

A. POLICY-ORIENTED STUDIES

1. Agribusiness Venture Arrangements (AVA)

1.1 AVA 2012

DAR-Policy and Strategic Research Service. Case Studies on Revisiting the Implementation of Agribusiness Venture Arrangement (AVAs): Integrative Report. July 2012.

This study report integrates the findings of the seven (7) in-house case studies conducted by the Policy and Strategic Research Service (PSRS) which aimed to determine the changes that have transpired in the implementation of agribusiness venture arrangements (AVAs) during the last five (5) years i.e., from the time the previous case studies were conducted with the end view of providing inputs for policy or program adjustments. It covers seven (7) cases of agribusiness venture arrangements that were covered by the previous PSRS in-house study in 2005 which were purposively selected in six provinces, namely: Compostela Valley, Davao del Norte, Agusan del Sur, Negros Occidental, Bukidnon, and Sultan Kudarat. Out of the seven (7) sample AVAs, four (4) are engaged in lease arrangement, while the other three (3) are into production and marketing agreement.

Five (5) years after the conduct of PSRS in-house study in 2005, the following are the changes that have occurred in the implementation of AVAs: 1) only two (2) of the four (4) sample AVAs are able to sustain the gains they have achieved i.e., the Banana Production and Purchase Agreement between DUSGROW MPC and DOLE Philippines Inc.-Stanfilco and the Production and Purchase Agreement (PPA) of KARBEMPCO and MAPARBEMPCO entered into by KENRAM Philippines, Inc. (KIDI) because these two (2) AVAs continuously provide financial benefits to the agrarian reform beneficiaries (ARBs) and have contributed to the improvement in their socio-economic conditions; 2) there is still no improvement in the socio-economic conditions of the ARBs as a result of the implementation of the lease agreement because of the relatively low lease rental they have been receiving from their lessees/investors; 3) the shift from JVA to lease agreement by the TCBC resulted in the reduction of the ARBs' financial benefits and brought drastic changes in their living conditions; 4) the numerous economic benefits brought to ARBs by the full takeover of HEARBCO 2 of its banana plantation and the implementation of Banana Sales and Marketing Agreement with LFC were not sustained because HEARBCO 2 has been experiencing financial losses since 2004 and its ARB-members are still in the period of adjustment in the shift from cooperative type of farming to individual farming; and 4) of the eight (8) ARBs' cooperatives, only the NGPI MPC, KARBEMPCO and the MAPARBEMPCO remain financially stable and have been continuously providing services to their members. The other cooperatives have either minimal activities, no economic activity or have been inoperative for several years. The 60 ARBs who informally entered into lease arrangement with different "financiers" did not organize a cooperative or any association but almost half of them joined a cooperative in their area for them to avail of the support services being provided by government agencies.