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Alter Trade (Negros) under threat: the NDF statement and the Alter Trade answer

Tuesday 20 February 2007, by [Alter Trade](#), [FERNANDEZ Frank](#), [MUGAR Norma](#), [NDF-Negros](#) (Date first published: 7 February 2007).

We have published, on ESSF website, the urgent appeal of Alter Trade (Negros, Philippines), today under very serious threat from the CPP-NPA-NDF [see: [An urgent appeal for support from the Alter Trade Foundation \(Philippines\)](#)].

We are reproducing below the January 24, 2007 statement from the NDF-Negros which confirms how serious the present situation is. It ends with a death threat imposed on Alter Trade leaders : “The NPA will punish these NGO bureaucrats of Alter Trade Corp as equivalent to the exploitation, oppression and sufferings that ATC inflicted on the masses.”

The answer to this statement by Alter Trade is also published below. The appeal for solidarity from Alter Trade must be heard!

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Reply of NDF-Negros to the Accusations of Alter Trade Corp and Ms Loretta Ann Rosales

Frank Fernandez

Spokesperson

NDF - Negros

January 24, 2007

The leaders of Alter Trade Corp and their political mercenary in the like of Etta Rosales of the reactionary congress are hypocrites by pretending to be pro-people promoters of fair trade. In reality, these hypocrites lead by Edwin Lopez and Norma Mugar are big NGO bureaucrats,

promoters of semi- colonial unfair trade and anti-communist propagandists of the US-Arroyo regime.

Starting 1992, leaders of Alter Trade Corp has strengthened the politics of the said NGO as a partner of the local reactionary government and foreign capitalists in promoting their reformist programs for the masses. They also made the masses their instruments and milking cows to enrich themselves. The NGO bureaucrats of Alter Trade Corp serve as middlemen that dictate cheap buying prices for the peasant's products that are in turn sold at high prices to foreign consumers in order to amass huge profit for their personal and family luxurious interests. They are part of the psywar machinery of the US-Arroyo regime in spreading anti-revolutionary and anti-communist propaganda.

What are the concrete basis that we can say Alter Trade Corp is anti-people and a fake fair trade promoter? In relation to this, what are the crimes of these NGO bureaucrats?

1. In 1992, the said NGO bureaucrats grabbed the properties, assets and operations of Alter Trade from the legitimate ownership of the accredited beneficiary people's organizations and small farmers cooperatives that in 1984 had a membership of 158,000. They converted Alter Trade into a private business corporation with profit-making as their sole mission, vision and goal. They created Alter Trade Foundation in 1997 to cover their private ownership and to control the integrated branches of the different operations in manufacturing, trading and finance. These criminal manipulations of the NGO bureaucrats resulted to the disenfranchisement and deprivation of 158,000 peasants and farmworkers of their rights to Alter Trade.

2. Grave Fraud. First, Alter Trade Corp does not really engaged in fair trade. The truth is, their sources of "balangon" bananas for export to Japan and other countries are NOT from the poor or small farmers cooperatives in Negros Occidental, Negros Oriental, Bohol and Mindanao, but from the small and rich peasants including landlords. These bananas are being bought from middlemen or through their buying stations where individual peasants bring their bananas to sell. However when the NPA meted punishment by burning ATC's hauler truck in Toboso last August 13, 2006, they hurriedly organized peasant associations that they will use as shield and maneuver to preserve their interests. Secondly, the mascubado products that they sell in the local market and export to Japan and other countries are not REAL mascubado nor products of organic farming. They do not buy the sugarcane from the small farmers to be made into mascubado products. What they do is buy big volume of raw sugar from the sugar milling centrals and convert this to mascovado while making a showcase of planting sugarcane through organic farming to demonstrate and fool their costumers and buyers in order to hide the big volume of fake mascubado.

3. Exploitation of balangon farmers-suppliers. These poor farmers walked several kilometers bringing their products, or spend more for transport fares if there are farm-to-market roads leading to the buying stations. When the bananas arrived in the buying station, export quality bananas are sorted out if it passes quality test (age, size and undamaged) and are bought at P0.90 per piece if it is packed or P0.75 if unpacked. Exported bananas are sold in consumer cooperatives in Japan at P51.25/kilo or P10.25 per piece. In a buying station in Northern Negros Occidental, they buy bananas at P0.50 per piece. Bananas that they sort out as reject are bought at P0.25 or being asked for free from the poor producers. Because of their (ATC) low buying price and a lot of rejected bananas, 58-70 banana growers transfered to other buyers.

4. Banana farmer-suppliers deceived by NGO bureaucrats. When Alter Trade Corporation was punished by the NPA last August 13, 2006, ATC used the farmer-suppliers as instruments in preserving and protecting their interests thru a petition signing and mobilization against the revolutionary movement, raised their buying price, increase wages of their workers, loans and other benefits. They hurriedly organized farmer cooperatives and the Negros Federation to cover their fraudulent modus operandi. A typical example of their maneuvers in using the masses was the

handiwork of Mr. Teody Allabo, an Alter Trade Corp Field Assistant in Bonawon, Zamboangita, Negros Oriental at the same time he's also the adviser of the Bonawon-Catipon-Calangag Bolongan Farmers Association. He was also responsible in the petition signing of the farmers-suppliers.

It was clear as early as 1992 that the leaders of the Alter Trade Corp had already junked the principles of fair trade and sustainable organic farming. They no longer give due importance to their partners who are the peasants, workers and farm workers and consumers but only their pockets. They are pure and simple businessmen using NGO politics in enriching themselves at the expense of the people. In essence, they are no different from the exploitative and oppressive classes of big compradors and landlords. They are like leeches that sip the blood of the masses and bloat their greedy bodies to the fullest.

They must answer the 158,000 poor peasants, farmworkers and laborers who are the accredited members and beneficiaries from people's organizations and farmers' cooperatives in 1984. The cries of the masses for justice will remain as haunting ghosts to these NGO bureaucrats so that they will find no peace in their greedy happiness of the money they have stolen. They cannot hide their criminal acts by just creating new cooperatives of farmers and federations of banana growers and use these for their survival and self serving political and economic interests.

The NPA will not stop in protecting the interests of the masses and in attaining justice for them. The NPA will punish these NGO bureaucrats of Alter Trade Corp as equivalent to the exploitation, oppression and sufferings that ATC inflicted on the masses.

Ka Frank Fernandez

Spokesperson

NDF- Negros

ALTER TRADE'S REPLY TO NDF-NEGROS

The recent statement of Frank Fernandez of the Negros National Democratic Front openly and shamelessly admitted the August 13, 2006 truck-burning incident against Alter Trade Corporation, and arbitrarily imposed the 'death sentence' on its leaders.

The statement published in the NDF internet website last January 24, 2007 constituted a 180-degree turn from the October 7, 2006 statement of Luis Jalandoni, sent to Alter Trade's European partners, casting the blame on the Revolutionary Proletarian Army (RPA), their rival armed political group in Negros. Apparently, due to far outweighing facts and circumstances, the Jalandoni insinuation could not hold water. Fernandez finally admits the undeniable truth.

Fernandez's recent statement is a clear admission to a military action committed against a civilian entity, particularly on a social development program pursuing poverty alleviation among Negros marginal producers. Furthermore he escalated the threats by imposing the death sentence on the Alter Trade leaders. It is a blatant violation of human rights of civilians and of the general and specific provisions of the Protocol 2 of the International Humanitarian Law, which the NDF committed to uphold in their Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law (CAHRIHL) signed with the Philippine Government on March 16,

1998.

Already entangled in a web of untruth and half-truths, Fernandez concocted justifications for their truck-burning and impending executions. Trumped-up accusations are hurled on Alter Trade as "anti-people" and "a fake fair trade promoter." He resorted to name-calling and tagged AKBAYAN Partylist Representative Loretta Rosales as a "political mercenary" and the leaders of Alter Trade as "hypocrites," "big NGO bureaucrats," "promoters of semi- colonial unfair trade" and "anti-communist propagandists of the US-Arroyo regime."

Furthermore, Fernandez enumerated purported "crimes" of the Alter Trade leaders, which he sought to 'substantiate' with fiction.

1. Fernandez claims that Alter Trade was grabbed "from the legitimate ownership of the accredited beneficiary people's organizations and small farmers cooperatives" of 1984 by "NGO bureaucrats" in 1992.

It is a fact that the alternative trade concept originated from the Japanese Banana Boat Conference of 1986, attended by Japanese consumers' cooperatives, environmental activists and organic agriculture movements. It included Japan Committee for Negros Campaign (JCNC) and Negros Relief and Rehabilitation Center (NRRC). The Japanese consumer groups proposed to buy muscovado produced by Negros farmers to provide sustainable rehabilitation and development.

The conference led to the founding of Alter Trade Corporation in 1987 and its registration at the Securities and Exchange Commission (SEC) in 1988, by five original incorporators with a paid-up capital of P12,500. It was assisted by Japanese partners with a seed capital of P50,000 and an advance payment of P450,000 for muscovado orders. The five original incorporators in 1987 remained unchanged until today, with the exception of a few who already passed away and who opted to engage in electoral politics. There was no amendment on its ownership documents at the SEC in 1992.

It is impossible for Alter Trade to have been established nor owned by "accredited beneficiary people's organizations" that dates back to 1984 as stated by Mr. Fernandez.

From its inception, Alter Trade was a private corporation; however, it upheld a vision and mission for sustainable social development of small farmers and farmworkers in Negros. Alter Trade forged solidarity through people-to-people trade with Japanese consumers' cooperatives facilitated by Alter Trade Japan or ATJ. This direct trading with consumers' cooperatives later reached out to Europe and other Southeast Asian countries, which allowed Alter Trade to expand its operations and beneficiaries outside of Negros.

From 1995 to 1997, Alter Trade created subsidiaries such as the muscovado mill and the organic fertilizer plant and established the Alter Trade Foundation, to cope up with the growing number of beneficiaries and consumer needs. A complete loop was established from sustainable farm production to processing and marketing of people's products.

Fernandez slammed at Alter Trade for "profit-making." But, profit is necessary for any enterprise to be sustainable. For Alter Trade, profit from trade is not privatized. It goes to capability building and empowerment of its partner growers and communities. Thus it has a unique character as a business enterprise that exists for social development. Its business operations ensure resources for its community empowerment programs. As Alter Trade operations expand, so does the breadth and width of its community empowerment. Alter Trade is still distinct from the common business enterprises that are merely for private profit.

Alter Trade believes in the multi-stakeholder approach in social development. It does not see itself as

a "messiah" of some sort. It sees the necessary role of government, academic institutions, church, private sector, NGOs, organized producers and consumers and civil society in propagating sustainable agriculture and development. Thus it enters into multi-stakeholder partnerships to harness the potentials and facilitate complementation among the different social sectors.

On the other hand, Alter Trade has never been involved in any counter-insurgency program of the government. It believes that the continuing internal conflict has its roots on poverty and as such can not be solved by a military solution. It respects the views and convictions of other political groups in seeking social reforms, while it pursues changes in people's lives through its own program for poverty alleviation and social change.

2. Alter Trade is in partnership with a total of 5,000 producers nationwide. Nearly 3,000 of which are small holder and independent banana farmers. The rest are organized agrarian reform beneficiaries in former sugarcane haciendas in Negros. Including the farming households, Alter Trade has direct beneficiaries of 32,500 marginal rural producers.

Each farming community participating in the alternative trading program is visited by Japanese, Korean and European consumers almost every month. A second-party audit is conducted by Japanese cooperatives every year, establishing traceability of products from every farm and grower.

The sugarcane producers' farms and organizations are subjected to third-party inspection by a strict European inspection body every year. Alter Trade's postharvest and processing operations, that include the milling of sugarcanes, pass through the same scrutiny with the same frequency. Every ton of canes delivered by farmers to the mill are observed and recorded. Alter Trade has mutually adopted such a transparent guarantee system with its socially-responsible market for more than a decade.

Mr. Fernandez's claim of "fraud" must have come from misinformed sources if not from malicious intent.

3. Alter Trade has greatly improved farmers' income through its stable and constant market. It buys balangon bananas at farmgate prices higher than what the local traders pegged. Previous to Alter Trade's interventions, balangon were bought at most at P0.25 per piece by local traders. Alter Trade improved the price to P0.60 per piece for the uncultivated balangon, and P0.90 to P1.25 per piece for the cultivated balangon. Obviously the variance is for the labor and production materials invested by farmers in cultivated balangon farms.

Fernandez' price comparison does not come from a working knowledge of actual operations and entrepreneurial realities. From the farmgate buying price, Alter Trade incurs costs for consolidating the harvests nationwide from remote farms, packing, transport and forwarding of bananas in refrigerated vans to the port of Manila. Alter Trade receives payment merely for FOB-Manila port at the amount of P4.30 per piece. The price at the consumer end cited by Fernandez was pegged by the Japanese cooperatives to cover the costs of processing, packing and delivery to every member-household's doorstep. Mr. Fernandez does not know that the consumers' cooperatives in Japan have more than one million member-households who receive balangon deliveries per week.

Income improvement and asset build-up for sugarcane-based agrarian reform beneficiaries are even more dramatic with at least 40% of partner organizations achieving more than a million pesos in net income notwithstanding their acquisition of trucks and tractors. Diversification into rice, vegetables and livestock has also gained momentum. Beneficiaries have improved their houses and can now send their children to school.

Alter Trade draws inspiration from the successes of its partner communities in Negros. It continuously propagates information and convenes conferences to share the Alter Trade experience to others with the hope of making a dent on the whole poverty situation. Mr. Fernandez and the NDF can look into this positive effort in people's development which could even be adopted in depressed areas held by the NDF. Peasants need not be poor always as classically depicted. Economic empowerment is possible under organic agriculture and fair trade. They do deserve a better life as they are the unsung heroes who feed the whole nation.

Revolutionary taxation was NDF's main agenda when the NPA burned the ATC truck in August 13, 2006. It is still their agenda behind these incessant attacks on Alter Trade. However, Alter Trade frankly cannot afford to pay P30M as demanded. Its profits are already earmarked for capability building of partner growers and empowerment of rural communities. Alter Trade can only reiterate its appeal to the NDF to stop the armed harassment on its operations and personnel, and on other similar civilian enterprises. Alter Trade urges the NDF to democratically allow social enterprises their own space in realizing their own vision for people's development and to respect its social mission to alleviate poverty in Negros and other parts of the country.

Finally, Fernandez 'passed the death verdict' on the Alter Trade leaders in stating that, "the NPA will punish these NGO bureaucrats of Alter Trade Corp." This comes as an irony coming from an organization that is raising protests on alleged extra-judicial killings and forced disappearances of activists blamed on the government. Alter Trade leaders have no other option but to continue its social development work in the face of imminent summary execution in the hands of Frank Fernandez and NDF-Negros.

For the Board of Directors,

NORMA G. MUGAR

President

Alter Trade Corporation

February 7, 2007

P.S.

* From:

<http://www.philippinerevolution.net/cgi-bin/statements/statements.pl?author=ff;date=070124;language=eng>