



Annual Community Development Report

Peter Paul Philippine Corporation & FairTSA

2016-2023

Small farmers and workers are at the heart of FairTSA Fair Trade certification. Through community development projects and capacity building we are facilitating a direct impact on the agricultural communities that grow and process our food.

Peter Paul Philippine Corporation

Founded in 1946, Peter Paul Philippine Corporation is a producer of coconut products based in Sorsogon, Philippines. They source coconuts from 1,500 farmers working 10,000 hectares of land throughout the southern tip of Luzon, the Philippines main island. Since 2016 they have been collaborating with FairTSA on yearly community development and infrastructure projects under difficult circumstances such as frequent typhoons and most recently the Covid 19 crisis. During these difficult times PeterPaul has proved to be a reliable and committed partner as evidenced by the projects described below.



Coconut Farming in the Philippines

Over a third of the of Philippines' working population is in some way involved in the coconut industry, which produces on average 15.344 billion nuts per year. Despite this nearly ubiquitous involvement, it is still difficult for many farmers to earn a steady living growing coconut, with



around 60% living below or around the poverty line¹. This problem stems from expensive transportation costs, unpredictable market price fluctuations, and many layers of middlemen which create situations where exploitation can occur. Many workers in the coconut processing facilities work under difficult circumstances with wages that are too low to lead a decent life. FairTSA Fair Trade certification aims to alleviate these problems with strict labor requirements and a fair price policy for small farmers. One of the cornerstones of FairTSA certification is the

Social Premium paid by the buyers of the coconut products. This Social Premium is invested in projects aimed at improving farmers and workers' life. By way of making decisions about the investments in their communities, community members are empowered, strengthening their sense of pride and belonging.

2016: Seedling Project

One project of high priority for the Sorsogon farmers has been the replanting of coconut seedlings to better ensure future generations will have the means of producing organic, high quality coconuts. For this project, seed nuts were selected from the best mother trees in certified organic coconut farms, with approximately 11,000 seedlings on close to 70 hectares being replanted. To secure the success of the replanting program, the seedlings are checked every third month until their viability is secured after about a year. The farmers who successfully care for their plants are rewarded with small incentives.



Young Coconut Plants

¹ Numbers according to 2015 report conducted by Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA)

2017: School Tuition Project

A second project consists of granting deserving students of the farmer group financial subsidies to attend high school. It was based on a needs assessment among the farmers and expresses their strong desire for a thorough education for their children. A competitive exam was given to determine the qualifiers. So far, 62 students have been selected and supported. A third project has been to establish a “calamity fund” to support members that are hit by natural disasters. The part of Luzon where Sorgoson is located is frequently hit by typhoons. Setting aside 5% of the annual Fair Trade premium for such scenarios will allow for emergency relief. Below, students participating in entrance exam.

2018: Farmer Seminars

For 2018, a project to improve the farmers’ financial literacy was decided on. It consisted of training facilitators leading two workshops for about 100 farmers each. Included in the workshops was a focus to achieve financial competence and efficiency in planning and managing growing operations, but also included useful practices such as intercropping of various helpful crops. Included in the large scale workshops for the farmers assembly were meals and transportation.

2019: Farmer Seminars Expanded

This year training sessions were held in Leadership, Management Skills, and Financial Literacy. These training sessions help improve efficiency, productivity, quantity and quality performance in their line of growing and production. This is to strengthen the internal controls for project management and project spending and performance and communication. The attendees were provided with transportation and meals.



2020-2021: Coronavirus Aid, Counseling & Health Education

The year 2020 forced many FairTSA projects to adapt, and this year's project for Peter Paul included. It was decided to provide hygiene kits and dry food staples for the families in the community, including PPE and vitamins. Additionally, later in the year lectures about birth control, parenting guidance, marriage counselling, and healthcare was provided to the community. While there were plans to begin larger community infrastructure projects such as healthcare and food institutions, the immediate situation spoke to more direct aid because of the needs of the farmer families.

2022: First Aid and Income Diversification

For 2022, the main projects were to distribute First Aid kits and income diversification education. Following up on the health care seminars in 2021, 1170 First Aid kits were

distributed to the farmers in the BonPen cluster. In addition, a seminar for income diversification for several Fair Trade committees has been conducted. Over the last decades, the income of small farmers has been mostly based on coconut production, which is an extremely risky proposition. Many traditional farming practices and associated agricultural products have been abandoned, creating a substantial risk to their



Seminar Participants at Ma'am Glinoga Organic Farm, Luzon

livelihood. The purpose of the seminar was to remedy this situation and provide small farmers with the knowledge and the means to diversify agricultural production, thereby creating better food security and additional income streams for their families.

As a part of the seminar, participants visited Ma'am Glinoga Organic Farm², a women-owned diversified farm on Luzon. Ma'am Glinoga successfully expanded their crop variety in the

² Here is a link to a MAGZTER Magazine article about Ma'am Glinoga Farm

last years and now conducts tours and seminars to educate other farmers on their journey to diversification.

2023: Intercropping, Coconut Re-Planting and Medical Assistance

First, let's talk a little bit about how projects are chosen. The PeterPaul FairTSA committees conduct need assessments among participating farmers every three years. Based on the assessment, the projects are chosen, a plan for the specific projects is created, then carried out and evaluated. After three years, the cycle begins anew.

This year's intercropping project was based on the successful participation of last year's crop diversification seminar. Several thousand seedlings for cacao, bananas and a variety of legumes were distributed to the farmers for planting. Another aspect of keeping a successful farm is replenishing the coconut stock. In the Philippines, as in many other Southeast Asian countries, many coconut trees are reaching the end of their productive life span (60-80 years). As coconut trees need at least about 10 years to produce a meaningful crop, replanting has often been delayed or neglected, resulting in large numbers of old trees that have or will stop producing in the very near future. Therefore, it is paramount to replant trees before the old ones stop go out of production. The Fair Trade committees are well aware of the situation and in continuation of the 2016 replanting project another one was initiated this year. Several thousand coconut seedlings were distributed, and information disseminated on how to care for the seedlings so that they grow into strong trees. Also, a maintenance program was devised to ensure the survival of the seedlings.



Young Coconut Plant

In addition, the Health Care program has continued. This year, financial support for 31 farmers with major medical expenses has been granted.

<https://www.magzter.com/de/stories/Business/Agriculture/MANOBO-OWNED-COCONUT-FARM-RECOVERED-FROM-DEFORESTATION-AND-IS-NOW-A-THRIVING-FARM-BUSINESS?srsItd=AfmBOorZAE1y4vwggVaaXSDBKo2lXMqeuNRI0ZQ8JLHUF8G4kZdKY9AO>

PeterPaul & Lucy Bee

PeterPaul has a longstanding successful community project history that has improved the lives of numerous small farmers in central Luzon for many years. Lucy Bee Ltd. has contributed to those projects in a substantial way, thereby proving that a successful small company can do business and contribute to the wellbeing of the folks who grow the raw materials for its products.