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COUNTRY PAPER  
ON  
FISHERY COOPERATIVES  
IN THE  
PHILIPPINES

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# FISHERY COOPERATIVES IN THE PHILIPPINES

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## I INTRODUCTION -

The organization of fishermen into cooperative societies is a new development in the Cooperative Movement in the Philippines. Encouraged by the gains made in the agricultural cooperative sector, the small scale and subsistence fishermen have begun to organize themselves into Samahang Nayan many of which have federated into marketing cooperatives. This will avail to them the benefits of higher productivity and incomes and purchasing power through economies of scale, volume discounts, and cost sharing.

The fishery industry constitutes one of the frontiers of the Philippine Economy. If one may so the Philippines, being an archipelago of over 7,100 islands, is a maritime country and it is rich in fishery resources which remain to be fully exploited for the benefit of the people.

## II FISHERY RESOURCES -

The fishery resources in the Philippines are classified into marine and inland resources. The marine resources cover an area of 1,666,300 sq. km. However, marine fishing activity is confined largely to coastal waters which account for 265,970 sq. km from shore to depths of 200 meters. Of the

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total coastal area, only 126,500 sq. km are traditional fishing grounds.

The inland resources consist of 526,000 hectares which include freshwater and brackish water swamplands, fishponds and other inland resources such as lakes, rivers, reservoirs and canals readily available for direct harvest or culture purposes. There are 176,000 hectares of operating fishponds which are now being subjected to intensive effort and massive inputs for increased productivity. The Philippines has 68 lakes with an area of 200,000 hectares, river area of 31,000 hectares, reservoirs of 130,000 hectares; and 249,000 hectares of brackishwater areas awaiting further development into fishponds.

### III PERSONS ENGAGED IN THE FISHERY INDUSTRY -

As of 1980, the number of fishermen and persons engaged in fishery industry stood at 800,000 in round figures. With the size of the average Filipino family placed at 6 persons the total number of people dependent on the fishery industry would be 4,800,000..This is excluding those engaged in support industries like the building of boats, fishing gears, etc. The 800,000 fishermen and persons engaged in fishery industry are broken down as follows:

1. Commercial Fishermen - Those who engaged in the commercial production of fishery resources using boats of over three (3) tons gross using

sophisticated gears, etc. - 54,000

2. Municipal Fishermen - Those who engage in fishing in the coastal and municipal waters, and by fishing bancas three (3) gross tons or less, using relatively simple gears, and operating in shallow coastal waters, They commonly use hook and line, trawls, seines, bassings, gill nets, etc. - 600,000

3. Aquaculturists (Fishpond Operators) Those who raise and harvest fish in fishponds. - 146,000

Total 800,000

It will be readily seen that 75% of those engaged in the fishery industry are municipal or small-scale fishermen, while commercial fishermen and fishpond operators constitute only 25% of the total.

#### IV PRODUCTIVITY -

The decade of the seventies saw unprecedented progress in the Philippine fishing industry. Average production growth rate within the decade is 21.0% in terms of value, that is, ₱11.64 Billion in 1980 as compared to ₱1.72 Billion 1970. In terms of volume, the growth rate was 5.4%. The total production in 1980 was 1,672,254 metric tons compared to 988,894 metric tons in 1970.

A graphic presentation of the growth rate of the fishery industry is shown in the attached Tables No.s 1 - 3.

For the Calendar Year 1981 total fish production is estimated by the Government at 1,755,000 metric tons, an

increase of 5% over 1980. In terms of value, total fish production value stood at ₱14.1 Billion, an increase of 22% over 1980. The total fish production for 1981 and the corresponding contributions of the three fishing sectors is presented in Table No. 4, attached.

The largest contribution still comes from the Municipal fisheries the total production of which amounted to 1,057,000 metric tons valued at ₱8.5 Billion or 60% of total production. Coming up next is the Commercial fisheries with total production of 490,000 metric tons valued at ₱3.9 Billion or 28% of total production. Coming up last is aquaculture (fishpond) which produced a total of 208,000 metric tons valued at ₱1.7 Billion, or 12% of total production.

For the year 1981, the fishery industry contributed 4.4% of total Gross National Product while providing direct employment to 800,000 persons including aquaculturists or fish farmers.

V FOREIGN TRADE -

1. EXPORTS -

Beginning the year 1977, fishery exports showed a growth trend though not necessarily consistent. Table No. 5, attached, reflects the export trade from 1977 to 1981. Total export in 1981 was 95,223 metric tons valued at ₱1,155,000 compared to that of 1977 which was only 39,534 metric tons valued at ₱395,635,000, or an increase of 41.5% in terms of volume and 34% in terms of value.

Table 6, attached, shows the leading export fishery products in 1980. In terms of export value, as in 1980, frozen tuna topped the list again followed by frozen shrimp and shell-craft articles in 1981. Other top dollar earners in 1981 were dried seaweeds, aquarium fishes, ornamental shells, shark liver oil, smoked tuna, cuttlefish/squid and dried sea cucumber.

The top export markets are the United States, Japan, Hongkong, Puerto Rico, and Singapore.

## 2. IMPORTS -

Fish and fishery products imported in 1981 amounted to 48,062 metric tons. There is a decrease of 9.3% from that of 1980 which was 53,000 metric tons. The value of imports, however, increased from ₱274 Million in 1980 to ₱288 Million in 1981, or 5%. The increase is attributed to fish meal importation.

## 3. BALANCE OF TRADE -

The fishery industry enjoys a favorable balance of trade of 47,161 metric tons valued at ₱867,000,000. This makes the industry a net foreign exchange earner.

# VI MANAGEMENT AND DEVELOPMENT OF FISHERY RESOURCES -

1. National Policy -The Fisheries Decree of 1975 (Presidential Decree No. 704, May 16, 1975) is the basic law on fishery resources. Under said Decree, it is the policy of State to accelerate and promote the integrated development of the fishery industry and to keep the fishery resources of the country in optimum productive condition through proper

conservation and protection.

The government, shall promote and encourage the organization of, provide assistance to, and help integrate the activities of persons, associations, cooperatives and corporations engaged in the industry so that the nation may achieve the maximum economic utilization of its fishery resources. The fishery industry is considered a preferred area of investment.

The government shall encourage and promote the exportation of fish and fishery/aquatic products to enable the fishery industry to contribute positively to the development and growth of the national economy.

The private sector's privilege to utilize a fishery resource shall be exercised or continued to be exercised only under the basic concept that the grantee, licensee or permittee thereof shall not only be a privileged beneficiary of the State but also an active participant and partner of the government in the conservation and development of the fishery resources of the country.

## 2. Policy Implementation Agencies - a) Fishery

Industry Development Council The responsibility for the implementation of the foregoing policy is lodged in a Fishery Industry Development Council (FIDC) chaired by the Minister of Natural Resources. Its membership are the Ministers of Agriculture, National Defense, Trade and Industry, Public Works and Communications, Transportation; the Governor of the Central Bank, Chairman of the Development Bank of the

Philippines, President of the Philippine National Bank, Chairman of the Board of Investment, a representative each of the inland fisheries associated and marine fisheries associations with the Director of the Bureau of Fisheries and Aquatic Resources as member and Executive Officer.

The FIDC is charged with the responsibility of formulating and establishing comprehensive policy guidelines for the management, protection, conservation and utilization of the fishery/aquatic resources of the country and for the creation of a healthy investment climate for the development of the fishery industry. It shall collate data and information from member agencies and the private sector for the formulation of policy guidelines.

(b) Bureau of Fisheries and Aquatic Resources - The Bureau of Fisheries and Aquatic Resources (BFAR), under the Minister of Natural Resources (MNR), is charged with jurisdiction and responsibility in the management, conservation, development, protection, utilization and disposition of all fishery and aquatic resources of the country except municipal waters which are placed under the municipal or city government concerned. All Fisheries and seaweed culture in municipal waters are, however, under the authority of the Bureau. The BFAR implements the Fishery Industry Development Program approved by the FIDC.



(c) Local Governments - In the case of municipalities and cities, all municipal ordinances and resolutions affecting fishing and fisheries and any disposition thereunder are subject to approval of the Minister of Natural Resources.

VII THE INTEGRATED FISHERY INDUSTRY DEVELOPMENT PLAN -

Various government plans/programs for the development of fishery industry have been operationalized, such as:

1. The INTEGRATED FISHERY DEVELOPMENT PLAN (IFDP) drafted by the Ministry of Natural Resources in 1976 pursuant to LOI no. 459. It is designed to fill the recurring need for research planning and implementation efforts of various organization engaged in fisheries development; and
2. The EXPANDED FISH PRODUCTION PROGRAM (EFPP), a subset of IFDP, established in 1970 with Bureau of Fisheries and Aquatic Resources as the primary implementing agency. This served as guidelines in carrying out the Bureau's functions. The Program identifies objectives, strategies, production targets, projects both private and public and funding requirements for better development of the fisheries industry.

To attain the desired goal, the program pursues the following on:

(1) Production

- a. increasing yields of existing production units in aquaculture and capture fisheries;
- b. selectively expanding production units in aquaculture and capture fisheries.

As inland resources are limited and there is a need to

conserve them for ecological purposes, the development of fishponds shall be augmented by production from communal waters and culture in shallow protected portions of the sea or sea farming. More concentration shall be devoted to the improvement of municipal and the expansion of commercial fisheries.

(2) Fish Utilization

- a. Improving the fish marketing and distribution systems to minimize gaps between production and consumption on local and regional levels;
- b. Providing ice plants, cold storages, processing plants, transport and other shore facilities for efficient handling and distribution of fish and fishery products;
- c. Reducing wastage and improving the quality of products that reach the consumers;
- d. Developing foreign markets for traditional and non-traditional export fish and fishery products;
- e. Developing processed products from indigenous fishery resources traditionally exported in raw or semi-processed form;
- f. Developing local markets for import substitutes;
- g. Encouraging establishment of fishery resource-based cottage industries and other ancillary industries.

(3) Conservation and Management

- a. Enforcing fishery laws and regulations for the protection of fishery resources from the illegal fishing practices, over exploitation and pollution;
- b. Continuing identification and establishment of fish sanctuaries, stocking of inland waters and other measures to enhance productivity of communal waters; and,

- c. Promoting appropriate technologies for use and/or conservation of fishery resources.

(4) Extension Service and Research

- a. Intensifying extension work and research in identified priority areas; and,
- b. Encouraging private initiative with public financing support.

(5) Financial Assistance

- a. Initiating and/or coordinating with financial institutions on preparation of financing schemes on fisheries and implementing supervised credit programs.

(6) Concentration of Resources

- a. Following the principle of concentrating its resources on vital targetted areas. This calls for optimum utilization of BFAR personnel and budget by channeling these resources into high priority projects.

(7) Institutional Linkages

- a. Encouraging greater private sector involvement and participation in the planning process for fisheries development;
- b. Availing of assistance from international programmes such as UNDP, FAO, CIDA, ASEAN, SCSP, etc.; and
- c. Tapping the institutional linkages between BFAR as the implementing agency, MNR as the coordinating agency and other agencies as the Bureau of Lands, Bureau of Forest Development, Bureau of Agricultural Economics, Ministry of Local Government and Community Development, Ministry of National Defense, and financial institutions to effectively implement this Program.

(8) Fishery Exports

a. Expansion of production in order to meet the steadily increasing demand for marine products, especially in high income priorities;

b. Improvement of the quality of export products in order to develop in the world market a consistent image for Philippine Fishery exports;

c. Substantial improvements of the Philippines' competitive position in the world market; and,

d. Identification of markets for our non-traditional marine exports like seaweeds, oysters and scallops.

3. POLICIES AND POLICY INSTRUMENTS.

Supportive of these strategies are various policies, Presidential Decrees (P.D.) and Letters of Instructions (LOI), as follows:

(1) PD No. 704 dated May 1975, revises and consolidates all laws and decrees affecting fishing and fisheries which aims to insure that the development of fisheries industry shall be such as to give its optimum contribution to the country's economy.

(2) PD No. 930 simplifies export procedures and documentation by realigning functions of certain government offices involved in processing export documents aims at facilitating the process of exportation in order to achieve a truly meaningful reformation of existing export procedures and to develop and promote Philippine export for the maintenance of a sustained economic growth and further maintenance of a stable position in international revenues.

(3) PD No. 977 creates the Philippine Fish Marketing Authority (PFMA) aims at promoting the development of the fishing industry and improve efficiency in handling, preserving, marketing and distribution of fish and fishery/aquatic products through the establishment and operation of fish markets and efficient operation fishing ports, harbors, and other marketing facilities.

(4) PD No. 1015 - The President of the Philippines may, upon the recommendation of the Secretary of Natural Resources, ban the operation of commercial or other fishing gears and trawls in waters within a distance of seven (7) kilometers (or 3.78 nautical miles) from the shoreline, if public interest so requires or the ecology of the marine resources may be impaired.

It aims to uplift the socio-economic conditions of the municipal and small-scale fishermen by providing them with a wider area in Philippine waters within which to operate their fishing boats of three (3) tons or less.

(5) PD No. 1058 increases the penalties for certain forms of illegal fishing and dealing in illegally caught fish or fishery/aquatic products for a more effective protection of the nation's fish resources.

(6) PD No. 1152 establishes the Philippine Environment Code providing for the establishment of a system of rational exploitation of fisheries and aquatic resources by establishing

specific environment management policies and prescribing environment quality standards of Philippine environment.

(7) PD Nos. 1219 and 1698 provide for the exploration, exploitation, utilization and conservation of coral resources, whether existing beneath territorial waters or in the marine economic zone of the Philippines to preserve the country's marine environment, the fish and other marine organisms, natural breeding ground and habitat.

(8) PD No. 1599 establishes the exclusive economic zone of the Philippines which shall extend to a distance of 200 nautical miles beyond and from the base lines from which the territorial sea is measured.

(9) LOI No. 791 directs the intensification of fish production and improving fish distribution to attain self-sufficiency in fish, expand exports, increase employment, and improve the quality of life of small fishermen in the coastal areas by: putting into operation the "Blue Revolution Program" with the participation/assistance of other officials with the Minister of Natural Resources to wit:

a. The Director of Fisheries and Aquatic Resources shall intensify and expand BFAR training and extension program especially in depressed areas and coastal areas of Mindanao by encouraging production of exportable fishery products and alternative sources of livelihood for them;

b. The Minister of Education and Culture and the President of the UP System, thru the UP College of Fisheries to assist the BFAR in expanding its training and extension program with their facilities and technical expertise;

c. The Minister of Natural Resources as Chairman of FIDC shall finalize a comprehensive and expanded credit program for small fishermen similar to MASAGANA 99 with BFAR's help/assistance;

d. The Philippine Fish Marketing Authority shall provide marketing support in implementing this credit program;

e. The FIDC Technical Committee on Credit shall select priority areas; and,

f. The Minister of Budget to release to the FIDC the amount of ₱10 Million as Special Guarantee Fund to provide seed money following the concept of MASAGANA 99.

(10) LOI 868 provides a credit scheme for small and

medium-scale fisheries henceforth known as "BIYAYANG DAGAT '79"

a. The program shall include small-scale marine capture, small-scale culture of mussels, oysters, seaweeds, freshwater culture of tilapia, carp, hito, etc. in freshwater ponds and rice paddies;

b. The program shall include intensification of fish culture in brackishwater fishponds; Thus: the Minister of the Budget is directed to release to the Fishery Industry Development Council, the amount of Ten Million Pesos (₱10,000,000) to be made part of the Fishery Guarantee Loan Fund to provide seed money for production loans for fishponds;

c. The Governor of the Central Bank will make eligible for 100 percent rediscounting at one percent interest rate all loans granted under the BIYAYANG DAGAT '79 credit program;

d. The Minister of Natural Resources and the Governor of the Central Bank were directed to launch this program immediately.

(11) LOI 1928 declares that:

a. The Land Bank of the Philippines shall increase its available loanable funds from the current two times (2 x) exposure to ten times (10 x) vis-a-vis the same amount of Guaranty Fund put up by the Rural Workers Office, thereby: increasing the loanable funds from Four Million (₱4,000,000) to Twenty Million Pesos ₱20,000,000). Pesos;

b. The Ministry of Labor through the Rural Workers Office shall extend to the maximum the coverage of qualified rural workers organizations including but not limited to small fishermen and their organizations;

c. The Ministry of Natural Resources shall coordinate with the Ministry of Labor and the Land Bank of the Philippines through the Fishery Industry Development Council and the Bureau of Fisheries and Aquatic Resources in the implementation of this Special Credit Program for Rural Workers including small fishermen as a supplement to its Biyayang Dagat '79 Fisheries Credit Program.

(12) LOI 1929 states that:

a. The Minister of Labor shall accelerate the formation and organization of small fishermen's associations in coordination with the Bureau of Cooperatives Development and the Bureau of Fisheries and Aquatic Resources in order to strengthen their capabilities to benefit from existing government programs;

b. The Minister of National Defense jointly with the Minister of Natural Resources and the Minister of Public Works shall conduct intensive campaigns against illegal fishing, illegal construction of fishponds, dikes, fish pens, and the like;



(c) The Minister of Natural Resources upon the recommendation of the Director of the Bureau of Fisheries and Aquatic Resources shall deputize small fishermen who are officials of duly recognized and registered fishermen associations as fish wardens to guarantee and ensure the proper enforcement of all fishery laws, rules and regulations.

#### 4. FINANCING PROGRAMS

Three major loans have been successfully negotiated for the fishing industry in the country.

These are the Expanded Credit Programs of financial institutions, particularly the Third Livestock and Fisheries Credit Project providing \$45 M and the Fourth CB-IBRD Rural Credit Line (P132 M), that will make development funds even more readily available for expansion of marine and aquaculture production and marketing.

The "BIYAYANG DAGAT PROGRAM", a new liberalized credit program for small and medium scale fishermen had also been launched by the President on September 11, 1979. It is a joint undertaking of the Ministry of Natural Resources and its implementing agencies (BFAR, FIDC, PFMA) and government financial institutions (CB - RB, DBP, PNB, etc.).

Through its program, the government aims to improve the economic condition of the survival fishermen and at the same time boosts its fish production efforts. It is also envisioned to provide credit to some 600,000 fishermen nationwide.

The specific projects for financing covers the a) municipal capture fisheries for the acquisition of vessels and gears; b) brackishwater aquaculture for the improvement

of existing fishponds, operating costs and material input requirements such as fry, pesticides and fertilizers and c) seafarming projects such as mussel, oyster and seaweed culture.

Financing assistance extended to the fishing industry from 1975 - 1980 shown in Table 7, attached.

#### VIII PROBLEMS OF THE INDUSTRY

The following are some of the problems that beset the fishing industry:

1. Need for additional research information on the fishery resources potential of the country;
2. Need for more fish marketing facilities such as terminal fish markets in various fish landing centers;
3. Additional manpower needed to handle and effectively manage the various expansion aspects of the fisheries industry;
4. Indiscriminate illegal fishing and continuous rampant pollution of rivers and Manila Bay. Unless pollution control measures are introduced and strictly enforced, major rivers will soon be transformed into biological deserts, incapable of supporting any fish. The problem is compounded by the fact that this is the same water that is now used to fill fishponds;
5. Increasing cost of fisheries inputs affect all sectors of the fisheries industry. Fishpond operators find it hard to practice modern techniques due to increasing costs of fertilizers, pesticides, fingerling gasoline, etc.

To alleviate the problems of the industry, the following are being undertaken by the government thru the Ministry of Natural Resources and its agencies, also in coordination with the other ministries;

1. The conduct of a nation-wide inventory of fishery units covering the three sectors of fisheries;
2. Establishment of fishery infrastructure i.e. ice plants and cold storages and fish ports in strategic fishing areas;
3. Establishment of training centers in all regions to expand training of manpower for the industry;
4. Promulgation and enforcement of fishery rules and regulations to ensure the wise utilization and conservation of fish and fishery resources;
5. Representations with the financing institutions for more and liberalized credit to fishermen and relaxation of credit requirements to ease out difficulties in obtaining loans to accelerate fishery development.

#### IX COOPERATIVE DEVELOPMENT -

Consonant with the State policy enunciated in the Fisheries Decree of 1975 LOI No. 1929, the BFAR worked hand in hand with the Bureau of Cooperatives Development in encouraging the promotion and organization of cooperatives among small fishermen under the Integrated Fishery Industry Development Plan which was launched in 1976.

##### 1. PROMOTION AND ORGANIZATION PROGRAM -

The promotion and organization of cooperatives among small fishermen proceeded rather painfully slowly owing to the dearth of the required technical manpower on fishery cooperatives.

The promotion and organization work suffered from this handicap.

Nevertheless, from 1976 to 1980 promotion and organization work proceeded on a two-stage basis, namely: First Stage - Organization of Samahang Nayon; and Second Stage - Organization of full-fledged cooperatives.

(a) ORGANIZATION OF SAMAHANG NAYON. The first stage involved the organization of Samahang Nayon or village associations. These are pre-cooperatives. The Samahang Nayon (SN) has three functions, and these are: 1) Education; 2) Capital mobilization; and 3) Discipline. The minimum membership for an SN is 25 persons. The three functions of an SN are briefly explained below:

(1) Education. The members are trained on the philosophy, principles and practices of cooperation. In addition, whenever feasible, they are taught on improved techniques and methods including general information relating to their livelihood.

(2) Capital Mobilization. Each SN member is required to contribute to the following Funds of the Samahang Nayon:

(i) General Fund (GF) - This Fund is used to defray the operating expenses of the SN.

(ii) Barangay Guarantee Fund (BGF) - This is a social fund i.e., the ownership of the Fund is common and no SN member can lay claim to any part thereof after he has contributed thereto. It is principally utilized to guarantee the loans borrowed by SN members from banks and other lending institutions. With prior authority by the Bureau of Cooperatives Development part of the BGF may be used for investment or other purposes.

(iii) Barangay Savings Fund (BSF) - This is an equity fund, i.e., the contributions thereto are the forced savings of members which they can withdraw if they resign their membership. It is principally utilized as investment in the capital of full-fledged cooperatives.

(3) Discipline. The SN has disciplinary powers over erring members. For example, if a member defaults on his financial obligations through his own fault, the SN can deprive him of his rights and privileges as SN member including take-over of the management of his means of livelihood to generate income not only for the sustenance of the member and his family but also for full payment of his obligations, and revert the same to him only upon full payment of said financial obligations.

At the end of 1980, the status of Fishery **Samahang Nayon** is reflected in Table No. 8, attached. A total of 293 Fishery SN with an aggregate membership of 10,971 fishermen were organized. Of this number a total of 208 fishery SNs with 8,141 fishermen members were registered fishery SNs generated capital totalling ₱406,485, broken down as follows:

General Fund	₱ 166,505
Barangay Savings Fund	154,626
Barangay Guarantee Fund	<u>85,354</u>
Total	<u>₱ 406,485</u>

Inspite of the fact that these fishery SNs were organized among small-scale, marginal, and subsistence fishermen, they were able to accumulate so much aggregate capital. This demonstrates the potentials of cooperatives among the fishermen of the country. What now remains to be accomplished is the judicious employment of the mobilized capital for economically productive fishery business.

(b) ORGANIZATION OF FULL FLEDGED FISHERY COOPERATIVES.

The Second Stage involved the organization of full-fledged fishery cooperatives, in areas wherein their organization are found suitable and feasible. Basically, the fishery cooperatives have for their members individual fishermen and fishery SNS. The general functions of these fishery cooperatives are marketing and supply. The organization work began along in late 1978 when the first fishery cooperative was organized.

As of the end of June 1982, there are seven (7) fishery cooperatives organized and registered. The basic information and data relating to them are contained in Table 9, attached. Although the information and data are rather sketchy, it further portrays the possibilities and potentials of fishery cooperatives in the Philippines. Their aggregate paid up capital of ₱1,230,278 generated by 25 fishery SNS and their 810 individual members, as well as 704 individual fishermen is a substantial accomplishment considering the newness of the fishery cooperative idea among the small-scale subsistence, and marginal fishermen. It will be interesting to note that the Mercedes Area Fishing Cooperative, Inc. in Mercedes, Camarines Norte (the only one in full blown operations for some time) with total resources of ₱307,000 generated a trade volume of ₱1.1 Million, and had a gross income of ₱50,000 in 1981.

The combining factors of novelty of the cooperative idea of organization and the dearth of available technical manpower on fishery cooperatives, however, account for the unavailability of complete basic economic data on their production and trading operations.

2. PROBLEMS OF FISHERY COOPERATIVES. The fishery Cooperatives suffer from the same problems suffered by the entire fishing industry earlier described. In addition, they are handicapped by the following problems:

(a) Human resources development. There is no education and training program on the following:

(i) Fishery cooperative management and development;

(ii) Fishery cooperative production, marketing, and finance. While the BFAR is not wanting in the training of fishermen on modern techniques and methods, the BCOD does not have sufficient technical manpower to satisfy the foregoing training needs of fishery cooperatives.

(b) Lack of Special Financing. There is no special financing scheme for fishery cooperatives. While the government has a special financing program for fishermen called the "Barangay Dagat Program" inaugurated on September 11, 1979 under LOI Nos. 791 and 868, said program is primarily oriented to individual fishermen. Financing of fishery cooperatives has yet to be provided for.

(c) Lack of the Necessary Equipment and Facilities. Fishery cooperatives do not yet have equipment and facilities such as cold storage and fish processing facilities. This prompts the immediate disposal of members' production with consequent depressed prices and resultant loss of income for them.

X FUTURE DIRECTIONS -

You may have observed that 600,000 of the 800,000 persons directly engaged in the fishing industry are small-scale, marginal, and subsistence fishermen and they account for 60% of total national production. Fishery cooperatives constitute the only institutional vehicle by which they can improve their economic welfare and, thus, contribute to national development.

It is for this reason that the Cooperative Union of the Philippines, Inc. has conducted preliminary informal dialogues with the government authorities concerned with the prime purpose of securing a definite special development program for fishery cooperatives. We have received positive response from the Ministry of Natural Resources and the BFAR authorities who have expressed their interest in concrete proposals. In this regard, there are two (2) significant developments on fishery cooperatives and they are:

1. SURVEY AND EVALUATION - With the assistance of the BCOD, CUP is embarking on a general survey of the fishery Samahang Nasyon and Fishery Cooperatives now existing. The objective of the survey is to propose a special cooperative development program for fishery cooperatives under LOI No. 1929.

2. REINVIGORATION OF THE BIYAYA NG DAGAT PROGRAM-

The Central Bank plans to create a special funding



package for banks participating in the Biyayang Dagat, a program for lending cheap funds to fishermen similar to the Masagana 99 program for rice farmers.

This plan is part of drastic revision of the Biyayang Dagat guidelines, which the implementing agencies such as the CB and the Ministry of Natural Resources have agreed on as necessary.

The CB, which lends to banks that grant loans to fishermen, found out that the repayment rate under the program has been significantly slow.

The special funding package would basically aim to offset the higher risks and costs absorbed by the participating banks.

According to a study conducted by the Technical Board on Agricultural Credit (TBAC) and the Fishery Industry Development Council fishermen have repaid only 51% of their natural loans to 82 banks - the lowest repayment rate among the government-supervised credit programs.

Intending to push lendings under the Biyayang Dagat, the TBAC and the FIDC proposed that the government establish a special funding arrangements with the participating banks.

In a survey, the two bodies discovered that fishermen view the loans under Biyayang Dagat as government doleouts.

The study also attributed the poor repayment record of the program to poor catch and thus low income. On the other hand, the government has failed to provide the technical support to fishermen, through for instance marketing and determination of the viability of funded projects, the study showed.

The TBAC and the FIDC also recommended that the program should be pursued in "selected areas," where facilities are available to support the fishing industry.

Other recommendation are:

- To put up a marketing support to fishermen, through additional loans and collection system in selling their catch;
- To field a specific member of technicians from the Bureau of Fishery and Aquatic Resources to improve the extension service of the program; and
- To create a monitoring system to determine the nonenefits of the program.

X CONCLUDING STATEMENT -

Fishery cooperative development is a relatively new idea in the Philippines. The gains made during the period 1976 - 1982 indicate the potentials of fishery cooperatives as agents in the increase of income and productivity of the people apart from helping in the more equitable distribution of income and wealth. We look forward to 1983 for a more vigorous promotion and development of fishery cooperatives in the light of positive government response to fishery cooperative development.

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TABLE NO. 1 FISH PRODUCTION IN THE PHILIPPINES BY QUANTITY  
AND VALUE, 1970 & 1980)  
(Quantity in Metric Tons, Value in 000 ₱)

FISHERIES SECTORS	1970		1980		GROWTH RATE	
	QUANTITY (M.T.)	VALUE (000 ₱)	QUANTITY (M.T.)	VALUE (000 ₱)	QUANTITY (M.T.)	VALUE (000 ₱)
Commercial	381,877	614,788	488,478	3,784,734	2.6	19.9
Municipal	510,546	857,717	1,005,175	6,211,981	7.0	21.8
Fishpond	96,461	252,727	178,601 *	1,647,635	6.4	20.6
TOTAL	988,884	1,725,222	1,672,254	11,644,350	5.4	21.0

Source: Bureau of Fisheries and Aquatic Resources.

TABLE NO. 2 PRODUCTIVITY OF COMMERCIAL FISHERIES  
(1970 - 1980)

YEAR	FISHERMEN (000)	NO. OF VESSELS	AVERAGE GROSS TONNAGE	OUTPUT PER FISHERMEN (M.T.)	OUTPUT PER VESSEL (M.T.)	OUTPUT PER TONNAGE
1970	28.4	2,284	39.2	13.44	162.7	4.26
1980	53.8	2,998	48.6	9.07	163.0	3.35

TABLE NO. 3 AREA, YIELD AND PRODUCTION OF FISHPOND  
(1970 - 1980)

YEAR	FISHPONDS (000 has.)	INDEX OF AREA	YIELD/ HA. (KG.)	INDEX OF YIELD/ HA.	TOTAL PRODUCTION (M.T.)	INDEX OF PRODUCTION
1970	168	100.0	754	100.0	96,461	100.0
1980	176	104.7	772	134.5	135,951	140.9

Source: Bureau of Fisheries and Aquatic Resources.

TABLE NO. 4 TOTAL FISH PRODUCTION BY SECTOR  
Calendar Year 1981

	VOLUME (000 M.T.)	%	VALUE (P B)	%
Aquaculture	208	12.0	1.7	12.0
Municipal Fisheries	1,057	60.0	8.5	60.0
Commercial Fisheries	490	28.0	3.9	28.0
TOTAL	1,755	100.0	14.1	100.0

Source: Bureau of Fisheries and Aquatic Resources.

TABLE NO. 5 PHILIPPINE FISHERY EXPORTS  
1977 - 1981

&						
YEAR	QUANTITY	% INCREASE/ DECREASE	VALUE (000 p)	% INCREASE		
1977	39,534	56.6	395,365	19.8		
1978	48,438	29.05	532,214	34.6		
1979	64,390	34.0	781,736	46.8		
1980	76,179	17.4	939,000	20.1		
1981 <sup>1</sup>	95,223	25.0	1,155,000	23.0		

Preliminary estimate.

Source: Bureau of Fisheries and Aquatic Resources.

TABLE NO. 6 TEN TOP FISHERIES EXPORTS IN  
TERMS OF VALUE, 1979 & 1980

COMMODITIES	1979		1980	
	QUANTITY (M.T.)	VALUE (M P)	QUANTITY (M.T.)	VALUE (M P)
1. Frozen/Chilled Tuna	32,490	235	47,290	490
2. Frozen Shrimps	4,006	249	2,633	151
3. Shellcraft Article	947	62	1,076	60
4. Dried Seaweeds	15,653	57	13,167	55
5. Ornamental Shells	3,232	25	2,659	23
6. Aquarian Fishes	1,648	20	1,972	23
7. Smoked Tuna (Ketsuobushi)	-	-	551	18
8. Miscellaneous Species (Frozen/ Chilled)	1,423	19	1,245	16
9. Mother-of-Pearl	763	15	468	14
10. Frozen Cuttlefish Squid	464	16	382	13

Source: Bureau of Fisheries and Aquatic Resources.

Table No. 7 LOANS GRANTED FOR FISHERIES PRODUCTION  
(1976 - 1980)  
(000 P)

	: 1 9 7 6	: 1 9 7 7	: 1 9 7 8	: 1 9 7 9	: 1 9 8 0
DBP	: 226,327	: 66,557	: 81,259	: 82,058	: 135,794
PNB	: 13,362	: 2,986	: 4,910	: 3,813	: 3,931
Other Commercial Banks	: 207,338	: N.A	: N.A	: N.A	: N.A
Private Dev. Banks	: 18,590	: 9,580	: 15,350	: 17,300	: 16,300
Rural Banks	: 50,600	: 61,900	: 72,500	: 94,200	: 125,400
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T o t a l	: 516,217	: 141,023	: 174,019	: 197,371	: 281,425

Source of Basic data: Central Bank



TABLE NO. 5 STATUS OF FISHERIES SAMAHANG NAYON  
AS OF SEPTEMBER 1980

Region/Province	Organized	Member	Registered	Member	Barangay General Fund	Barangay Savings Fund	Barangay Guarantee Fund	T O T A L
Region III - Bataan	11	501	4	125	1,540.00	1,500.00	620.00	3,660.00
Bulacan	1	53	1	58	580.00	-	-	580.00
Pampanga	3	115	1	55	825.00	-	-	825.00
Zambales	11	278	6	204	3,115.00	24,321.00	460.00	27,896.00
Region V - Camarines Norte	39	1,287	28	927	12,529.00	3,664.15	4,801.04	20,994.19
Camarines Sur	23	991	14	726	12,227.10	17,016.21	6,793.89	36,037.20
Catanduanes	8	215	8	212	3,180.00	-	-	3,180.00
Masbate	12	356	4	104	2,165.00	-	-	2,165.00
Sorsogon	36	1,202	25	882	15,417.00	9,156.68	4,550.60	27,124.28
Legaspi City	7	387	3	159	4,055.00	260.00	604.00	4,919.00
Region VI - Antique	27	1,137	19	869	14,122.38	28,489.10	27,954.80	70,566.19
Iloilo	9	371	9	371	3,710.00	-	-	3,710.00

Region X	Agusan del Norte	20	724	17	654	8,202.75	2,124.65	4,208.13	14,535.14
	Surigao del Norte	22	954	8	374	20,653.59	10,787.83	4,990.25	36,431.67
	Misamis Oriental	1	145	3	145	8,675.80	11,688.00	1,571.00	21,934.80
	Misamis Occidental	3	31	1	31	340.00	1,200.00	100.00	1,640.00
	Cagayan de Oro City	2	99	2	99	1,789.00	9,380.00	2,543.00	13,712.00
	Gingoog City	3	99	3	100	1,621.00	3,470.00	102.00	5,193.00
	Ozamiz City	1	32	1	32	810.00	85.00	40.00	935.00
	Surigao City	3	106	3	106	1,526.00	190.00	140.00	1,856.00
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Region XI	Davao City	5	445	5	325	27,860.00	19,139.25	10,499.75	57,498.96
	Davao del Norte	25	907	22	799	12,911.23	4,350.62	5,092.30	22,354.15
	Davao Oriental	21	838	21	783	10,650.19	7,804.47	10,283.54	28,738.20
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T O T A L S		293	10,971	238	8,141	166,505.04	154,626.96	85,354.30	406,485.78

Source: Bureau of Cooperatives Development

TABLE 9 BASIC INFORMATION AND DATA ON FISHERY COOPERATIVES

AS OF JUNE 30, 1982

NAME AND ADDRESS	DATE OF REGISTRATION	C A P I T A L I Z A T I O N			M E M B E R S H I P	
		AUTHORIZED	SUBSCRIBED	PAID - UP	SN	INDIVIDUALS
1. Mercedes Area Fishing Cooperatives, Inc. Mercedes, Camarines Norte	Sept. 1, 1978	₱ 625,000.00	₱ 132,000.00	₱ 26,650.00	12 SNs 1 Proconna Coop 13	300 150 450
2. Navotas Fishermens Marketing Cooperative, Inc. Agora Market, North Bay Boulevard South Navotas, Metro Manila	Jan. 2, 1982	300,000.00	85,000.00	25,250.00	-	50
3. Infanta Area Fishing Cooperative, Inc. Infanta, Quezon	July 30, 1980	-	-	5,778.00	-	77
4. Kilusang Bayan ng Mangingisda Sa Palawan, Inc. Puerto Princesa City, Palawan	July 23, 1980	625,000.00	125,000.00	27,000.00	-	250
5. Maguindanao Fishermen Area Marketing Cooperative, Inc. 76 Mabini St., Cotabato City	May 27, 1982	7,500,000.00	1,005,000.00	1,162,900.00	12 SNs	360*
6. Kapual Balik Barangay Fishing Association, Inc. Kapual, Luuk, Sulu	July 29, 1981	62,500.00	13,500.00	2,700.00	-	27
7. Manindig Fishing Cooperative, Inc. Pikit, North Cotabato	-	-	-	30,000.00	-	300
T O T A L S		<u>₱9,112,500.00</u>	<u>₱1,360,500.00</u>	<u>₱1,280,278.00</u>	<u>25</u>	<u>1,514</u>

Source: Bureau of Cooperatives Development