

**Fisherfolk Marketing Cooperatives:
Empowered Partners of the Bureau of Fisheries and Aquatic Resources (BFAR)
Towards Fish Sufficiency and Food Security**

The widespread poverty of the fisherfolk can be traced to a marketing system controlled by middlemen who usually operate buying stations and consumer stores where the fishers sell their fish catch and buy the goods they need. The fishers are poor because they sell cheap and buy high so their expenses are greater than their income. On the other hand, the middlemen are rich because they buy cheap and sell high so their income is greater than their expenses.

To make ends meet, fishers are forced to borrow from middlemen for their consumption and fishing expenses at onerous terms that only drive them deep in debt. When their borrowings have grown big, the middlemen limit their exposure fearing bad debts. Without sufficient financing, the fishers cannot maximize their fishing efforts. This leads naturally to production decline.

Some fisherfolk resort to illegal fishing. This bite-the-bullet approach, however, destroys the fishing grounds that leads to further production decline. The resulting insufficient supply is remedied thru importation growing steadily over the years. In 1990, the country imported 196,115 metric tons valued at US\$75.128M. By 2019, this has jumped to 506,192 metric tons worth US\$748.702M.

Philippine population grew from 61,895,160 in 1990 to 108,116,615 in 2019 for a 75% increase while fishery product importation is a whopping 996% growth over the same period. Increasing importation is one of the causes of decreasing production that maybe traced to a middlemen-controlled marketing and pricing system detrimental to the fisherfolk and the industry.

To negate control of middlemen, Section 58.f. and g. of the Philippine Fisheries Code (RA 8550) enacted in 1998, mandates the *“development and strengthening of marketing facilities, including the pricing system, with emphasis on collective marketing and the elimination of middlemen and increased participation of cooperatives...”*

In 2018, Sagip Saka Act (RA 11321) was also enacted *“...to achieve sustainable modern agriculture and food security by helping the agricultural and fishing communities to reach their full potential, increasing farmer’s and fishermen’s income, and bridging gaps through public-private partnerships...”* Sagip Saka Act by its very name is admission that our agriculture and fisheries is sinking and drowning. And the solution imposed by this law is thru building of entrepreneurship culture and public-private partnership.

Likewise, Section 3.d. and e. of the Agriculture and Fisheries Modernization Act of 1997 (RA 8435) calls for the *"...horizontal and vertical integration, expansion and consolidation of fisheries activities thru the organization of cooperatives...to promote people empowerment by strengthening... cooperatives...and by establishing and improving mechanisms and processes for their participation in government decision-making and implementation."*

Furthermore, Department of Agriculture Administrative Order (DAAO) No. 27 series of 2020 laments that *"...no formal, comprehensive and holistic government initiative and assistance program on farm and fisheries clustering and consolidation has heretofore been adopted and implemented in the national level."* DAAO 27 seeks to encourage small farmers and fishers *"...to adopt the strategy of clustering and consolidation of their production, processing and marketing activities as community business enterprises..."* Cooperatives are the ideal community business enterprises.

All these legislations and Administrative Order points to cooperatives operating as community business enterprises adopting the strategy of clustering and consolidation in their production, processing and marketing activities (DAAO 27), partnering with government in decision-making and implementation (RA 8435) to build a culture of entrepreneurship among farmers and fishers (RA 11321) and set up collective marketing system to eliminate middlemen thru the increased participation of cooperatives (RA 8550).

Billions of livelihood projects dispersed to fisherfolk associations over many decades seemingly did not lead to increased production and improvement of the fisherfolk lives. One obvious reason is that these projects are treated as dole-outs that disappear in no time at all. Charities should be left to social welfare agencies like the DSWD but not to development agencies like the DA-BFAR.

Associations are not the right organization to partner with government in implementing development projects. By their very nature, they are non-stock, non-profit corporations. They are not designed for business. In fact, associations only have leaders but no management committee tasked with running day-to-day business. That is why they are usually inactive and rise from the dead like Lazarus, only when a livelihood project is coming. After dividing the project among the members, with the officers usually getting the lion's share, the association again goes into a coma and rise when another project is about to be doled-out.

Pursuant to Section 86 of the Revised Corporation Code of the Philippines (RA 11232) enacted in 2018: *"A nonstock corporation is one where no part of its income is distributable as dividends to its members, trustees, or officers: Provided that any profit which may be obtained incidental to its operations shall, whenever necessary or proper, be used for the furtherance of the purpose or purposes for which the corporation was organized..."*

Section 6.c. of the Bureau of Internal Revenue Memorandum Order 20-2013 also provides: *“All the net income or asset of the association must be devoted to its purpose/s and no part of its income or asset accrues to or benefits any member or specific person. Any profit must be plowed back and must be devoted or used altogether for the furtherance for the purpose/s for which the association was organized.”*

And pursuant to Section 93 of RA 11232: *“In case of dissolution, assets received and held by the corporation...shall be transferred or conveyed to one (1) or more corporations, societies or organizations engaged in activities in the Philippines substantially similar to those of the dissolving corporation...”*

Therefore, associations have no compelling incentives to run a project profitably as a community business enterprise because they are forbidden to benefit from the earnings. So, they would rather divide the projects among themselves and wait for the next dole out from government.

Livelihood projects should be run as a business so it will earn profits to ensure its continuity, growth and sustainability. Only thru this will it be able to fulfill its purpose of contributing to economic development. The ideal organization to manage livelihood projects are cooperatives which has a management team operating the cooperative as a community business enterprise on a day-to-day basis and sharing the earnings among shareholders, customers and the community. Thru cooperatives, there is shared prosperity, greater income and purchasing power for the greater number leading to inclusive economic growth.

It is for these reasons that the Bureau of Fisheries and Aquatic Resources (BFAR) is organizing fisherfolk marketing cooperatives as mandated by various laws thru its Aquaculture Cooperatives Organizing Project (ACOP). BFAR envisions to set up marketing cooperatives in every coastal city/municipality. One Municipality One Cooperative (OMOC).

OMOC in Ilocano means NEST. ACOP desires to make these coops as spawning grounds or incubator nests eventually transforming into accelerators in developing Philippine fisheries toward self-sufficiency and food security. These OMOCs will serve as a nationwide network similar to the Zengyoren fishery cooperative movement of Japan and the Nong Hyup farmer cooperative movement of South Korea that helped propel these countries to impressive economic growth.

To intensify the formation of cooperatives nationwide, 58 BFAR personnel underwent trainings on cooperativism by the Department of Cooperatives of the Polytechnic University of the Philippines in 2018 and 2019.

As of June 30, 2021, the following cooperatives were organized thru ACOP:

1. Santa Ana Cagayan Fisherfolk Marketing Cooperative

- Sitio Pasiguit, San Vicente, Santa Ana, Cagayan
2. Quinluban Islands Agutaya Fisherfolk Marketing Cooperative
Sitio Edupey, Algeciras, Agutaya, Palawan
3. Agutaya Fishermen Cooperative
Bangcal, Agutaya, Palawan
4. Cuyo Fishermen Cooperative
Tenga-tenga, Cuyo, Palawan
5. Northern Palawan Fishermen Cooperative
Green Island, Roxas, Palawan
6. Southern Palawan Fishermen Cooperative
Sibaring, Bugsuk Island, Balabac, Palawan
7. Bacacay Fisherfolk Marketing Cooperative
Namanday Island, Bacacay, Albay
8. Castilla Fisherfolk Marketing Cooperative
Tomalaytay, Castilla, Sorsogon
9. Sorsogon Seaweeds Producers Cooperative
Peñafrancia, Sorsogon City
10. Panay Aqua Farmers Consumer Cooperative
Pawa, Panay, Capiz
11. Estancia Fisherfolk Marketing Cooperative
Gogo, Estancia, Iloilo
12. Gigantes Island Federation of Fisherfolk Sector Fishermen Cooperative
CFLC, Lantangan, Carles, Iloilo
13. Sibunag-Nueva Valencia Fisherfolk Marketing Cooperative
Alegria, Sibunag, Guimaras
14. Mabini Fisherfolk Marketing Cooperative
Poblacion, Mabini, Bohol
15. Talibon Fisherfolk Marketing Cooperative
Bansan Island, Talibon, Bohol
16. Getafe Fisherfolk Marketing Cooperative
Jandayan Island, Getafe, Bohol
17. Medellin Fisherfolk Marketing Cooperative
Poblacion, Medellin, Cebu
18. Tabuelan Fisherfolk Marketing Cooperative
Poblacion, Tabuelan, Cebu
19. Alcantara Fisherfolk Marketing Cooperative
Poblacion, Alcantara, Cebu
20. Baroy Stakeholders and Fishermen Cooperative
Baroy Dacu, Baroy, Lanao del Norte
21. Maigo Fisherfolk and Farmers Cooperative
Balagatasa, Maigo, Lanao del Norte

January 11, 2017 where the DA committed to *“Ensure that cooperatives shall be given priority in the provision of support services by the DA relative to the implementation of its various programs and project.”*

In compliance with this agreement, BFAR provided organizing, trainings and livelihood projects to the following cooperatives. Aside from these trainings the following projects were also provided:

1. Claveria Cagayan Fishermen Cooperative
 - Reefer van
 - Training on Proper Fish Handling and Processing
 - Post-Harvest Equipment for Fish Processing
2. Quinluban Islands Agutaya Fisherfolk Marketing Cooperative
 - 13 fiberglass bancas with 18HP Japan made engines
 - 20 tons of seaweed propagules and farm implements – P300,000
 - Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000
 - Solar dryer/Warehouse/Storage Facility – P5 million
3. Northern Palawan Fishermen Cooperative
 - 20 tons of seaweed propagules – P160,000
 - Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000
4. Southern Palawan Fishermen Cooperative
 - 20 tons of seaweeds propagules – P160,000
 - 5 tons of seaweed propagules – P50,000
 - Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000
5. Bacacay Fisherfolk Marketing Cooperative
 - 1-ton Seaweed propagules – P20,000
 - 16.5 tons Seaweed propagules – P350,000
 - Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000
 - Sea Urchins Processing Facility and Equipment & Materials – P1.2 million
6. Castilla Fisherfolk Marketing Cooperative
 - Seaweed Farm Implements P120,000
 - 3 tons seaweed propagules P60,000
 - Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000
 - 25 tons of Seaweed propagules P430,000
7. Sorsogon Seaweeds Producers Cooperative
 - 25x25 meters gracillaria seaweed nursery
 - 4 each 10 x 10 meters gracillaria seaweed nursery for members divided into 3 groups
8. Mabini Fisherfolk Marketing Cooperative
 - Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000
 - Kitchen utensils for seaweed processing into noodles, crackers, etc.
 - Fish Cage for Milkfish Production P1.2M
9. Talibon Fisherfolk Marketing Cooperative
 - Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000

- Fish Cage for Milkfish Production P1.2M
10. Getafe Fisherfolk Marketing Cooperative
Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000
Fish Cage for Milkfish Production P1.2M
 11. Lala Fisherfolk Marketing Cooperative
Fishpen for Milkfish Production – P 4 million
 12. Baroy Stakeholders and Fishermen Cooperative
Fishpen for Milkfish Production – P 4 million
 13. Maigo Fisherfolk and Farmers Cooperative
Fishpen for Milkfish Production – P 2 million
 14. Tubod Fisherfolk Marketing Cooperative
Fishpen for Milkfish Production – P 2 million
 15. Hinatuan Fisherfolk and Farmers Marketing Cooperative
Seaweed Farm Implements
4 tons seaweed propagules
Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000
Norwegian Fishcage for Bangus Production – P1.3 million
 16. Cagdianao Farmers and Fisherfolk Marketing Cooperative
Cooperative Managed Seaweeds Nursery Business Enterprise – P500,000

BFAR has also organized the Fisherfolk Cooperatives Alliance of the Philippines (FishCAP) where all the primary cooperatives it organized will become eventual members. Its registration papers as a federation is pending with the CDA since 2020 and cannot be registered because of the moratorium on registration of cooperative federations issued since 2019 (CDA Bod Resolution 536 S-2019) which has not been lifted as of this writing.

FishCAP will act as marketing consolidator to bring the fish from the fisher to the consumer without middlemen in between. Primary cooperatives based in the fishing communities will buy the fish then bring it to FishCAP in Metro Manila who will then sell this to fish retailers who will sell this to consumers. These fish retailers will be eventually formed into the Metro Manila Fish Retailers Cooperative (MMFRC).

In effect, there will be 3 layers of cooperatives bringing the fish from the fisher to the consumer: 1) the community based primary cooperatives, 2) FishCAP and 3) MMFRC. These 3 layers will supplant the 5 layers of middlemen between the fisher and the consumer: 1) the Village Buyer; 2) the consolidator/biahero; 3) the Consignacion/Broker. 4) the volume buyer or labasero; and 4) the Fish retailer/vendor.

Once this trading system is perfected, they will be replicated in other population centers across the country.

Any companies or individuals that have legitimate and existing business who are in need of marketing assistance for their fishery products can avail of FMM assistance, as well as, those who are interested to establish their own fishery enterprise, and any local/foreign buyers looking for local/foreign suppliers and vice versa.

Enterprise Development Services includes the following programs and activities:

- Assist in fisheries community organizing toward towards the establishment of marketing enterprise cooperatives;
- Organize and participate in international and local trade fairs, exhibits, industry and investment for a that will showcase and promote the Philippine seafood products for the sustainability of the fisheries industry;
- Develop technical fisheries trainings/seminars/workshops responsive to the training needs of the fisheries industry personnel;
- Capacitate industry players and MSME's towards entrepreneurial development-oriented sector;
- Craft and/or assist in the formulation of policies related to fisheries enterprise development; and
- Develop and disseminate IEC materials for product promotion in local and international trade fairs and expos.

As mandated by RA 10654, BFAR shall assist the municipal and small-scale commercial fisherfolk in accessing credit from financial institutions and implement capability programs for them. The Bureaus' *Credit Facilitation Services* links the government and private credit and insurance institutions/entities as potential cooperating partners in extending credit services to fisherfolk. This service also provides trainings, orientations, seminars and technical assistance to fisherfolk borrowers to help them comply with the loan requirements to various credit windows and lending schemes offered by credit providers such as Government Financing Institutions (GFIs) and Micro Financing Institutions (MFIs). The beneficiaries of this program are fisherfolk and fishery-based cooperatives and organizations e.g., associations and Micro, Small, and Medium Enterprises (MSMEs). On the other hand, *Investment Facilitation Services* includes: conduct of industry and investment fora; provision of technical assistance on how to avail and comply with loan requirements of the financing institutions; monitoring and evaluation of the assisted borrowers; and provision of assistance on suitable investment programs for the beneficiaries.

The bureau's most recent program, the KADIWA Oplan ISDA, was being made possible through the close coordination of BFAR with cooperatives/associations. This project was triggered by the heightened transportation and physical restriction due to Covid-19 pandemic and by the spread of African Swine Fever (ASF). Through the project, Metro Manila and other fish-deficient areas within NCR will be assured with steady supply of fish coming from fish-sufficient regions.

The BFAR RFOs are to identify fish suppliers in their respective areas, and these suppliers/cooperative/organization will enter into a supply agreement to concretize the price structure and commercial terms, specifications per species, packaging and weight, time of delivery, volume requirement per commodity and drop off points. The negotiated procurement-community participation mechanism as prescribed by Section 53(12) of the Republic Act No. 9184 shall be adopted in the procurement of fish by the Regional Fishery Offices from the suppliers.

BFAR-NCR in cooperation with LGUs are to pre-qualify cooperatives/associations that will participate in fish supply mobilization in Metro Manila and will be responsible for distribution, trading, and reselling of fish commodities at lower price and within the range of suggested prevailing retail price.

Cooperative members as a social enterprise can directly and indirectly benefit from the revenue generated through the project in addition to the training and skills upgrading that will be provided in areas such as traceability, food safety, and enterprise development, and their feedback and suggestions would help improve BFAR-RFOs implementation.

This project will run for six (6) months given the funding provided and can be expanded in the succeeding years. Once a stable supply of cheaper fish sources is established, the RFO will start to gradually transfer all the coordination between suppliers to partner groups and LGUs. Monitoring and assessment activities will be conducted to evaluate the project's success and lessons learned.

Mission critical for Philippine fisheries to reach its full potential is the development of a strong cooperative movement as done by Japan, South Korea and other developed countries. As Article 2 of the Philippine Cooperative Code states:

"It is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice.

Towards this end, the government and all its branches, subdivisions, instrumentalities and agencies shall ensure the provision of technical guidance, financial assistance and other services to enable said cooperatives to develop into viable and responsive economic enterprises and thereby bring about a strong cooperative movement..."

The BFAR is implementing these laws for it truly believes that these are spot-on in saving our fisheries and attaining fish sufficiency and food security. It is leaving no stone unturned in establishing a strong fishery cooperative movement to make the fisherfolk self-reliant and empowered to attain economic development and social justice.

---- End of Article ----

Prepared by:

Wilfredo F. Fajardo

*Interim Chairman, Fisherfolk Cooperatives Alliance of the Philippines (FishCAP)/
Senior Management Specialist, Bureau of Fisheries and Aquatic Resources (BFAR)*

With additional inputs from various divisions of BFAR:

- 1. Inland Fisheries and Aquaculture Division (IFAD)*
- 2. Fisheries Post-Harvest Technology Division (FPHTD)*
- 3. Capture Fisheries Division (CFD)*
- 4. Fisheries Industry Development and Support Services Division (FIDSSD)*
- 5. Fisheries Planning and Economics Division (FPED)*

Contact Persons:

Seaweed Commodity

Dennis S. Togonon

National Coordinator
Seaweed Development Program
(02)8372-5062

Regional Level

To: Regional Director

Attention: Chief of Fisheries Production and Support Services Division (FPSSD)

REGION FIELD OFFICES	REGIONAL DIRECTOR	CONTACT NUMBER	EMAIL ADDRESS
NCR	Dr. Hannibal M. Chavez		ord.bfarncr@gmail.com
CAR	Lilibeth L. Signey	(074) 445-8499 (074) 443-6716	car@bfar.da.gov.ph
I	Rosario Segundina P. Gaerlan	(072) 888-2693 (072) 888-1111	bfarrfo1_records@yahoo.com
II	Milagros C. Morales	(078) 304-5331 (078) 304-4252	nmmorales_rftc02@yahoo.com
III	Wilfredo M. Cruz	(045) 455-0823 (045) 455-0877	bfar_3@yahoo.com.ph
CALABARZON	Elizer S. Salilig	(049) 544-8183 (02) 926-8616	totosalilig@yahoo.com;
MIMAROPA	Ruben J. Jardin	(043) 288-2005	ruben.jardin@gmail.com
V	Nelson B. Bien	(054) 477-7365 (054) 477-7443	biennelson54@yahoo.com;
VI	Remia A. Aparri	(033) 337-7650 (033) 336-6748	remiaparri@yahoo.com;

VII	Allan I. Poquita	(032) 256-2772 (032) 256-2773	bfar_7@yahoo.com;
VIII	Dr. Juan D. Albaladejo	(053) 321-1732 (053) 321-3152	bfarreight@yahoo.com
IX	Isidro M. Velayo, Jr.	(062) 991-8192; (062) 993-2046	sidvelayo.bfar@yahoo.com
X	Teodoro A. Bacolod, Jr.	(088) 856-9610 (088) 856-5658	bfar_x@yahoo.com
XI	Raul C. Millana	(082) 300-0989 (082) 227-1538	bfar11crm@yahoo.com;
XII	Alfeo G. Piloton	(083) 552-9440 (083) 552-1328	bfar12rfo@gmail.com;
XIII	Dr. Nilo S. Katada	(086) 231-9939 (086) 826-1814	caragabfar@gmail.com;

Consolidated by:

MARIA ABEGAIL A. ALBALADEJO

Chief, Fisheries Planning and Economics Division (FPED)

Approved by:

EDUARDO B. GONGONA

BFAR National Director