
✓ Effective leadership is crucial in setting goals that address multiple interests, win trust of stakeholders, and take the partnership process forward
✓ Collective leadership is important in multi-stakeholder contexts and achieving sustainability goals