The Farmer Entrepreneurship Program: Bridging Small Farmers to Corporate Supply Chains
What’s innovative

• **Building relationships:** corporate, civil society and finance sector

• **Instilling confidence:** buyers and the finance sector in smallholder farmer clusters

• **Transferring responsibilities:** finance sector, local government and academia taking on coordination and training
Improve participation in both traditional and modern markets

Unorganized Growers

Local Traders / Agents

Traditional Markets

Wet Market (Wholesale)

Wet Market (Retailers)

Consolidators (for institutional buyers, hotels, restaurants, supermarkets)

Processors (Fastfood chains)

Supermarkets

Organized Growers

How do we get here?
Moving Farmers Up the Organizational Pyramid

Corporate Private Sector as business partners

Farmers co-own chain with links to high value markets

Farmer coops linked to higher value markets

Farmer clusters as building blocks for coops and linked to markets

Farmers start to organise in clusters and learn new skills

Traditional Markets

Modern Markets
Build entrepreneurial capacity using a clustering approach

Eight Steps

Phase I: Planning
1. Partnership building
2. Product selection
3. Market chain study
4. Cluster formation
5. Business planning and mobilization

Phase II: Implementation
6. Production and supply organization
7. Test marketing

Phase III: Scale-up
8. Scale-up in commercial markets in the food supply chain
Jollibee Foods Corporation is the parent company of Jollibee, a fast-food restaurant chain based in the Philippines. JFC has 2,469 stores worldwide.
National Livelihood Development Corporation

• Wholesale finance corporation
• Provides alternative livelihood options for marginalized sectors
• Makes financing available to microfinance institutions and builds their capacity
Focus on onions in Luzon

- Talavera, N. Ecija
  NMAPMP Cooperative Federation
- San Jose, Nueva Ecija
  LGU of San Jose & ASKI (MFI)
- Sariaya, Quezon
  LGU of Quezon & SPQFM Cooperative
- Bukidnon
  Kaanib Foundation, Inc.
- Claveria, Misamis Oriental
  Social Action Center, Archdiocese of Cagayan de Oro
- North Cotabato
  Kasilak Development Foundation

Catholic Relief Services (CRS)
Corporate Executive Engagement

Project Steering Committee

• Jollibee Foundation:
  ✓ Chief Financial Officer
  ✓ Vice President of Purchasing
  ✓ Trustees

• NLDC
  ✓ President of the Board of Trustees

• CRS
  ✓ Country Representative
  ✓ Senior Program Manager

• Also convened
  ✓ Government
  ✓ Academia
INCOREASED Farmers Income by 31%

95 onion farmers organized into 9 clusters selling to Jollibee and other corporate markets

Job creation: 91 women in value addition (peeling)

More than 1,000 mt of onions sold for a value of US$ 864,000 (3croppings)

Now expanding to 800 farmers in 8 provinces in Luzon and Mindanao

Diversification of products and markets
SUCCESS FACTORS AND LESSONS

• Shared values and confidence
• Business organization, leadership and management structures
• Value chain financing
• Networks and linkages
CHALLENGES

• Development pathway for marginalized farmers is long and requires perseverance
• Commitment to corporate social responsibility important at the start
• Attitude of farmers and development agents
Summary

• Build relationships
• Instill confidence
• Transfer responsibilities
MARAMING SALAMAT