



*A Glimpse on CRS value chain
framework
Agroenterprise Development Approach*

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OUTLINE

- 1. Catholic Relief Services and Its Agriculture Programs**
- 2. A Journey to Agroenterprise Development with Micro Finance Institution**
- 3. Challenges and Opportunities**

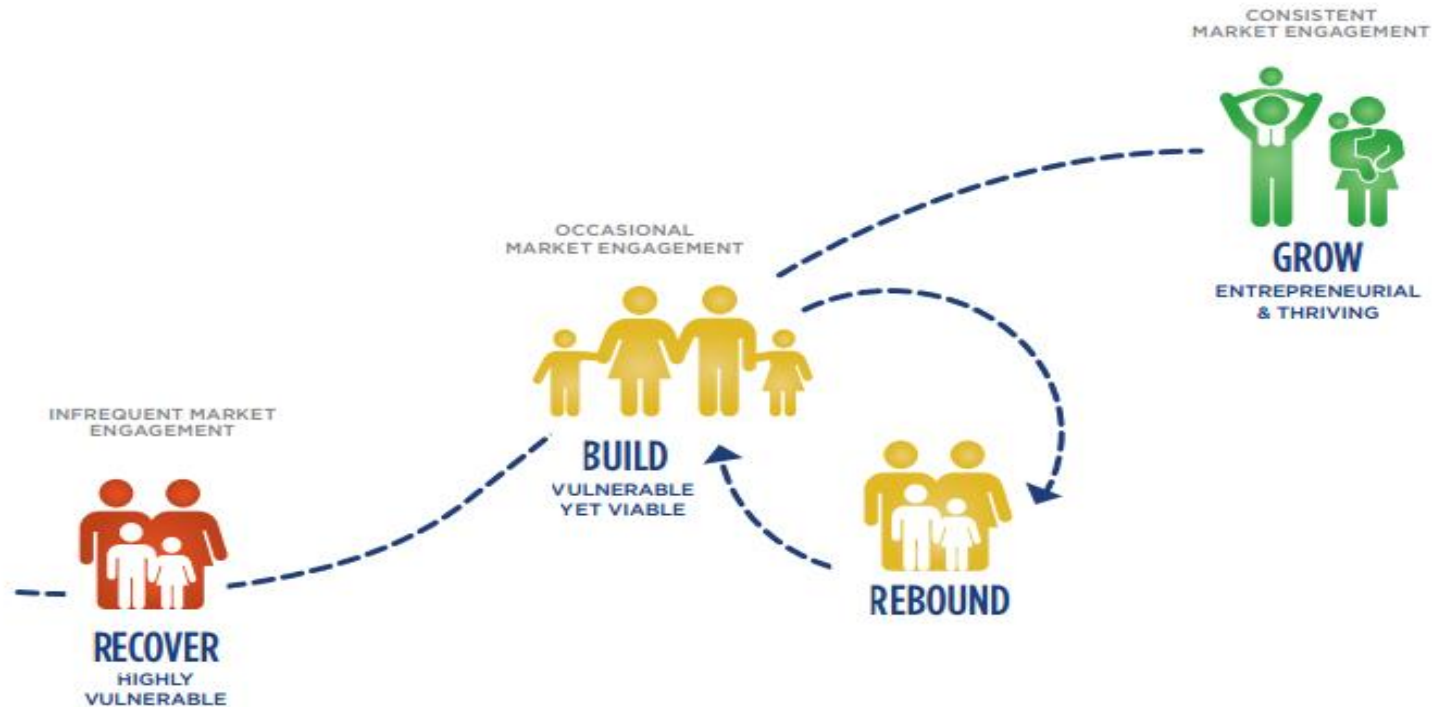
Catholic Relief Services

- Official international relief and development agency of the U.S. Catholic community
- Works in over 90 countries worldwide
- Has been working in the Philippines since 1945 after the 2nd World War mostly doing relief and reconstruction efforts
- Over 450 staff in CRS PH program



PATHWAYS TO PROSPERITY

During the next five years, we and our partners will provide a “pathway to prosperity” for 2 million rural households, or 12 million people. We will help them **RECOVER**, **BUILD** and **GROW** to achieve prosperous and resilient agricultural livelihoods.



Agriculture/NRM Programs

FARM – Farmers Alliances for Resource Strengthening and Marketing Project



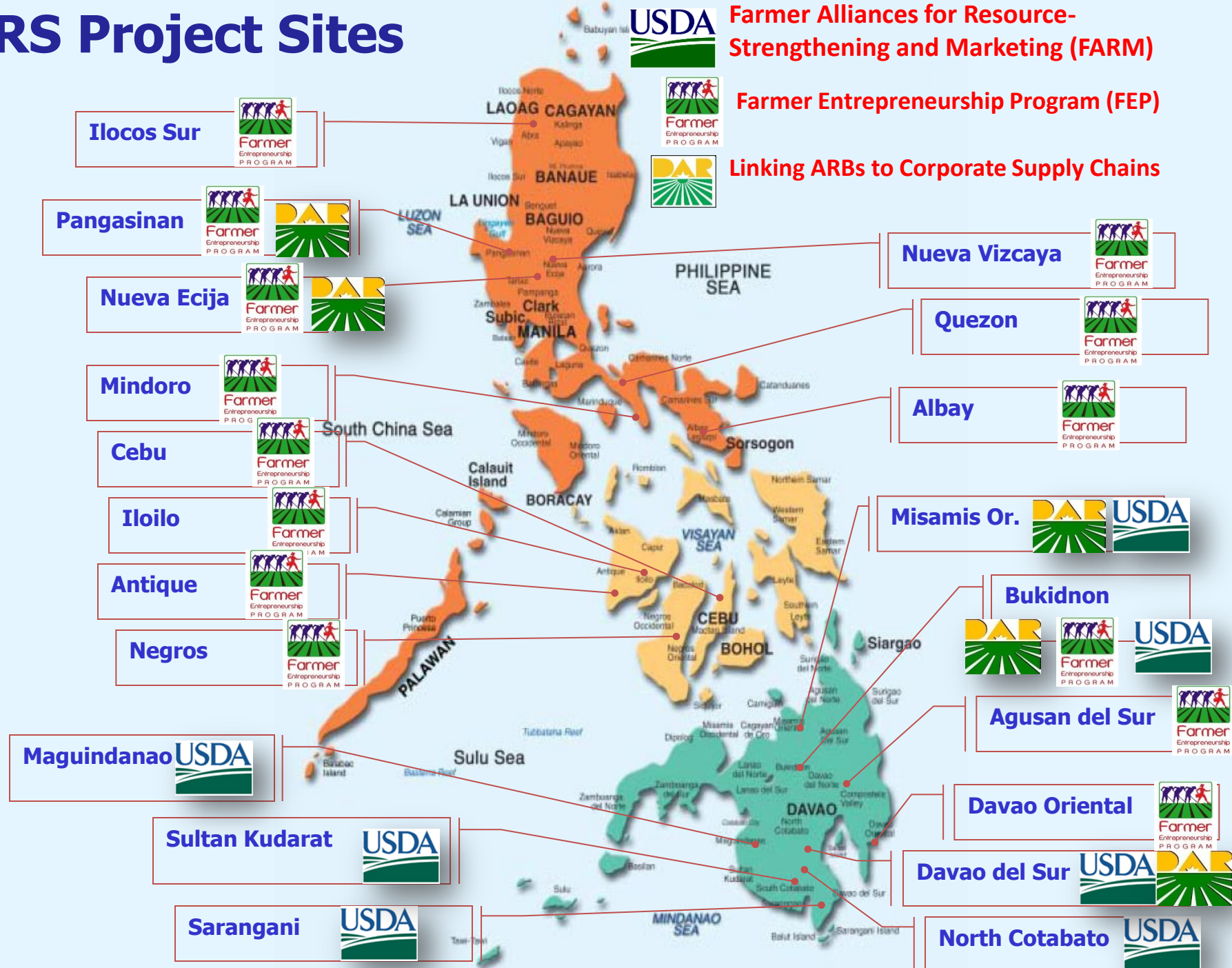
FEP – Farmers Entrepreneurship Program



Linking ARBs to Corporate Supply Chain -



CRS Project Sites



Farmer Alliances for Resource-Strengthening and Marketing (FARM)

Farmer Entrepreneurship Program (FEP)

Linking ARBs to Corporate Supply Chains



Agroenterprise



- Farming profitably
- Working with markets
- Capturing more “value” for small farmers from value chains

Agroenterprise – a new development approach for small farmers



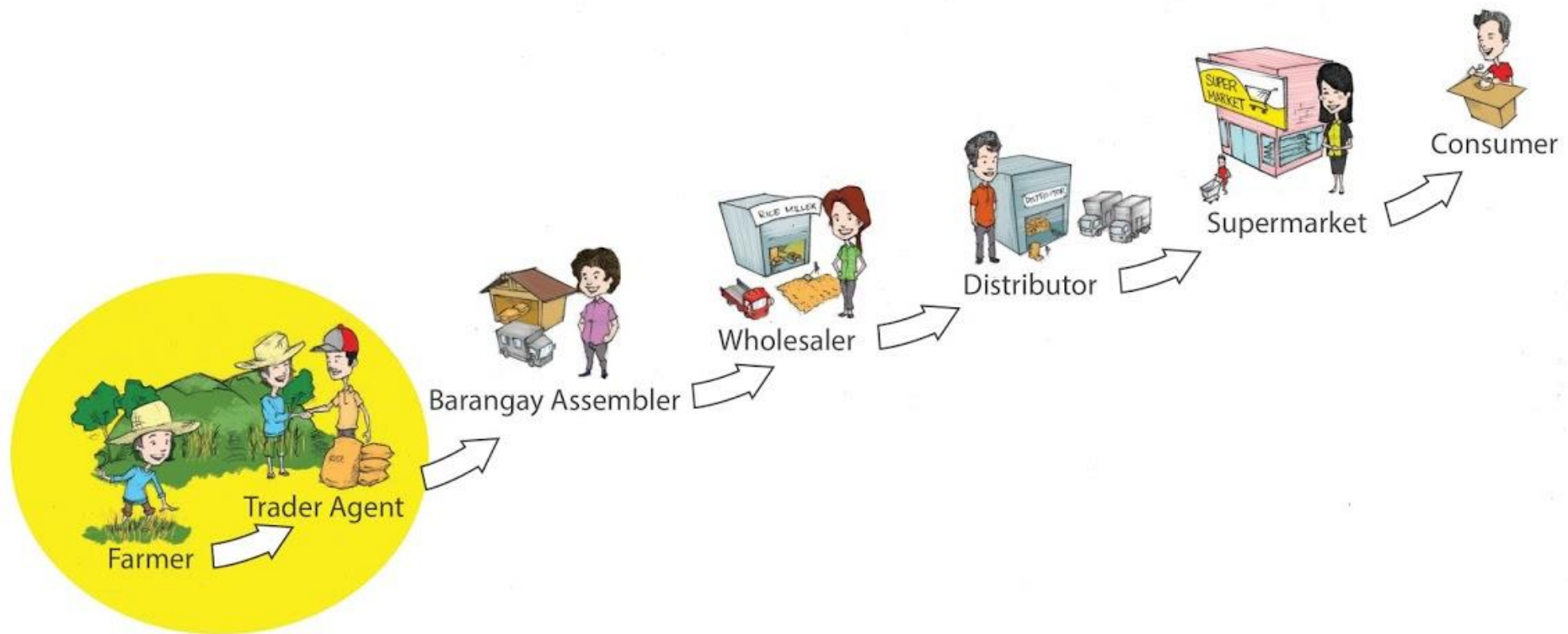
Production Focus



Market Opportunity Based

Market Chain – Short

Limited sale pricing and value adding opportunities



Challenges faced by small farmers

- Production capacity (land and capital)
- Lack of information about markets and products in demand
- Limited scale
- Limited access to the end buyers
- Strict quality and timing requirements of institutional market
- Loss and wastage from produce unsold or trimmed
- Limited access to finance



How do we get farmers included in formal (higher value) markets ?

- ✓ Change in mindset
(production focused > market orientation)
- ✓ Organizing farmers for business
(individual > collective marketing; with business partnerships)
- ✓ Building knowledge, skills, attitudes for agroenterprise
- ✓ Partners to help create the supporting environment
(for technology, infra gaps, capital, trainings)

Agroenterprise: A new approach in farmers' development



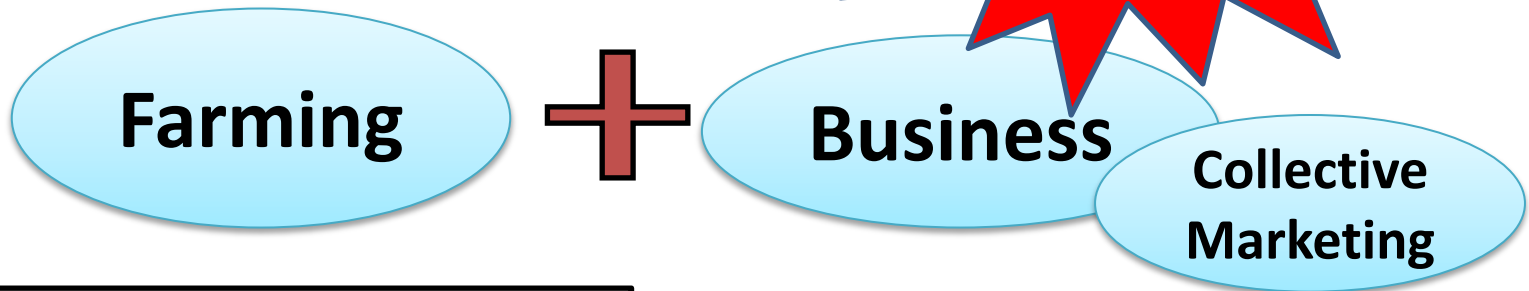
Production Focus
(Yields, Surplus)

How the farm is
managed?

Value Chain Approach
(Sales, Income, Investment)

How to engage the market and
earn more from value addition?

Agroenterprise



FARMING as a business:

- Attentive to capital, costs, income, investment
- Improve production & PH to increase value
- Plan the market
- Negotiate price
- Coordinate supply & activities with other farmers
- Collectively market

Business organization or entity

of farmers for collective marketing which can be either a coop or an association



Agroenterprise: Lamac Multipurpose Coop in Cebu



Agroenterprise: Lagonglong & Balingasag, Misamis Oriental (Cardava banana)



Agroenterprise: Malaybalay, Bukidnon

Value Addition – Palay to Milled Rice



Tilapia Crunch



Agroenterprise: Impasugong, Bukidnon (Citronella Oil)



Working with Two Kinds of Markets: Traditional and New/Formal Markets

Traditional Markets
(local and regional)

- Trader Agents
- Traders (wholesale and retail)

Institutional
(formal/new)

- Consolidators
- Supermarkets
- Fastfoods
- Hotels & Restaurants
- Processors
- Niche Markets
 - Fair trade
 - Organically grown
- Direct Consumer Markets





Value Chain Promotion

Berries, Unsorted Beans

Sorted, Milled and Packed

Farmers

Local
Traders/
Agent

Assembler

Wholesalers

**Institutional
Buyers**

**Nestle, Monks
Blend**

Value Chain Organizing



Capacity Building Process



Individual Farmers

- ✓ New Knowledge
- ✓ New Skills
- ✓ Business-Oriented
- ✓ Attitude & Values

- Farmers Organization for Agro-Enterprise
- ✓ Clusters
- ✓ Coop

Network of Support (Institutions)

- Site Working Group (SWG)
- Joint Implementing Team (JIT)

A Farmers' Journey

“Capability Building Process”

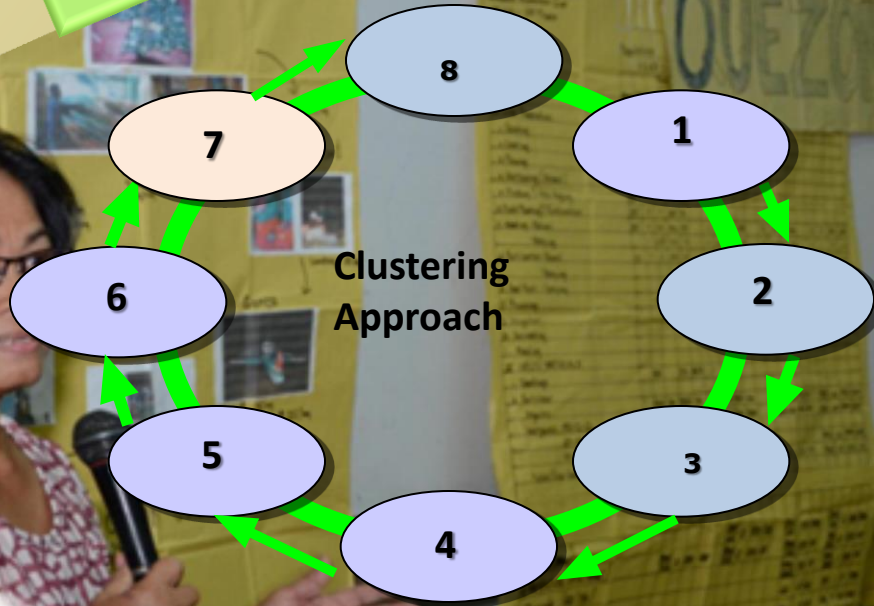


Present

Value chain
Financing

FARM & FEP
Projects

Future



Clustering
Approach

Agroenterprise Plan:

- a. Market Plan
- b. Supply Plan
- c. Management Plan
- d. Financial Plan

Business Implementation Plan



Partnership. Action. Results.

Capacity Building Process



Individual Farmers

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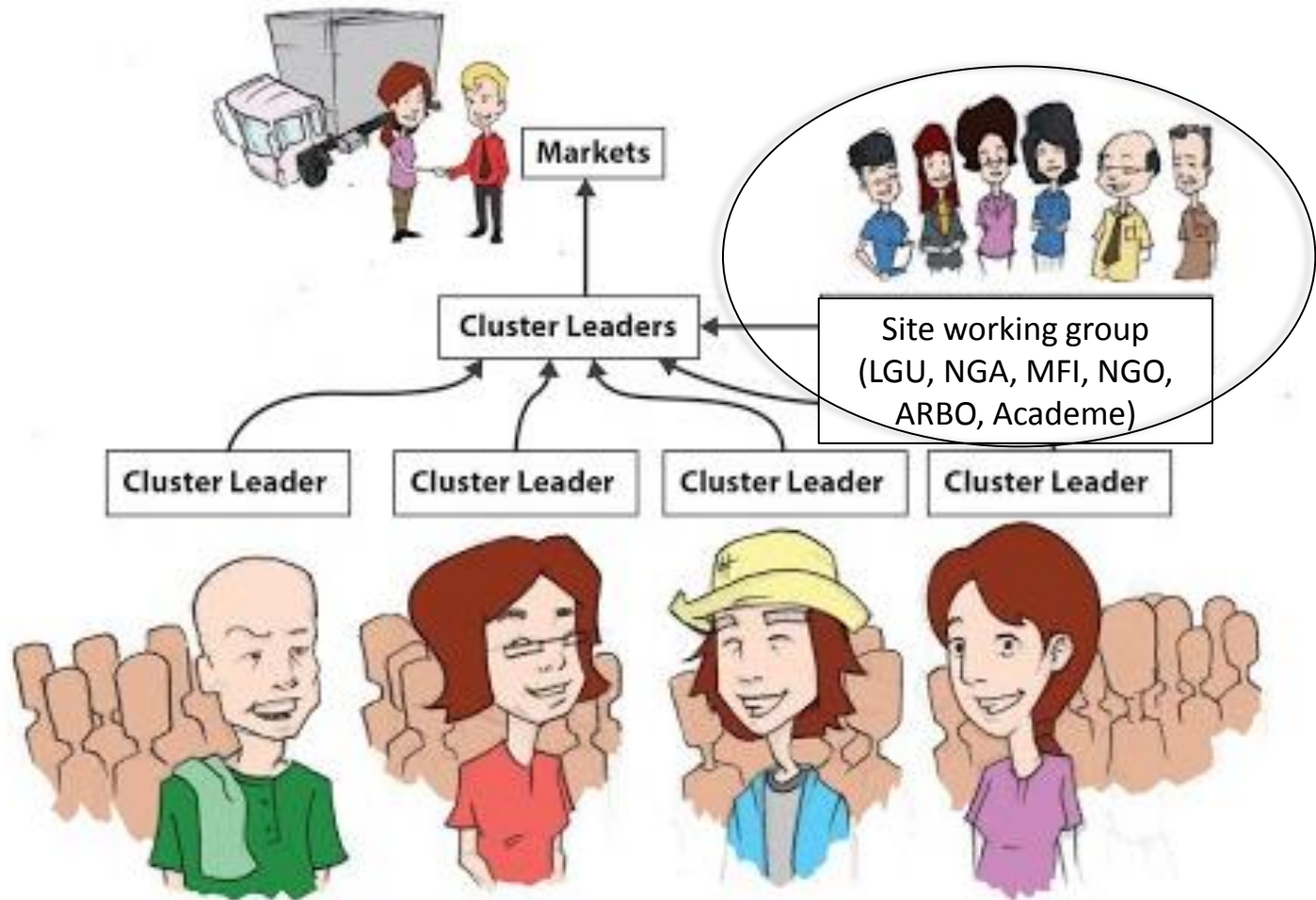
- Farmers Organization for Agro-Enterprise
- ✓ Clusters
- ✓ Coop

Network of Support (Institutions)

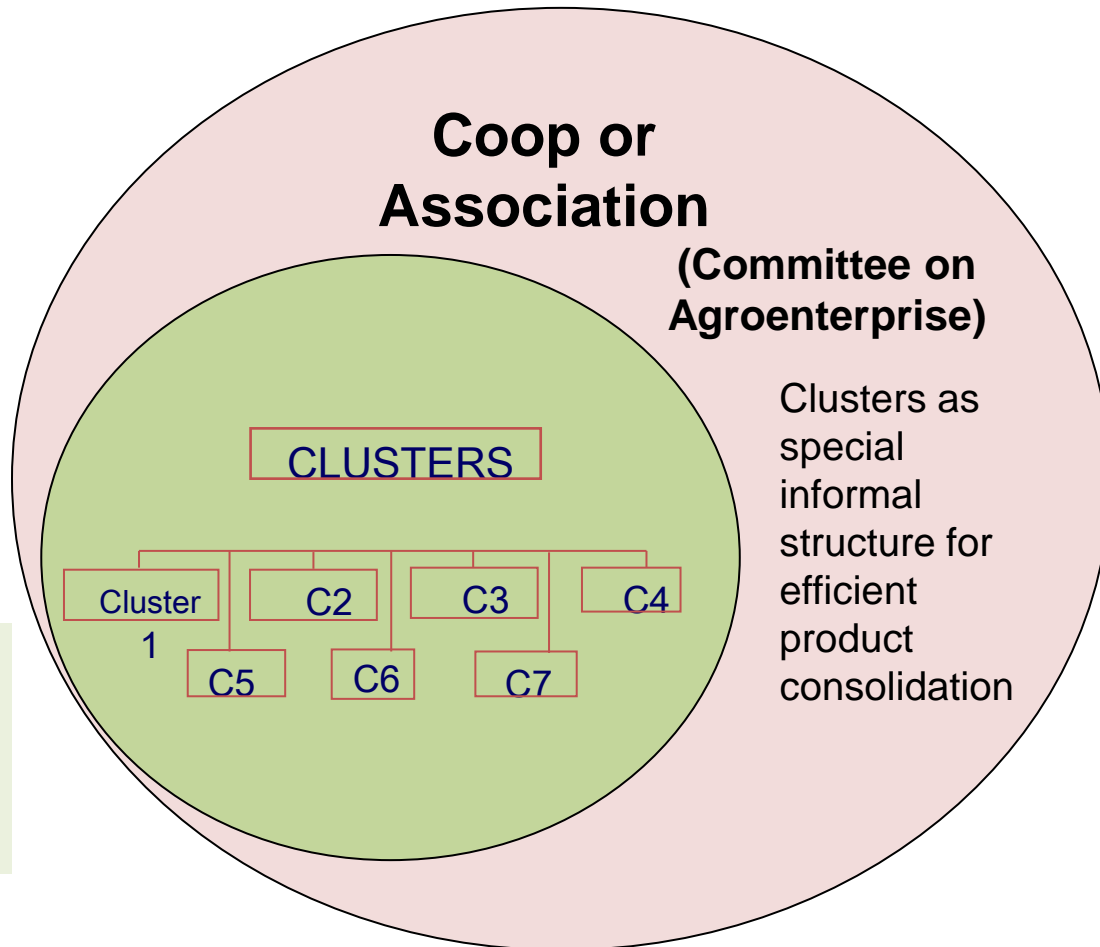
Site Working Group (SWG)

Joint Implementing Team (JIT)

Basic Structure of the Clustering Approach



Clusters – in existing organization

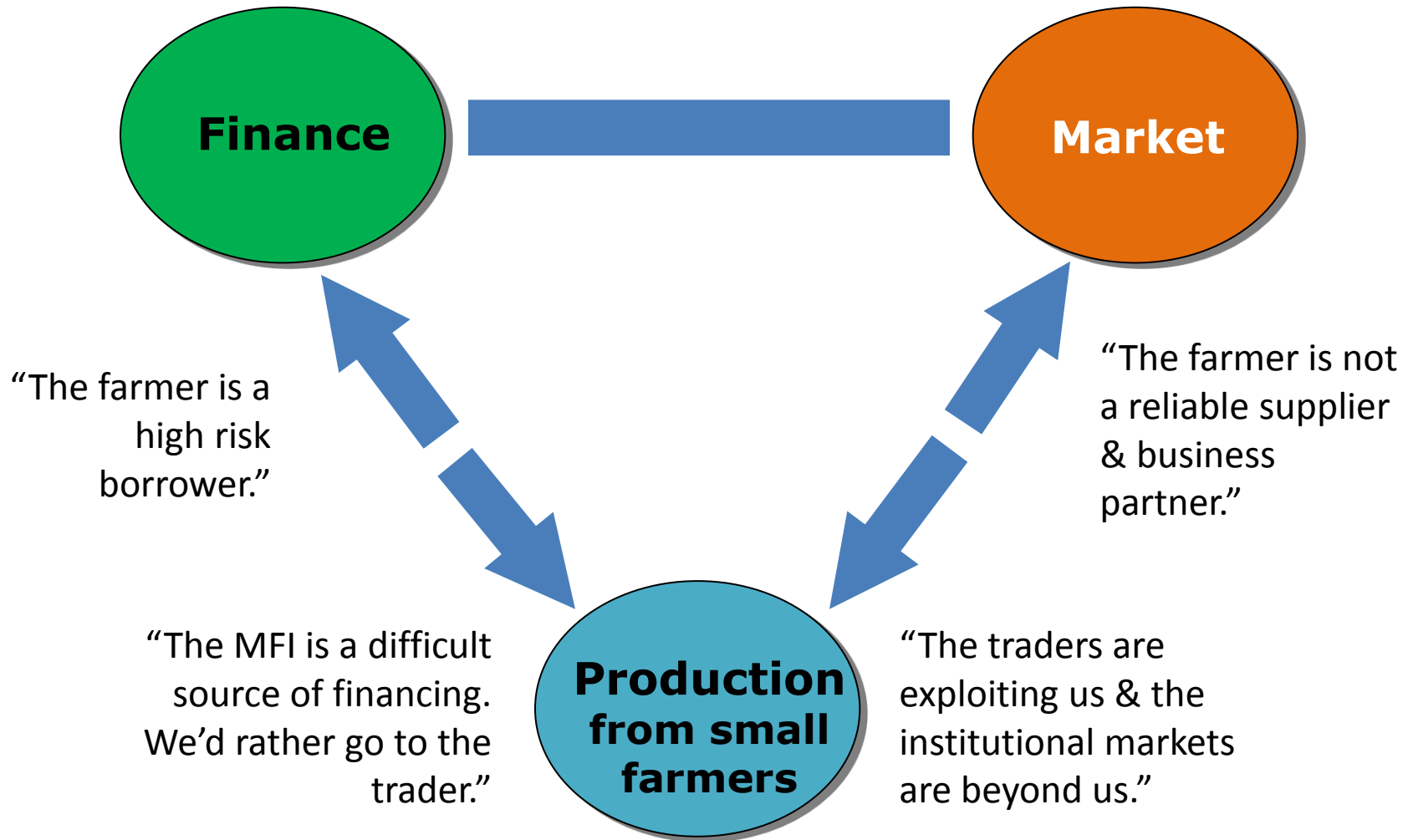


Clusters:
Farm
Production/
Supply unit

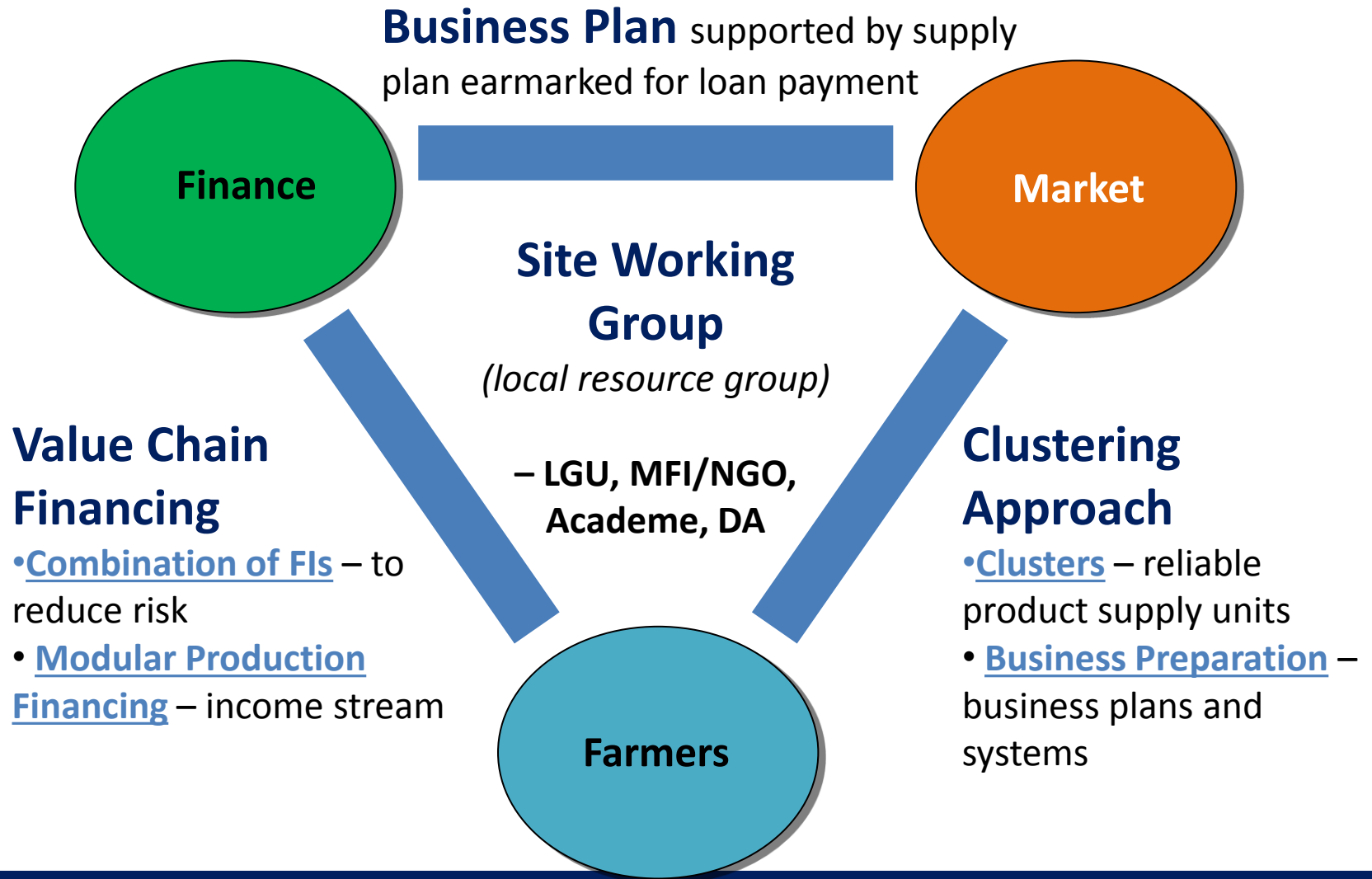
Coop: Business
Organization

- Financing channel
- Inputs
- Equipment Servicing
- Transport
- Processing
- Marketing

Challenges to close the loop



The Breakthrough – INNOVATIONS



Learnings from our CRS Agroenterprise Work:

- The Financing Sector can “unlock” the earning opportunities of farmers by allowing them to invest
- To open these potentials, the risk of lending to small farmers must be addressed with “out of the box” approaches (Financial Literacy for Development Workers and Farmers)
- CRS experiences with its partners have shown promising results that have provided the breakthrough:
 - Value chain financing to farmers coming from diversified sources to reduce risk
 - Modular production financing in small areas with income streams
 - Assurance of a relatively stable market (from cluster committed supply incorporated in the business plan)
- For the financing sector to be confident to release its capital funds for small farmers, these requirements for risk management must be met:
 - institutional development of the farmers
 - marketing program



Thank you

For more information:

Visit www.crs.org

Video on AED: <https://youtu.be/J1ilwbn7mP4?list=PLt5PsPjJAK-2IHJMWjQk5pgleAusKRysr>

faith. action. results.