



Asian Productivity Organization
“The APO in the News”

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The Sixth Order

By Chit Juan · On September 12, 2014

I always thought of it as “value chain” and “value chain development”. In Japan, they call it the sixth Order. I had to ask why six? 1 plus 2 plus 3 is six? 1 is Agriculture, 2 is Manufacturing and 3 is Retailing. That’s how we have been mentoring farmers in the Philippines since ECHOstore started. Add value to your crops. Go up the value chain.

But in Japan, they made it a law. Yes, a law to help farmers add value, get to markets and survive!

Like in most countries, Japan’s farmers are an aging lot. They average 65 years of age with not much in the pipeline to carry on the farming business. In the Philippines, our farmers specifically in coffee are 57 years old on the average. So, just like Japan, we need a fresh pipeline of candidates who wil carry on the task of growing our food. I feel confident as more and more young people are getting interested in coffee. But man does not live by coffee alone. We need rice farmers, vegetable farmers, camote farmers. Where will we find them?

The law in Japan requires prefectures or provinces to get involved in approving business plans of would-be farmers who would then get a loan (no collateral) to pursue a value adding scheme to say, tomatoes or apples or whatever your produce is. They accept applications three times a year, and though it may take

up to 3 months for approval (that's fast!), you can then see a brighter future for what otherwise would have been just rice or apples or peaches. Fruits and vegetables are perishable and more than half of Japan's produce are fruits and vegetables. This law prevents spoilage by converting produce to storable products...processed into jams or jellies, juices and candies.

Second, the law also funds market access or establishment of trade centers, markets and other display areas for retailing both of the fresh produce and the value added processed products.

In the Philippines, everyone's grandmother has known and done food preservation by making fruit jams, preserves, etc. Maybe we are lucky to always have sugar in ample supply and sugar is a main component and natural preservative for such fruits. Salt is another ingredient that allows us to salt fish into bagoong, into daing and many other processed or preserved products. We have known this for so long, but what we lacked was better technology, better packaging and better marketing.

It would be interesting to also have a law like the Sixth Order. Maybe this would prompt our farmers to process and segment their production so they can sell some fresh, some processed, some at some other higher value like organic or natural. People pay now for ugly fruits. We compared notes with the Japanese resource consultant that about 20% of fruits and vegetables end up ugly, not to size or simply not marketable. Not anymore. People now are getting aware that ugly fruits and vegetables actually taste good and just as good as their perfect cousins.

Why did Japan need the Sixth Order industry? Same reasons we have: production levels are down, cost of inputs and planting materials are increasing and farmers are aging.

I was fortunate to have joined the Study Mission in Japan on Agricultural Productivity by the Asian Productivity Organization (APO) which had 17 attendees from print and broadcast media, from 13 APO member countries, who went on a one week tour of farms and laboratories. We also were able to hear more than 9 lectures from experts with topics like Plant Factory using Artificial Light, Women's initiatives in rural villages and even from a government TV media director. What a fruitful (pun intended) experience picking apples, peaches, grapes in a farmer's orchard, and also visiting a Farm Direct Center. I will write about them in my other columns.

There ought to be a law, as everyone says. If we follow what Japan did, we may just get more farmers doing value addition. I just recently met with camote farmers from Bicol, specifically Libon, Albay. They saw how ECHOstore customers were buying the camote and taro chips from the shelves. They could not believe that something they take for granted could have such market value. They know now. The farmers brought some packages home to Bicol to show their communities, their mayor, their supporters.



We may not have a law, but we can have more local markets offering our wonderful local products. Buy local. You will see improvements in the products as you also become part of the solution. Buy local and it empowers a farmer like you cannot imagine. That bag of camote chips you buy may be the tipping point for a farmer to stay on and keep his family growing our food for generations to come.



That's our kind of sixth order. Buy local. Support your farmer today.