



## UBI-BASED PROCESSING VENTURES: HOPEFUL OPTIONS FOR OCWS



Nimfa Lloren, project  
officer of Unlad-Bohol

**T**he numbers of Filipinos working overseas are phenomenal: At least 7.5 million Filipino migrant workers, or 10 percent of the population, can be found in more than 150 countries in all the continents of the world. It is estimated that daily, at least 2,375 Filipinos leave to work in other countries. Contract workers make up 40 percent of the total number of migrants, while 35 percent are permanent residents of the countries in which they work and 25 percent are undocumented.

Yearly, the remittances of these Filipino overseas contract workers (OCWs) to their families make up the single largest component of the country's GNP. Equivalent to Cdn\$9.5 billion in 2001, the money that OCWs send their families back home keep the country's accounts deficit manageable and its economy stable, notes the United Nations Economic and Social Council.

But behind this contribution is a steep social cost. An estimated 5.85 million children below 17 years of age have at least one parent working overseas. A report by the UN Special Rapporteur on the Human Rights of Migrants notes that children of OCWs are more likely to become involved in delinquency or early marriage than other children. In addition, with the increasing demand for migrant work in the services sector (especially

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caregiving and domestic work), Filipino migrant labour has been “feminized” and more than 73 percent of OCWs are now women. Today, the rate of separation among migrant women workers is 4.4 times higher than the national average, and they are 15 times more likely to be separated than their male counterparts.

### Challenge of Reintegration

“Migrant work hides the real problems,” says May-an Villalba, executive director of Unlad-Kabayan Migrant Services Foundation.

But even more pernicious, per the Philippine government’s own estimates, 70 to 80 percent of OCWs are unable to save enough money for their eventual return. “Seldom will you encounter a migrant worker saying, ‘I will be away for 10 years.’ No.... Usually, their contracts are from up to six months for a factory worker, to two years for a domestic helper in Hong Kong or Singapore. They say they will be away only long enough to be able to save for a small business, and then they would come home for good,” May-an said.

But amid the global economic slump, and the country’s own stalled economy, many returning migrants end up suffering longer unemployment after their return. For those who managed to save enough for a sari-sari store or a tricycle, more often than not, neither the returning migrant nor anyone in the family is equipped in entrepreneurship to make this sustainable. The savings from overseas work are soon exhausted, forcing the returning migrant to leave again. Many who are forced to return to the Philippines prematurely, due to contract violations or abuse, deportation as a result of war or changes in immigration



Testing equipment for measuring weight and temperature acquired through Canada Fund’s support

laws, illegal termination of contracts or illness still have debts in connection with their job placement overseas.

Unlad-Kabayan was established precisely to facilitate migrant workers' reintegration. Under its Migrant Savings for Alternative Investments program, the group organizes Filipino migrant workers and their families, and encourages them to save and invest in "alternative ventures."

Aside from the potential of a more sustainable source of income as a reintegration option for returning OCWs, the idea behind the "alternative investments" offered to OCWs is also to mobilize the earnings of the migrant workers to generate jobs and spur economic development at home. After feasibility studies, Unlad-Kabayan has spearheaded such ventures in poultry-raising, fruit and meat processing, livestock raising, bakery and steel furniture making. These businesses are spread throughout the country: Cagayan Valley in the north, Metro Manila, Mindoro in south Luzon, Iloilo and Bohol in the Visayas, and Davao City and Iligan City in Mindanao. In Tagbilaran City in Bohol, a province in central Visayas, an ubi (yam) processing business that initially mobilized PhP173,000 (about Cdn\$5,000) in migrant workers' investments is ready to start commercial-scale operations now that the R&D and piloting phases have been completed.

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### **Appropriate Product and Focus**

Nearly all the signs pointed Unlad-Kabayan to the direction of yam. "Ubi is synonymous with Bohol," explains Nimfa Lloren, project officer of Unlad-Bohol, which assists the ubi-processing venture called Kinabuhing Kinampag Unlad-Assisted Project. The records of 1990s indicate that the country's biggest production of ubi was in Central Visayas, specifically Bohol. Moreover, *kinampay*, the most aromatic variety of the tuber, grows well in the province. Yet commercial processing is done mainly in Luzon.

In fact, Unlad-Kabayan was not the first group to be lured to the potential of ubi in the province. The country's largest ice cream manufacturer had earlier encouraged farmers to grow ubi with the promise of buying this up. The locals have two versions of the reason why the company backed out. The first: the untimely death of the company purchaser that negotiated with the local farmers; and the second: the company found cheaper ubi in Samar and Leyte provinces. The project, as originally designed, was able to persuade some farmers to resume growing ubi by providing them credit in the form of seedlings. The group's intention was to buy the

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farmers' ubi at Php35 (Cdn\$1) a kilo, depending on quality – far better than the Luzon processors' buying price of Php8 (23 Cdn cents) a kilo.

At the same time, the project began organizing and training a group of 28 confectioners of Tagbilaran City – grandmothers expert in the making of fruit and vegetable-based candies, cookies, tarts, jams and other sweets. “The women of Bohol have a strong tradition in confectionery making, but most of them are jobless. They are able to use this skill only during fiestas when they are hired to cook for large parties,” Nimfa said.

While the project's involvement in the production of ubi assured it steady supply for its R&D, the fungal infection of most of the farmers' crop (due to weak seedlings) made Unlad-Kabayan realize that a direct hand in production itself was beyond its operational framework of viable alternative investments. The organization decided to concentrate on the processing phase even as it continued buying the farmers' ubi at a premium price.

### Commercial-Phase Concerns

With the support from Canada Fund in 2001 for the electric dryer and other equipment, the project got the science of processing ubi to powder down to a T. The tedious process starts from sorting and grading the tuber to peeling, slicing, steaming, to sifting and fine milling, and finally packing – all of 15 steps including packing and marketing.

The confectioners have also been trained in good manufacturing practices. “We are very strict about product quality and hygiene,” says Kinabuhing Kinampay R&D staff Jocelyn Gundaya.

Product quality has been benchmarked against competitors' and subjected to regular consumer tests. The group has been a consistent award winner of Bohol province's Sandugo Agri Fair held every July and the ubi festival held every January. It was cited for Best Product Presentation in 2001, its ubi tarts and pastilles garnered Best Ubi-Processed Product citations in 2002, and its ubi fries (prepared like French fries) in 2003. The Canadian ambassador was pleasantly surprised when he was treated to a taste of these ubi fries on his visit to the project in late 2002.

The agenda now is to start commercial production of the processed ubi so that the confectioners of Bohol, as well as a group in Davao, through a franchising agreement, can also start commercial production of the end products – the candies, breads and jams. “We plan to put all the techniques and processes in a manual for consistent quality,” Nimfa said.



(top) Processed ubi powder in plastic and coir packaging

(bottom) Sliced kinampay, the most aromatic variety of yam and Bohol province's crop of pride

Ambassador Robert Collette tries his hand at cooking the ubi fries during a visit in 2003.



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The project's outlook is promising. The roster of customers includes direct users, mostly small confectionery makers, but the group hopes a present tie-up with the Leyte State University (formerly the Visayas State College of Agriculture) will help lengthen the shelflife of ubi products and secure for the group accreditation from Bureau of Food and Drugs to be able to supply the larger retailers and supermarket chains. "Pastilles, tarts, ubi spread have a longer shelflife than the jam and Nutricool (ice cream base)," Nimfa said. A spray drier that could extend the shelflife of ubi juice is valued at PhP1 million (Cdn\$28,800), much more than the group can afford at the moment. Vacuum packing is a closer possibility as a small unit costs just over PhP200,000 (Cdn\$5,800).

The project is also in consultation with the Department of Science and Technology, and the Department of Trade and Industry to improve product packaging to better compete in the high-end market. The products are usually boxed, but the project has begun using coco-coir, and is considering the use of other indigenous materials.

No efforts are spared so that the ubi processing venture flies. "We're in this for the long haul," Nimfa said. "We would be giving the migrant workers false hopes if we were to say they could come home and ubi processing will replace what they are earning now. But this is one alternative investment that could augment the family's income. Work abroad is not forever, it is temporary; if the worker and the family don't think of a viable business and start now, their sacrifices might end up for nothing. This ubi project could be a starting point."

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