



Seven agrarian reform beneficiary organizations (ARBOs) were recognized for their exemplary performance in their participation of the Responsible Sourcing from Smallholder (RSS) program.

Shaping the Sustainable Future of Sugarcane Production in the Philippines Forum

7-8 May 2024

Nature's Village Resort, Talisay City, Negros Occidental, Philippines





Introduction

Nestlé and ASR Group, together with our partners Proforest and the Sugar Industry Foundation, Inc. (SIFI) jointly organized the Shaping the Sustainable Future of Sugarcane Production in the Philippines forum on 8 May 2024.

The forum gathered stakeholders to interact, share and discuss topical issues relevant to responsible and sustainable sugarcane production in the Philippines.

Attended by over 100 representatives from government agencies, industry federations and associations, sugar buyers, sugar mills, cooperatives, planters and non-governmental organizations from the Philippines sugarcane industry, the forum served as a platform to share the learnings and experiences from the ongoing long-term program by Nestlé and ASR Group and to define the future. The program supports sugarcane producers in northern Negros Occidental to improve their sugarcane farming productivity through good agricultural and management practices while adopting responsible and ethical social best practices.

The forum also called on action in the industry to implement good agricultural and responsible social and environmental production practices beyond Nestlé and ASR Group's supply chains.

Preceding the forum, circa forty people participated in a field visit on 7 May 2024 to the Responsible Sourcing from Smallholders (RSS) and Regenerative Agriculture and Climate (RAC) program sites at Escalante City and Cadiz City.

Introduction of RSS

The RSS program is a supply base initiative with a multi-stakeholder network supporting sugarcane smallholders to improve the sustainability of their production practices and address key livelihood needs.

Core funding is provided by Nestlé and ASR Group to address the key risks and needs of farmers: child labor prevention, proper use of personal protective equipment, zero-burning practices, technical training, livelihood improvement, increased productivity and better soil management.

The program is implemented by a local organization, Sugar Industry Foundation, Inc (SIFI), together with Hawaiian-Philippine Company, Victorias Milling Corporation and Lopez Sugar Corporation, with Proforest providing strategic support and overall coordination between SIFI, Nestlé and ASR Group.

Since the program started 8 years ago, about 4,300 farmers from 102 ARBO groups covering almost 3,300 hectares, have received a varied range of RSS support.

Introduction of RAC

Building on the successes of the RSS Program, Nestlé, through SIFI and Proforest, launched a second program (RAC – Regenerative Agriculture and Climate) in 2022 to increase the adoption of regenerative agriculture practices by medium to large planters in the 3 milling districts of Hawaiian-Philippine Company, Victorias Milling Corporation and Lopez Sugar Corporation.

Thus far, the RAC program has been well received by the planters who are keen to adopt practices that can improve soil health and farm productivity in the long term.

In the context of sugarcane farming, RAC approaches range from green manure, minimum tillage protocols and using organic fertilizers namely Beneficial Microorganisms (BMO) in sugarcane fields.

Three RSS sub programs:

C.A.S.H.

C.A.S.H. or Comprehensive Assistance to Small Holders for Farm Productivity aims to improve small farmers' yield and deliver better cane supply by providing them access to farming best practices, training, and high yielding sugarcane varieties.

PAGSIK

PAGSIK Incentives Program or Productivity Aid to Group of Small Farmers to Improve their C(K)rop provides farmers access to alternative, profitable income for farmers from alternative crop options such as vegetable farming.

IACAP

IACAP or Integrated ARBO Child Labour and personal protective equipment (PPE) ensures the absence of child labor in sugar farms and the protection of the farmers' health and safety through the use of appropriate PPE.



Key learnings from the forum

- The Philippine sugar industry is currently facing challenges such as competition from imports, labor scarcity, increased cost of production and declining soil fertility.
- Agrarian reform intervention programs need to look beyond generating economic impact for its beneficiaries. Positive social and environmental impact are also important factors that can influence the acceptance of the programs by the beneficiaries (i.e., independent farmers, cooperative members).
- Landscape programs such as the RSS require long-term commitment and investment of resources (monetary and in-kind) to engage and build trust with the farmers, the community, local government, and other surrounding stakeholders.
- The RSS program has grown beyond its initial focus in raising awareness on child labor prevention and use of appropriate personal protective equipment (PPE). Today, it provides comprehensive support via various initiatives to address yield improvements, alternative livelihoods and institutional capacity of agrarian reform beneficiary organizations (ARBOs) as well as increasing collaboration with local stakeholders to strengthen the sustainability of RSS interventions.
- Farmers are receptive towards training, access to high yield varieties and technical assistance provided through the program. This has contributed to the community's continued interest towards the program.
- Local farmers and planters are motivated to take part in the Regenerative Agriculture and Climate (RAC) program after directly witnessing the early success of the demo farms, especially given the reduced cost of production and improved yield.
- Precision is key in sugarcane farming as it correlates to higher yield and reduced cost. This includes the appropriate application of fertilizers based on soil analysis and the planting of high yielding varieties.
- There needs to be continued support from various stakeholders from government agencies, brands, associations, development organizations to civil society organizations (CSOs) to empower sugarcane farmers who play a key role in the global supply chain. This is to ensure that sugar produced in the Philippines is internationally recognized and accepted as responsibly and sustainably grown.
- There is a need for the Philippines sugar industry to consider the sustainability and due diligence needs of international sugar buyers. Beyond improved productivity, the industry must adopt and evidence sustainable production practices throughout the supply chain to become internationally competitive and compliant with existing and new legislation related to sustainability.

Opportunities

- The forum served as a catalyst for future multi-stakeholder dialogues on improving the ethical and sustainable production practices of the Philippine sugarcane industry. There is potential to have similar future events, hosted by key local organizations in the sugar sector.
- Interest in participating in or supporting programs like the RSS and RAC is high. Hence, there are opportunities for collaboration and new partnerships from both the public and private sector to support these programs beyond northern Negros Occidental.
- Government and private sector funding can be unlocked to help expand the RSS and RAC programs or similar initiatives to other regions of the Philippines.
- There are synergies between the RSS program and the Sugar Regulatory Administration (SRA), such as the block farming program that envisions the consolidation of small farms into agribusiness centers. This is achieved through professionalized farm management and mechanized farming, with provisions for logistical, financial, technical, marketing and production support services from various government agencies, banking, financial institutions, and private sectors.
- The sugar industry stakeholders are calling upon the government to explore the expansion of agrarian reform programs such as the block farming program, RSS and RAC as these programs have contributed to the increased production of sugar tonnage per hectare.
- International brands that share the same supply chains can engage through the ongoing RSS program or explore new but harmonized ways to collaboratively achieve their sustainability commitments through collective action and landscape approaches. Nestlé and ASR Group are open to engaging jointly through public and/or private partnerships on the RSS program.
- Technological advancement on farms is a natural solution to address labor shortages (mechanization and automation). The use of technology on farms is currently low, though opportunities for modern farming approaches are high and can be future-proof through securing next-generation interest in sugarcane farming.
- There is an opportunity to tap into other public or private sector programs for resource sharing, enriched input, and wider reach.



Quotes from the forum

‘Amidst the challenges of El Nino and drought...there is no better time to explore innovative strategies, best practices, potential partnerships, ways to support smallholders, and promote technologies for sustainable sugarcane production while ensuring the well-being of the community of Negros Occidental and environment.’

Quote from Eugenio Jose Lacson, Governor of Negros Occidental

‘Bottomline (i.e. net income). At the end of the day, that is what it is for everybody (sugarcane farmers and stakeholders),’

Quote from Patricia Ann S. Cooper, Farm Manager & Stockholder of Cooper Reata Agri. Corp

‘We need to feed the soil and let the soil feed the plant,’

Quote from Aladino C Moraca, Ph.D, SUC President II, Central Philippines State University

‘We are grateful for the support from the program and now practice what has been shared with us namely no longer practicing post-harvest burning,’

Quote from Lito Omay, Chairperson, Hda. Bongco Agrarian Reform Cooperative





Appendix 1: Non-exhaustive list of participating associations, organizations and cooperatives

- ASR Group
- Asociacion De Haciendas De Silay-Saravia Incorporada (AHSSI)
- Avon International
- Bonsucro
- Capiz Sugar Central
- Carlos Hilado Memorial State University (CHMSU)
- Central Philippines State University
- Confederation of Sugarcane Producers Associations (Confed)
- Cooper Reata Agri. Corp
- Davao Sugar Central Co. Inc.
- De Fuego Farm Workers Association (DFFWA)
- Don Esteban Agrarian Reform Cooperative (DEARCO)
- Guin-Olayan Agrarian Cooperative (GARC)
- Hacienda Bongco Agrarian Reform Cooperative (HABARC)
- Hawaiian-Philippine Company (HPCo)
- High Yield Sugar Farms Corp.
- JRY Agricultural Farm
- Lopez Sugar Corporation
- Nabinay Agrarian Reform Cooperative (NARC)
- Nestlé
- Oleo-fats Inc.
- Pacific Sugar Holdings Corp.
- Panay Federation of Sugarcane Farmers Inc.
- Philippine Sugar Research Institute Foundation, Inc. (PHILSURIN)
- Proforest
- Progreso Agrarian Reform Cooperative (PARC)
- Provincial Government of Negros Occidental
- Sugar Industry Foundation, Inc. (SIFI)
- Sugar Regulatory Administration (SRA)
- Sugarcane Producers Associations, Inc.
- Universal Robina Corporation (URC)
- Victorias Milling Company, Inc. (VMC)
- Mirasol Devt. Corp. Agrarian Reform Cooperative (MDCARC)

Appendix 2: Event Agenda

7 May 2024: Field visit to the RSS and RAC Program Sites

- Morning** RSS Program Orientation at Barangay Jonob-Jonob, Escalante City
- Hacienda Bongco Agrarian Reform Cooperative (HABARC)
 - Don Esteban Agrarian Reform Cooperative (DEARCO)

- Afternoon** RAC Program Orientation at Hacienda Tagud, Barangay Luna, Cadiz City
- Cooper Reata Agri. Corp

8 May 2024: Forum

09.00 Opening Preliminaries

- Prayer and National Anthem
- Opening Remarks & Acknowledgement of Delegates by Edith Y. Villanueva, President & COO, Sugar Industry Foundation Inc. (SIFI)
- Welcome Address by:
 - Governor Eugenio Jose V. Lacson, Province of Negros Occidental
 - Dr. Karen Thivya Lourdes, Global Sustainable Sourcing Lead, Sugar & Coconut, Nestlé
 - Rafael Vayá, Vice President of Corporate Social Responsibility, ASR Group

10.30 Morning break



10.50 Delivering Positive Impacts in Smallholder Support Programs

The Experience of the Responsible Sourcing from Smallholders (RSS) Program in Northern Negros Occidental

Speakers:

- Judy Ann U. Gonzaga, Consultant & Operations Head, SIFI RSS & RAC Programs
- Joey Ledesma, HPCo-RSS Consultant & AHSSI Manager
- Mark Fornales, Head of Cane Sourcing & Planters Services, Lopez Sugar Corp.
- Eduardo Deocadez, Operations Manager & Director, Victorias Mill District Development Council Foundation, Inc.

Q&A session with small farmers

- Moderator: Mark Fornales, Lopez Sugar Corporation
- Small farmers:
 - Alexander Canto, Chairperson, Nabinay Agrarian Reform Cooperative
 - Pamela Lintoco, Chairperson, Defuego Farmworkers Association
 - Rodolfo Montejo, Chairperson Guin-Olayan Agrarian Cooperative
 - Lito Omay, Chairperson, Hda. Bongco Agrarian Reform Cooperative

Building synergies to bring more positive impacts to sugar farmers

- Speaker: Atty. Ignacio Santillana, RDE Deputy Administrator II, SRA

12.30 Lunch

13.30 Panel Discussion 1: Regenerative Agriculture (RAC) in Practice – Transitioning to More Productive and Resilient Farming

Moderator: Donnel Jun M. Tiedra, Government and Industry Affairs Executive, Nestlé Philippines, Inc

Panelists:

- Maria Regina B. Martin, Director General of the Philippine Sugar Research Institute Foundation, Inc. (PHILSURIN)
- Aladino C Moraca, SUC President II, Central Philippines State University
- Nemesio A. Dela Cruz, Sugar Farmer and Agriculturist
- Patricia Ann S. Cooper, Farm Manager & Stockholder of Cooper Reata Agri. Corp

14.50 Afternoon break

15.10 Panel Discussion 2 – Collective Action for a More Sustainable and Resilient Sugar Industry

Moderator: Alan Gensoli, Communications Professional for the Sugar Industry

Panelists:

- Rafael “Lito” Coscolluela, Consultant for the Confederation of Sugarcane Producers Associations, Inc.
- Renato Cabati, Managing Director of Sugar & Renewables Division at Universal Robina Corporation (URC)
- Atty. Ignacio Santillana, RDE Deputy Administrator II, SRA
- Dr Karen Thivya Lourdes, Global Sustainable Sourcing Lead, Sugar & Coconut, Nestlé
- Rafael Vayá, Vice President of Corporate Social Responsibility, ASR Group
- Heather Ducharme, Head of Sustainable Procurement, Avon International

16.30 Reflections and Closing Remarks

17.00 Adjournment
