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Session 1: Where is the waste? Food loss in the Philippines

Charles McIlilton is the founder and chair of Second Harvest Japan, the first and the largest food bank in Japan. He pioneered the concept of food banking in Japan and has worked to establish a national food banking network. He is also the founder and chair of Second Harvest Asia, an NGO that promotes food banking in Asia, including the Philippines, and works with other food banks and aid agencies to increase food security in the region.



Charles gave an introduction on the food supply chain and the points where food loss can be recovered. Food comes from different sources: farmers, fishermen and people who care for livestock are just a few. Then some of it goes directly to the market to be sold. Some of it will be manufactured into canned goods, biscuits and other processed food. From the manufacturer, some of it goes back to the market, others to be exported. From the market, it goes down to the restaurants and households. Loss occurs at any point along this process for a variety of reasons (i.e. There's loss from the field to the market. There's loss from the manufacturer down to the market. etc.). As an analogy, imagine a cup of water and one person pours it into the next person's cup. A little bit is going to get lost along the way.

However, when we think about food waste, we often think about restaurants and banquets and buffets. Yes, loss does occur there but the biggest difference is that one, it is a common custom in the Philippines (unlike in Japan) to take home leftover food in the restaurant and eat it at home, and two, leftover food is very small and not scalable. Once the food is made, either at the restaurant level or household level, at the dinner table, it can't go anywhere else. It has reached its end cycle. It is practically impossible to recover and redistribute.

Here is an example of a scalable opportunity for food banking. A Japanese farmer in Tarlac harvests about 200 tons of okra that doesn't meet strict Japanese specifications for export to Japan. It's

either too long, not straight, etc. but it's perfectly fine okra. He tried making it into flour and pickles. He tried giving them away but Tarlac is an okra region so okra is abundant. He reached out to Food Bank Philippines. LBC Foundation helped us bring the okra down to Manila for further distribution out to feeding programs.

Some differences Charles has observed between Japan and the Philippines: In Japan, products have to meet the three Ps in order to be purchased: They have to be perfect, presentable, and pristine. One third of the products in Japan won't make it out to the market and even those in the market will be pulled out long before its expiration date. Japan consumers have probably one of the highest standards for food in the world. In the Philippines, on the other hand, waste rarely happens because there's always a secondary, third, fourth market with subsequently diminishing standards. People find a way for products to be sold somewhere. In Japan 3-5 million tons of perfectly safe, edible food gets destroyed every year (again, this is not the restaurant or household level, but food products that never even reach the market). World food aid comes in to about 6 million tons. In the Philippines, there are opportunities to collect and redistribute waste but from Charles' sense, it's not in the retail level.

Another big difference is the non-profit sector. Japan has about 40,000 NPOs, with only about half that are active, half are just on the books. Out of those 20,000, the average number of employees in an NPO is maybe 1.5. The Philippines, on the other hand has over 30,000 NGOs doing a wide variety of work. What does this mean for food banking? In Japan, it means starting out from zero in a sector that's very undeveloped. An NPO has to prove how they can be trusted. In the Philippines, people are more accustomed to having and working with NGOs. People are more willing to reach out and help. Cause related marketing seems more common and widespread in the Philippines than in Japan.

Luisita Esmao is the National Chairperson of the *Lakas ng Kababaihang Magsasaka sa Kanayunan*, the women's arm of *Pambansang Kilusan ng mga Samahang Magsasaka* (roughly translated as the national movement of farming organizations). She is an advocate and practitioner of organic farming. She represented the farmers who attended and reported on their experiences of food loss in their respective farms.

In her brief report, Sita shared how some farmers have to abandon hectares of their crops and don't even bother harvesting them whenever the market prices drop (In the example she cited, the price of sweet potatoes was PhP19/kilo when it was planted but price dropped to PhP10/kilo when it was harvest time). The sale of the produce at such a low market price won't even be enough to cover the cost of bringing them to the market. The farmers identified several problems that lead to food loss including the lack of farm to market access roads, the lack of market links (clear offers on who will buy and at what price), and lack of harvest facilities.



Session 2: From A to B: Logistical considerations in recovering and redistributing food

Paulo Delgado is the Director of the Delgado Brothers Group, a 63 year old international corporation which consists of 15 subsidiaries and member companies with interests in logistics, leasing, trading, real estate and investments. At any given time, his logistics company has an impressive 25,000 tires on the ground.



Logistics plays a key role in determining how well we can distribute food, from the farm all the way to the end consumer, throughout the country and it is the foundation of the work entailed in food banking.

The Philippines has about 213,000 km of roads of which only 54,000 are paved and not very well. Philippine ports do 4M TEU, a 20 ft standard unit, 80% of which are out of Manila. In comparison, Vietnam does 6M TEUs and Shanghai alone does 32M TEUs. The Philippines has about a thousand kilometers of rail but is not a viable logistics solution. Airports are very congested -- NAIA is still the main point of entry but as an airport, it has very limited room for growth.

There's weak infrastructure leading to these airports so even if one can fly something in quickly, it often ends up getting stuck in traffic to get from the airport out. The major drivers for airport growth which should be the large cargo carriers have already moved their Asian hubs out to China. A lot of this is because the Chinese government is very supportive to them and built them what they wanted.

Domestic shipping is how the Philippines moves most of the goods around. Since 80% of the containers come through Manila, a lot of goods go out from Manila to the other ports and there's very low volume returning. This means additional cost to the shipping lines to bring back all the equipment without any goods. Maritime laws are archaic (dating to the start of the 20th century) and they basically protect local players. Unfortunately, domestic players don't have the volume to justify better ships (current domestic ships are more than 30 years old) and better equipment that are more efficient and cost-effective.

On the upside, infrastructure has been growing yearly for the past 7 years through PPP (public-private partnership). Despite the issues, these developments are good. Bidding projects out to a private company means that it's going to be run better. It may raise the cost but it puts the investment into the country which is needed for logistics and for economic growth.

Introduction to equipment for food movement

This is the standard 20ft, 40ft or 45ft dry container. It is an international standard which means it will fit all port equipment anywhere in the world. It sits on a chassis not connected to a truck.





The other popular source of movement is a wing van truck. It's a large scale truck that opens from the side, making it easy to load and unload compared to a container where the doors are on the edges. The downside is that even the largest wing van trucks are not a full size 40ft container. So they're maneuverable but small.

A cold chain network is best for food that lasts longer if kept chilled (e.g. poultry). There are two types. One is a reefer container, which costs about \$28,000 to buy. To keep the refrigerator running costs about 150 pesos/hour (without maintenance costs) or 1,500 pesos for a 10 hour shift, quite unreachable for a lot of small businesses and farmers. Paolo shared an interesting application of the use of this reefer container. A Jollibee in Tarlac rents a reefer container, parks it outside their store and pre-orders food for the busy and high-volume Christmas season. They open the door when they need to get their chicken or their beef patties but it's just running, plugged in to their store, and at the end of the season, they return the reefer container. It's much cheaper to do it this way than to build a whole refrigerated warehouse just to keep the products chilled.



The other is an insulated box which is essentially like a cooler. It has no engine. The advantage is that within a 30 hour spread, temperature can be maintained. And in the Philippines, one can get just about anywhere within 30 hours. Everything is pretty accessible. The insulated box wouldn't be as useful in a place like the United States where one has to drive several days from one coast to the other.

In the Philippines we are still transporting food on the back of tricycles, on top of jeepneys and oxcarts. Imagine the effects of this on the quality of the produce, exposed to pollution and the harsh sun. Most of our produce travels for about 6 hours and so they arrive edible but only for 2-3 days. Had they been transported in refrigerated trucks, they might have lasted a week and a half. Filipino consumers don't notice this because the country is relatively small and accessible but overall, this doesn't help in food security.



The Road Train

Goods are moved domestically through the nautical highway. Effectively, one can drive from the top of Luzon all the way down to Mindanao and access the whole country using paved roads and ROROs (roll on-roll off vessels). Paulo is a big proponent of the road train. It replicates to a certain extent what the shipping and rail companies are doing using a standardized piece of equipment. Trucks can disconnect from the container and the chassis as they load onto a RORO and then connect again to another truck at the next port. In this system, trucks won't have to drive all the way back empty and costing money. In the application of the road train/container model, truckers can load more produce into slightly newer trucks and containers. They can do more runs over a

shorter distance (with the right application of the equipment) which means they are earning more and have more incentive to work harder and faster.

Some inefficiencies in the system

Domestic ships are very old and expensive to maintain. A 30-year old ship means a 30-year old engine. Their small size means they're not carrying as much goods for the gas they're consuming. Domestic trucks are 10-20 years old, with equally old engines that are not fuel efficient. The Philippines is a repository of used items from other countries so they're not standard and finding replacement parts can be difficult. When the truck breaks down, you could lose your cargo of produce.

Produce is manually loaded. In the example given by Paolo, about 20% of coconuts are lost due to the way they are manually loaded (i.e. banged and rolled like bowling balls). Switching to mechanized loaders would mean reduced handling which stops bananas from getting bruised, lettuce from getting stepped on, coconuts from getting cracked, etc.

Vested interests. Across the logistics network, fees and percentages are levied on the farmer's produce and the truckers. Distribution hubs are biased towards traders who usually make a bit of a cut. These are all costs that go to the end user and adds to the inefficiencies and expense because of the little negotiations that go along the supply chain. Theft happens. Because truckers end up losing money, they sometimes try to make it back by selling some of the produce on their truck.

Lack of visibility. A farmer that loads up a truck doesn't know where his produce are. He doesn't know whether they have reached the end user. Both farmers and end-users have difficulty planning orders. They over order, under send. We have the technology available to increase visibility and have a more centralized system to allow everyone in the whole supply chain to plan a little bit better and be more efficient with the distribution of produce.

Changing regulations can be a problem. The government is trying to modernize the system so that itself is a good thing. But every time they do, some sectors go on strike which block up the network and cause wastage. The government comes up with a rule and just implements it. Perhaps there should be a softer roll out, a more careful planning of how to do this as well as more interaction and consultation with all the stakeholders who will be affected.

Cold chain infrastructure is still developing. Cold chain includes the reefer units but also chilled warehouses/drop off zones that can accommodate the produce delivered. Chilling extends the life of the goods. As a rule of thumb, from when produce is harvested, the speed to market makes all the difference in the quality. Consumers want safe and high quality food that has a reasonable time to shelf. Retailers want availability of these products with minimum losses. In the current set up, it is also difficult to pinpoint where produce went bad: Was it at the farm? Was it on the jeep? Was it at the cold chain facility? If we don't have an idea where the problem was, we can't fix it.

Some conclusions

We want faster speed, better equipment, more reduction in gas expenses and more movements per day. We have to maximize what we have, which is the nautical highway. We look at what we've got and find a way to work with what we've got. We're not America or Japan: they're different

geographic set ups. We have a pretty good system but we just don't know how to use it properly. On the upside: The Philippines is not geographically large so produce can be moved anywhere. Filipinos know how to text and use computers so if set up right, we can be interconnected. the oxcarts and the jeepneys are not a bad system but we need to connect them to containers and not use them all the way to the end users. Agriculture is and can be a large employment sector so we want to promote this as a country. We have momentum. The government has been spending a lot and doing a lot. Now is the time for us to take advantage of this.

The Asean integration in 2020 has significant implications on the logistics in the Philippines. Briefly it would mean that the Philippines and the other countries involved can move goods around and share equipment. It's going to bring in a lot of competition but this is good for food security. It means the regional players can come in. It means the best practices are going to be shown to us. The competition may just be what we need to push us. The Philippines is a perfect transshipment point for redistribution. This is a lot of opportunity for us as a country.

Session 3: Reaching recipients. Increasing accountability, transparency, and traceability

Mae Paner, also known as **Juana Change** is best known for her videos that went viral on the internet --videos that challenge apathy towards political and economic problems with a distinctively Pinoy humor. Juana Change videos have hundreds of thousands of hits. The Juana Change project seeks to continue viral campaigns on the internet, live performances, grassroots tours, and nationwide TV broadcast to advocate freedom, justice and good governance.



Juana Change performed on stage with a family who survived Typhoon Yolanda and whom she subsequently adopted. In her entertaining piece, she highlighted the corruption and the dysfunctions of governance that results in undue delays in providing emergency and relief goods in times of disaster. (Performance will be uploaded to YouTube).



Vincent Lazatin, Executive Director of the Transparency and Accountability Network (TAN), a Philippine-based network of 25 civil society organizations, non-governmental organizations, and academic and research institutions focusing on transparency and accountability in governance.

Vincent responded to Juana Change's performance by outlining the dysfunctions of governance. Post Yolanda, he has been getting more requests to talk about aid transparency. We fear donations are being sold. We are concerned that donations do not actually hit the ground to the people who need it the most. He then related this to a pernicious problem in Philippine governance - *epal* - in which government officials put their names and faces on projects to take credit for things they should be doing as a matter of course, as if what they did was something over and above what they are supposed to do as public servants. Even in times of disaster, *epal* still happens resulting in citizen

disgust and distrust. When government officials put their names and faces onto relief goods, it brings *epal* to a completely new low.

Epal also reveals interrelated problems in Philippine governance including political dynasties. *Epal* reinforces the notion that we as citizens owe our government officials something for these supposedly extra things that they do for us and it creates a patronage, a feudal relationship between citizens and these so-called leaders. It perpetuates these dynasties, these political families that are entrenched in politics for decades and generations. It also boils down to the complex of politicians and their need to stay in power. Because they want to be reelected, they make sure that people remember them in creative ways and it has reached the relief goods.

So how do we keep track of donations and make sure they reach those who need it the most? First, we need access to information. We need to assert our right to ask questions, ask local officials how much they received, where the funds are going, where the relief goods are being delivered. Second, we need the involvement of the citizens. People need to be aware and actively monitor what's coming their way. Someone must be on the ground recording what is actually hitting the ground.

Charles posed a question before: how does a food bank in Japan who wants to send food to the Philippines know that the donations are getting to the calamity victims? You have to partner with the government because they're supposed to do these things. Make them do the work but you have to monitor and make them accountable.

Session 4: What we get wrong about the poor and what to do about it?

Dr. Ned Roberto is Asia's foremost authority on marketing. He currently serves as part of the editorial board of the International Journal of Research in Marketing. The author of numerous bestselling books on marketing, market research and social marketing, Dr. Ned is a sought after teacher, mentor, consultant and speaker in universities, countless national and multinational corporations in a wide variety of industries, and in international agencies and organizations. He is the recipient of the AGORA Award for Achievement in Marketing Education, as well as the Lifetime Achievement Award as Marketing Educator. He is currently research fellow and director of the Social Weather Stations.



Who are the poor, or what the government calls the “socially and economically challenged families”? The top 5 best research agencies in the world can't seem to agree on the poverty statistics. The research of SWS and the UP Poverty Mapping Studies reports 80% poor and sub-segmentation revealed 3 segments: Borderline poor 40%, middle poor 25%, and extreme poor 15%. The extreme poor statistic coincides with SWS' hunger index (15% are hungry at least once a month and out of that 15%, 1 and 1/2 to 2% are hungry everyday).

Many poverty alleviation programs (PAPs) admittedly reach the borderline poor, not the extreme poor who need help the most. Who are the borderline poor? In good times, they go to the middle

class but in bad times (e.g. disaster), they move to the middle poor. This dynamism or movement of the borderline poor is not much appreciated. It is the extreme poor who are characterized by immobility. So why do poverty alleviation programs reach out to the borderline poor? This is because it is easy to demonstrate that the program has made a “difference” in their lives, but the truth is, the borderline poor come in and out of poverty with or without a program’s interference. Since they can get out of poverty on their own, it is difficult to attribute their upward movement to the effect of the poverty alleviation program.

Different PAPs work according to different models of poverty causes and consequences. Each PAP has starting point as defined by its model. For example, if a program adheres to the “spiritual poverty” model and believe that “The poor become poor and stay poor because of deficiency in moral values. They place the lowest priority on moral values, ethics and social consciousness. This predisposes them to vice and criminality,” then the entry point of this program would be catechism and Bible lessons. When Dr. Ned encouraged this religious group to visit the poor and talk to them, they realized that they had it wrong and that their entry point should be a feeding program to address their hunger, not catechism. Needs assessment of the poor must be based on actual observation and not assumptions about the poor.

How can people in business help? They can adopt a PAP and mentor them on how to effectively and efficiently manage their program (i.e. provide professional consulting program planning, implementing, evaluating and control). Dr. Ned believes that the impetus is at the local level to reach up to a critical mass. According to Alfred Rogers who wrote Diffusion of Innovation, we simply need to reach 20%: The 5% who are innovators, 15% who are early adopters and these two combined will persuade the rest of the 80% so the key is identifying the 20%. Unfortunately, programs are calibrated to reach all due to our concept of democracy but there are better more efficient ways of doing things.

Who gives to the poor? Based on Dr. Ned’s survey on giving behavior, results showed that the extreme poor were the biggest and most frequent givers. We must note though that the extreme poor are the largest percent of the population and the rich may be giving through their companies so their giving behavior is not reflected on the survey. What influences giving behavior? Contrary to popular belief, attitude has very little to do with giving behavior. Sometimes giving is hampered by something as simple as non-availability of where to give (i.e. outlets to give), and how to give (i.e. steps, instructions, procedures). Branding can influence giving (e.g. donations rebranded as “love offerings”), as well as the use of subtle peer pressure. Reminders and modeling the behavior also influence giving.

Is there food waste among the poor? Dr. Ned doesn’t think so. The poor cope with hunger by making the most of what they have. For instance, they use a number of “surrogate *ulam*” or meal substitutes (i.e. coffee, soy sauce, sugar, salt, etc.) to eat with rice. Food waste is with the rich and he pointed to movements in developed countries to harvest wasted food at the consumption level.

Dr. Ned ended his presentation with the call to walk the talk, to walk *and* talk, to do something about what we are talking about.

Session 5: Responding to disasters: Problems encountered. Lessons learned.

Mayor Sandy Javier whose hands-on response to his people in Javier Leyte in the wake of Typhoon Yolanda is legendary, making him the most qualified person to speak on this session. A leader and hero to many, Mayor Sandy has put together a solid relief operations team to provide immediate relief to all affected. The Javier Municipality has taken responsibility not just of its immediate local barangays and communities but also for the 20 towns in the surrounding area. Javier is now acting as the main relief goods distribution hub for these coastal and inland towns gravely affected by Typhoon Yolanda.



Mayor Sandy shared his personal experiences of suffering through Typhoon Yolanda. The night before the typhoon hit, Mayor Sandy ordered the people of Javier to relocate to the evacuation center, even threatening to arrest the people who didn't comply for "attempted suicide". When they got to the evacuation centers, there was already food waiting for them. Before the typhoon, they already cooked 20,000 eggs and prepared 20,000 cup noodles (but unfortunately didn't anticipate the amount of water that needed to be boiled for them).

He shared the extent of the devastation wrought by Typhoon Yolanda, the trauma of the survivors, and the work that lies ahead in rehabilitating the affected areas. The mayors were the first responders in a disaster, not the national government. From his experience, he recommends disseminating information that people can understand so that they can prepare accordingly.

Vincent Lazatin, who is in the process of forming a disaster response team, responded to Mayor Sandy's presentation.

Vincent congratulated Mayor Sandy for his response and ability to prepare his people and do everything necessary to get them to safe places, demonstrating what a proactive local chief executive can do.

Typhoon Yolanda was classified as category 6 in magnitude, but it was really off the charts. There's really only so much you can prepare for. We didn't know the devastation we would face after the storm. Unfortunately, the Philippines has to face these kinds of disasters again because we cannot stop typhoons from happening and with climate change, they will get worse. The Philippines is in the typhoon belt and the ring of fire so we can expect more disasters in the future.

How do we create resilient cities? Are we physically prepared to deal with disasters? Do we have the necessary physical infrastructure? In this respect, there are some things we can do - build storm shelters, evacuation centers, food storage, etc. How do we build resiliency in the population? As a people, Filipinos are naturally resilient. They tend to bounce back quite quickly.

When we talk about cities, we talk about political boundaries. Natural disasters do not know about political boundaries. An earthquake doesn't stop at the boundary of the town of Javier. A typhoon will not stop at the boundary of Tacloban City. We have to start thinking differently about natural

disasters and start talking about resilient ecosystems, or microclimates. Instead of political units, we should be dealing with the ecology, topography and geography of the areas involved. There's a certain topography of some areas that make them more vulnerable to flooding or earthquakes than others. We have to start thinking in terms of the whole area. Areas that stay dry should be open as a safe area for everyone, including people from other towns or municipalities.

We need to get our government officials to come together and work as larger units. We should have a national government agency dedicated to dealing with post disaster scenarios and direct the recovery effort. The people working in this agency should have management skills, logistics skills (i.e. someone who can mobilize, clear the roads, etc.). It would be better if they are away from the epicenter of the disaster so that they can react and respond.

We need to evolve and learn from our collective experience over the years and not behave as if it's happening to us for the first time. For example, we've done packing and repacking of relief goods so many times we should have this down to a science so we can move quickly after we get hit.

Session 6: Building a business model for Food Bank Philippines

Charles McJilton brought the symposium to a close with this final session in which he shared the principles that have guided Second Harvest Japan from the beginning that might be helpful for Salu-Salo FBP. The first is to focus on building relationships with people and companies. Second Harvest Japan doesn't go up to companies to ask for donations. Instead they seek to build a mutually beneficial and trusting relationship and try to get them excited about what a food bank does. Though they don't verbalize this, they also seek an equal relationship (i.e. not one having the upper hand over the other), which is impossible if one begs for donations.

The second is to get away from the poverty mentality and just start working with what resources you already have. Too many NGOs start by saying "We don't have enough money. We don't have enough time. If only we had more people..." etc. NGOs with the poverty mentality expect people and companies to give them resources which backfires and repels the latter. To move away from poverty mentality means to start doing what you can do with what you already have right now, and not wait, aspiring for more. Sometimes, it might mean saying no to money because the relationship is at stake.

In the Philippines, Charles sees the importance of starting with the key stakeholders - government, business, recipients, members of the community - and meet them where they're at. Engage everyone in discussions to find out what their needs and concerns are. Begin the conversation - not to ask for donation or for them to do something for you - but to say, we all belong to this community and we have a system that can benefit everybody - how can we start the transformative process to make that a reality? It may require a shift in thinking to imagine its broader implications. Food banking is not charity. It is a bridge between the resources available in the community and the people who need it.

Too Good to Waste: A Photo Exhibit

The symposium was also graced by an exhibit entitled “Too Good to Waste” presenting stunning photographs by students of the De La Salle University College of St. Benilde. The photo on the left is by Miguel Sy entitled *Hourglass* and is now proudly displayed at the office of Second Harvest Japan. To contact the photographers, kindly email us at foodbankphilippines@gmail.com.



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