

With P 270,000.00 initial working capital in 2010 from the subscription of 8 incorporators, it generated sales of P1.3 million. While it builds its capacity and experiences in sales and marketing, it also builds its capacity to generate internal funds. Within the next 3 years of its operation, GlowCorp was able to increase its sales to P8.3 million in 2011, and P17.0 million in 2012. In 2013, the Peace and Equity Foundation (PEF) approved a credit line of P6.0 million to GlowCorp. This financial support enabled GlowCorp to significantly increase its sales volume, income and number of beneficiaries. The PEF financial support was called “financing to increase the supply and delivery of products from farmers associations nationwide”. Coupled with the equity provided by its shareholders amounting to P3.7 million GlowCorp was able to generate sales of P32.0 million, a net income of P 570,745.00 and supported the income development of at least 2,000 farming households.

In 2014, GlowCorp generated sales of P47.0 million earning gross income of Php837,089.00. It had supported about 2,500 farming households in its areas of operation.

GlowCorp committed to reach and increase income of 6,500 farming households by 2018. It will mean also expansion of the areas of operation and improving its sales to P62.5 million in 2015 to P122million by 2018. By increasing its sales target and profit margin, GlowCorp will increase its purchasing power thereby supporting more farmers.

GlowCorp as a social enterprise will provide sustained and better market access and premium prices to organic farmers. It is expected to increase income of at least 3,400 organic farmers, 2,600 muscovado and other sugar cane farmers, and 500 of other natural products in the next four years.

Vision of the Organization:

The leading market distributor of globally-competitive organic, natural, and healthy agricultural-based commodities produced by marginalized groups and community-based social enterprises that promote economic empowerment of the rural poor and improved quality life

Mission of the Organization:

To develop new, non-traditional markets as well as increase market share of organic and natural products such as organic rice and muscovado sugar from 1% to 5% leading to creation of more jobs and increase income among community-based enterprises and farming households.

Targets to Achieve for the Next 4 years (2015-2018):

1. Achievement of its social mission:
 - Support 6,500 farming households through marketing services
 - Increase market share of natural and organic products from 1% to 5%

- Develop new, non-traditional markets for natural and organic products
2. Development of organizational and leadership capacity:
- Install operations, human resources management and administrative policies, systems, and procedures
 - Enhance the capacity of officers in providing direction of the corporation
 - Enhance the day-to-day operations capacity of the management team
3. Achievement of enterprise goals
- Increase sales income by 25% yearly
 - Generate internal funds through subscription of 40 share holders

Partners'/Suppliers' Area of Operations:

- Luzon:
 - Abra – KAPPIA
 - Batangas - CARRD
 - Camarines Sur, Bicol – Pecuaría Development Cooperative (PDCI)
 - Isabela – Cagayan Valley Organic Farmers Association (CAVOFA)
- Visayas
 - Antique – AFFCUI
 - Laua-an Multi- Purpose Cooperative
- Mindanao
 - M'lang Cotabato –Don Bosco Multi-Purpose Cooperative
 - Sultan Kudarat – Muscovado Farmers and Millers Corporation
 - Balingasag, Misamis Oriental – Linabu Agrarian Multi-Purpose Cooperative
 - Bansalan, Davap del Sur – Lao Enterprises
 - Kooperatiba Sto. Nino
 - Foundation for the Development of Agusanons, Inc
 - Magsaysay Organic Farmers and Marketing Cooperative

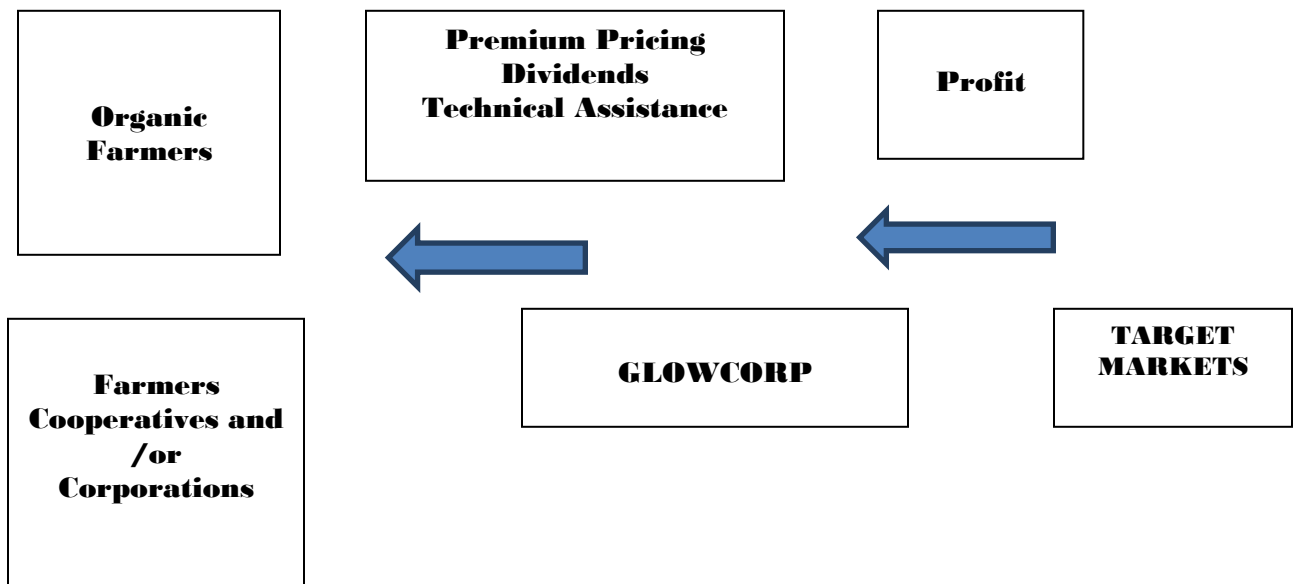
Programs and Services

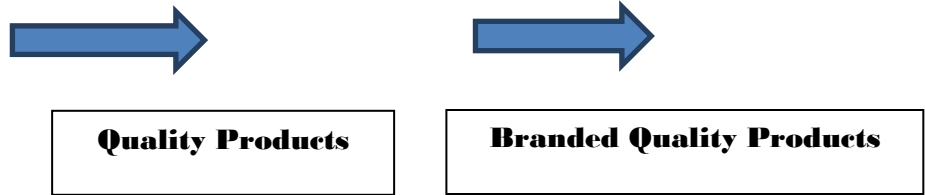
The over-all program and services of GlowCorp can be called ORGANIC AND NATURAL FOOD PRODUCTS MARKETING. Specifically the following are the components of the program:

- Marketing Services for Organic Products in the Philippines from product development and packaging to identification, promotion, and negotiation for market outlets to actual marketing of the organic products. GlowCorp consolidates the products from the sources through the cooperatives and / or corporations that are also the shareholders of the corporation and market them with common packaging to different types of markets both local and international.
- Assistance to Shareholders for them to be able to comply with the Organic Standards of the Philippines and eventually global standards. Certification of products as organic is very important in marketing the products. It facilitates public trust to buy the products, gives value addition to the products and can command premium price. The assistance of GlowCorp for this component includes training on organic product certification, Internal Control System (ICS) installation, and technical support as the shareholders and suppliers progress in their certification. GlowCorp invites technical resource persons and experts on organic production and bring them to their shareholders. It also monitors in a way that actual organic production met the standards.
- Assistance in sourcing marketing and packaging materials. Packaging is one of the most important components of retailing and the most important features in attracting potential buyers. Even if the products are useful, convincing customers to buy the product often comes down to how the product looks on store shelves. GlowCorp will migrate to a more eye-catching and attention grabbing product packaging in 2015. It has started redesigning its current packaging to a newer look that can compete with other products in the market.

Best Practice: the GlowCorp Social Enterprise Model

The diagram below shows how GlowCorp designed their social enterprise concept with them as the middle structure facilitating





As a marketing arm GlowCorp's primary role is to act as middle person /entity or trader between its member- suppliers and the target markets. However, what makes them different from ordinary or traditional middlemen is, it is owned by the farmer-producers themselves, thus it is like making the farmers connected directly with the market. The benefits of such trading set-up is that the farmers can negotiate for better farm gate prices for their products and at the same time gain from the profit that will be derived from the marketing activities of the corporation.

GlowCorp's operation is sustained by putting competitive margin on the organic products it markets. It also provides technical services to its incorporators and suppliers to include market matching, quality control, installation of internal control system for organic certification, packaging and labelling.

The profits gained from the operations are given back the shareholder-producers through monetary form or dividends and technical support. When GlowCorp needs additional capital the profits are used first for the operation of the corporation as additional capital. Technical assistance on the other hand is geared towards improving membership's capacity on organizational and enterprise development and strengthening, membership expansion, policy advocacy and technology development. With these services, expected results are increased sales, improved organizational and enterprise capacity, enhanced agricultural productivity, improved efficiency in post-harvest handling, and product development for sure market.

It should be noted that the suppliers and GlowCorp shareholders (cooperatives, corporation) are responsible in the purchase of raw materials from their members. They are the ones responsible for the consolidation and selling of their respective products to GlowCorp.

Each cooperative has their own incentive schemes to buy the product of their members. For example, Pecuaría Development Cooperative provides an incentive of P3 per kilo of rice to certified organic rice farmers (this is an additional income of P7,500 to P15,000 per hectare per cropping if they harvest 50-100 cavans of rice per hectare).

Difficulties and Challenges Encountered

- GlowCorp had very low sales during the first year of operation. The General Manager has no concrete experience in marketing. The problem was solved when GlowCorp hired expert marketing officers.
- The products of some of the suppliers and shareholders are not all certified organic. GlowCorp has to assist them understand the importance and process of certification as well

as introduced them to the certifying bodies. At the start GlowCorp enabled the suppliers to practice Internal Control System (ICS) for the organic products. GlowCorp had to classify the products from transition to conventional (in-transition but not yet certified), certified organic and natural products.

- At the start fund capital was too small (only P 270,000.00) which is not enough for the working capital. GlowCorp motivated shareholders to add to their investments and also recruited new shareholders for additional funds. GlowCorp was also able to get approval from Peace and Equity Foundation (PEF) for a credit line of P6.0 million in 2013.
- The sales targets set by the shareholders of GlowCorp in their original business plan were too high and unrealistic (P50 million on the first year) so that it was not able to achieve them. GlowCorp had revised its business plan to adjust the targets taking into consideration realities, capabilities, and actual experience on their first year of operation..

Achievements

- GlowCorp became successful in learning the labyrinth of marketing. It took cognizance of the failures and successes of other marketing groups and initiatives to ensure that it will not fall into similar pitfalls.
- GlowCorp was able to continuously increase its sales of organic rice and muscovado sugar and it's operations became profitable after three (3 years). Although it only generated P1.3M during its first year of operation in 2010, it significantly increased sales by P8.3M in 2011. This again increased to P 17 M in 2012 and P 32M in 2013 and in 2014, it has generated 47 PM. For two (2) consecutive years now (2013 and 2014) GlowCorp earned net income of P 576,745.00 and P 586,822.00 respectively.
- GlowCorp was able to mainstream growth sales of the organic rice and muscovado sugar.in supermarkets, groceries and malls not only in Metro Manila but also in other cities of Visayas and Mindanao. GlowCorp has 306 retail outlets nationwide where they sell their products including different branches of SM malls.. They had marketed muscovado sugar in South Korea and organic rice in Hong Kong. They have also a buyer in Makati,City (a Russian company) that exports coconut sugar, organic rice, organic rice flour in Malaysia, Europe, New Zealand and Singapore.
- GlowCorp was able to sell organic rice and muscovado sugar from 2,500 organic farming households in the Philippines.

Partnership and Linkages

GlowCorp has linked with organizations assisting farmers groups in terms of suppliers for organic products. Among them are:

- Pambansang Kilusan ng mga Samahang Magsasaka (PAKISAMA) – a national confederation of farmers organizations in the Philippines supporting its member-

organizations in the promotion and production of organic rice and other organic farm commodities through Integrated Diversified Organic Farm System (IDOFs) Program

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- DA-AMAS and DTI-CITEM-these government agencies are spearheading the promotions of Philippines products abroad through participation in international trade fairs. GlowCorp is invited and participated in the international trade fairs in Dubai, Hong Kong and Germany. Local trade fairs like International Food Expo is regularly attended that connected GlowCorp to international buyers.
- 306 retail outlets in the Philippines including various SM Malls and Supermarkets
- With regards to entry in the Asean region, GlowCorp will be connecting with AsiaDHRRA and Asian Farmers Association (AFA) because of their link and work with the farmers in Asia..

Policy Support Needed

GlowCorp thinks that the Philippine government has support for organic production but has not considered supporting marketing of organic products in the Philippines and other parts of the world.

Some laws / legal provisions must be directed to how the government should look at the full value chain of the organic products in the Philippines

Learning and Insights

- GlowCorp learned that they need marketing specialists / practitioners to boost the sales of organic rice and muscovado sugar.
- Working capital is the biggest challenge that marketers face. Marketing should be backed up by enough marketing capital to play aggressively in the market.
- Know your customers by heart. GlowCorp products are quite expensive and not all buyers are able to afford these products. GlowCorp has identified their customers and buyers. Organic rice for example are only available in high end markets like Rustans and Metro Gaisano because these is where ABC customers shop.