



SanCa Gaceta

An In-house Documentation of Desarrollo Project Operations & Updates

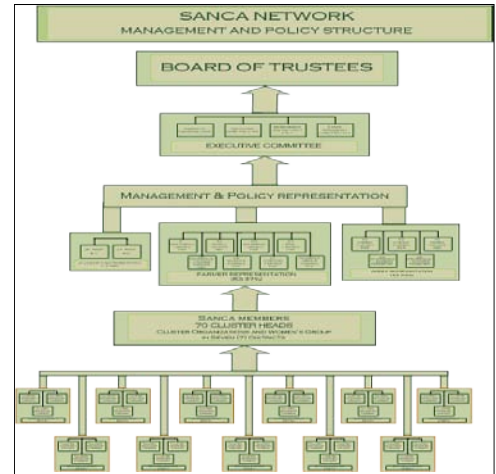
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Evolution of SanCarlos FOODS: Its Structural Foundation

The 4-year Desarrollo Program entered into by and between Fundación JF Ledesma and Fundación CODESPA is winding up on 31 December 2010. The program has two (2) major expected results (ER): *ER1-Agricultural productive capacity and quality of farming families improved under the model of crop diversification;* and *ER2-Marketing of agricultural products improved with the creation of a social enterprise for trading.*

Basically, the R1 is focused more on Capacity Building; and the ER2 facilitates activities biased more on marketing support and market positioning. The realization of R2 deliverables is the formation of SanCa Farmers Organizations Organically Designed Systems (SanCa FOODS). It serves as a Farmers' Cluster Network basically responsible for product processing and marketing. Likewise, it serves as the precursor for the SanCa FOODS' evolution that would spell-out the future of Desarrollo Program's sustainability and ensuring continuous benefits as multiplier effects and impacts to interested target groups and direct beneficiaries on a long-term basis. This is indeed the dream of the San Carlos Master Development Plan under the development priority of the Agricultural Productivity Training Center – 2.



The SanCa FOODS, Inc has been registered as a non-stock, non-profit corporation for more than a year under the laws of the Republic of the Philippines through the Securities and Exchange Commission with a mandate as a social enterprise and federative network of 70-cluster-farmers spread in seven (7) farmers economic district management system (FEDMS).

These seven (7) economic districts are all upland barangays or farming villages of San Carlos City. Topographically, San Carlos City is 80% mountainous and thus, sloping agriculture is the ultimate future of upland villages in maximizing agricultural productivity in the area.

Organizationally, the features of the SanCa Network and Policy Structure are presented and discussed in Box1. Such organizational attributes are all embedded and inscribed into the SanCa FOODS' constitutions and by-laws (CBL). Operationally, The SanCa Network's officers and farmer-members of its executive committee have hectic schedules, through the technical assistance of the senior program staff of The Julio and Florentina Ledesma Foundation (JFLFI) in formulation their short-term and long-term operational plans biased to marketing engagement and maximizing agricultural sales that would benefit its member-clusters situated within its covered territorial areas.

The SanCa Network is working for a Vision – *“Accessible, quality and industry-based food security for all...”* being supported by its

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SanCa at its best...



The registration of the brand name SANCA was processed through the Intellectual Property Office (IPO) of the Department of Trade and Industry (DTI). The registered trade mark of the SanCa brand name is already available with its IPO Certificate. The SanCa trade mark has received its legal confirmation last November 2008 as an official brand-name of all of its identified products. ♦

(From front page on Evolution ...)

functional and operational Mission “Moving local products to the global supply chain and a leader of profitable food and agricultural production differentiated by quality, freshness and guaranteed safety with sustained market leadership utilizing the community-based approach.”. This would be the guiding principle in formulating the organization’s directions under unified corporate values and organizational identities aiming for visible differentiation that would attain organizational loyalty and passion. ♦

Box 1. Organizational Features of the SanCa Network

- The Board shall be composed of 15 trustees. It shall have tripartite representation, namely, Farmer representation (8 seats), ARDEP representation (5 seats) & JFLFI representation (2 seats);
- The farmer representation shall include one (1) representative from each district (7 districts) and one (1) representative from the Women’s group;
- ARDEP & JFLFI representatives to the SANCA network shall be appointed by their own corresponding Board of Trustees;
- The Board shall have a total of 77 members. Each president / leader of the organized clusters (70 individuals, all in all) shall automatically be assigned with a membership. This membership, however, shall be co-terminus with his position as president / leader of the organized cluster;
- The organized clusters shall institute with juridical capacity through the Registration of their group with the Bureau of Rural Workers (BRW) under the Department of Labor and Employment (DOLE). All the organized clusters within the district shall be grouped into one (1) BRW unit to form a district BRW. The Women’s group shall likewise be grouped into one (1) BRW unit. A farmer representative shall be chosen through voting by the member of the BRW from among the cluster leaders/ presidents of the organized clusters within the district.

Muscovado de SanCa Dry-Run Operation: A Market Optimism

The winding up period of 2009 operationally position the newly constructed Muscovado facility being worked-out by Fundacion JF Ledesma in partnership with Fundacion CODESPA. This facility is also one (1) of the major deliverables of aforementioned two (2) institutions’ partnership agreement - Expected Result-2 under the project’s operational framework dubbed “DESAROLLO DE LA AGROINDUSTRIA EN SAN CARLOS MEDIANTE LA DIVERSIFICACION DE CULTIVOS”. The middle period of the 1st Quarter of 2010 has been a historical milestone by having a maiden production of muscovado sugar after a religious blessing of the facility was done by the Diocese of San Carlos’ assigned religious clergy. Such activities were likewise facilitated with logistical support afforded by the senior staff of JF Ledesma Foundation.

The 2nd quarter marks the continuous production testing working with five (5) to ten (10) ton of muscovado sugar per month with a stand-alone hiring of muscovado specialized staff as described by Box2. Such operational staff shall be the prime mover that would give a functional life to the facility while addressing the marketing requirements and support from both domestic and international market. An on-going processing of the documentation requirements set by the Government’s Bureau of Food and Drug (BFAD) is being envisioned to be accomplished before the end of 2010. The JF Ledesma Foundation’s technical team under the Desarrollo Program is working out the BFAD’s documentation as an ultimate target of the said specified period.

Box2. The Muscovado de SanCa’s Operational Staff

- 1) Muscovado de SanCa Plant Manager
- 2) 2-Master Cooker
- 3) 2-Firing Men
- 4) 3-Sugarcane Juice Crusher
- 5) 3-Sugarcane Juice Mixer

The SanCa Marketing Executive Committee headed by its SanCa Board Officers are positive enough and optimistic that before the on-set of the 3rd Quarter of 2010, a number of marketing engagement for Muscovado products shall be worked out that will provide fuel in up-scaling the production level of the said product. The current capacity of the SanCa Muscovado Facility is within the range of 10 to 12 ton per month production output. However, the design can reach as much as 50 ton per month with utilization rate of 70 to 75 percent or 35 to 40 ton per month. Maximizing such output apparently requires an intensive upgrading of the facility. Reaching out such maximum output utilizing the desired rate can assist and benefit at least 30 sugarcane farmer-clusters or 300 upland sugarcane small farmers. ♦



Products on the go...

- Rice
- Muscovado Bars
- Pastillas de Muscovado



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The State of the Philippine Agriculture

In 2009, the Philippines’ agriculture, fisheries and forestry (AFF) sector contributed 19% to its Gross Domestic Product (GDP) but is significantly lower compared to industry and services sector’s 81%. Despite its positive performance, Gross Value Added (GVA)-AFF growth appeared erratic, posting a six-year (2004-2009) average of only 3.18%. Over-all, growth in the sector did not translate to economic gains in the rural population with the increase in prices and poverty incidence by 6% and 2.5%, respectively.

Notwithstanding some gains in the legislative agenda and policies implementation on Agri-Agra Law, NIA’s reorientation and restructuring of its management strategy and the convergence initiatives of RD agencies, among others, there is still need for policy reforms on such areas as public-private sector mechanisms for finance mobilization, coco levy fund, and even on the adoption of standard and transparent prioritization criteria and process for infrastructure and support services.

At a closer look, the development bottlenecks revolve around these three constraint areas: 1) productivity constraints which include weather risks and climate change, high cost of production inputs, low adoption of technologies and inadequate

infrastructure support; 2) policy constraints which consist of incomplete implementation of asset reforms, price policy on rice, trade protection of traditional crops, devolution of agriculture support services and extension, and institutional weakness of the agricultural bureaucracy; and, 3) implementation constraints which comprise of poor targeting of rice subsidy program, lack of spatial dimension of government interventions, and limited public investment in agriculture.

To mitigate these constraints, the development strategies should focus on the following framework: complementation of rural development through convergence, diversification of production base and livelihood, access to and cost-sharing of irrigation services and

facilities, increase investments in R&D, rationalization of the extension system, improvement of credit supply, provision of effective market assistance and efficient trade facilitation services, promotion of value-adding of products and stakeholders’ capacities for value chain management, increase in the effectiveness of post-harvest system, enhancing capacities of public ATs & farmers/fisherfolks, and integration of climate risk resiliency in plans and programs.

The challenge is to make Philippine agriculture efficient and competitive into the next millennium and to ensure that such efficiency and competitiveness translate into the broadest benefits for the Filipino people. ♦