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DTI signs MOU with Nestlé Philippines to help local coffee farmers



Department of Trade and Industry (DTI) Secretary Ramon M. Lopez (center, upper photo) and Nestlé Philippines Chairman and CEO Kais Marzouki (leftmost, upper) led the virtual signing of the Memorandum of Understanding (MOU) that will commence the commercial partnership between Nestlé Philippines and coffee farmers' organizations under the RAPID Growth project. Witnessing the signing were International Fund for Agricultural Development (IFAD) Country Director Alessandro Marini (lower photo, right), DTI-ROG Usec. Blesila A. Lantayona, and Nestlé Philippines Head of Corporate Affairs and Corporate Communications Arlene Tan-Bantoto (upper, right).

The Department of Trade and Industry (DTI) and Nestlé Philippines signed on 6 October 2020 a Memorandum of Understanding (MOU) as part of the rollout of the P4.78-B Rural Agro-Enterprise Partnership for Inclusive Development and Growth (RAPID Growth) Project to develop the country's high value crops and improve rural farmer households who are mostly located in Mindanao.

Under the MOU, the DTI and Nestlé Philippines will collaborate to augment the incomes of small coffee farmers through various interventions that include training, access to raw materials, technology or equipment, and market promotions. DTI will tap into the best practices and established linkages of Nestlé's NESCAFÉ Plan and its flagship Project Coffee+, an initiative seeking to transform 1,500 coffee farmers in Bukidnon and Sultan Kudarat into agripreneurs.

"This project has a special place in my heart because this project is all about convergence. It's all about competitiveness and inclusiveness. This is a project that has a huge value chain cluster approach. The reason why I said this is special is because the project will not only benefit our key sector in DTI, the Micro SME sector, but will also involve the production site—the farmers, which is to me is a very important sector in the economy," Secretary Lopez said.

On the same note, **Nestlé Philippines Chairman and CEO Kais Marzouki** said this partnership under the RAPID Growth Project will help improve the livelihood of coffee farmers. *“The country’s coffee farmers need support, not just from government and manufacturers, but also from consumers by way of their choosing to buy locally manufactured coffee,”* Marzouki said.

Development partner International Fund for Agricultural Development (IFAD) has provided the funding support through a USD 62.9-M loan and USD 2.5-M grant components. The RAPID Growth Project supports IFAD’s development agenda to focus on the delivery of inclusive and sustainable rural transformation.



IFAD Country Director Alessandro Marini emphasized the importance of partnerships with agri-business and the private sector as drivers of rural transformation and modernization of the agricultural sector to ultimately benefit smallholder farmers and overall rural communities. *“Inclusive and agriculture-based economic growth is key to addressing poverty in rural areas in the Philippines and complete the ongoing modernization of agriculture and structural transformation of the country into a mature and modern economy. This explains the importance of the RAPID project to promote rural economic growth through competitive and inclusive agri-food value chain,”* Marini said.

On her part, **DTI ROG Undersecretary Blesila A. Lantayona** said the project will engage coffee farmers with the objective of increasing the yield and improve the quality and even increasing the income and improving the economic viability and sustainability of the local coffee farming communities.

Sharing the same optimism is **DTI-CARAGA Regional Director Edwin Banquerigo**, who is also the RAPID Growth Project Director, who said that the project will be implemented in 21 provinces in seven regions (Regions 8, 9, 10, 11, 12 and BARMM) nationwide to benefit 78,000 household farmers and potential 31,000 direct jobs creation and 155,000 indirect jobs.

To formally end the virtual MOU signing, **DTI-CAR Regional Director** and **National Coffee Industry Cluster Coordinator Myrna Pablo** delivered the closing remarks. *“This MOU is a cutting-edge development of the Philippine coffee industry as the government cannot do development alone. A mutually beneficial collaboration through a public-private partnership will definitely result in better outcomes. This MOU signing*

between DTI and Nestle Philippines is an earthshaking milestone that matched a stronger public private partnership requiring actively moving action to realize the partners' objectives," she said.

Anchored on the value chain approach, the RAPID Growth Project was launched in 2019 that aims to stimulate agri-enterprise development through the participation of government agencies in the delivery of services, expand economic opportunities, create more countryside agri-enterprises, and facilitate access to market, technology financing, and business development support services.