AGRICULTURE DIVISION FILE

PD-AAD-531-A1

Small Farmer Income and Production

APPENDIX AT TACHED: ☒ YES ☐ NO

2. PROJECT NO. (M.O. 1025.2): 492-55-130-259

5. SUBMISSION: ☒ ORIGINAL Dec 73 DATE ☐ REV. NO. DATE

CONTR./PASA NO.

Philippines

☐ INTERREGIONAL

PERIOD OF PROJECT: BEGINS FY 1975 ENDS FY 1978

II. FUNDING (000) AND MAN MONTHS (MM) REQUIREMENTS

		C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES	F. OTHER COSTS	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: $ US 6.5 (U.S. OWNED)		
		(1) $	(2) MM	(1) $	(2) MM	$	$	(1) $	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY 30p (A) JOINT	(B) BUDGET
											Millions Pesos	Millions Pesos
BUDGET FY 75	595	390	72+	95		110		310	48+		500	557
BUDGET FY 76	705	390	75+	110		205		310	51+		620	640
BUDGET FY 77	545	280	51+	90		175		235	39+		750	742
BUDGET FY 78	310	190	36+	40		80		145	24+		875	930
FUTURE BUDGET											-	-
GRAND TOTAL	2155	1250		335		570		1000	162+		2745	2869

OTHER HOUSE CONTRIBUTIONS

(A) ITEM OF GOODS	(B) KIND OF GOODS/SERVICES	(C) AMOUNT

III. ORIGINATING OFFICE CLEARANCE

CLEARANCE: Kenneth F. Smith, Allen C. Hankins, Frank W. Sheppard, Jr.	TITLE: Mgt. Specialist, Dep. Asst. Dir, Ag. Dev., Asst. Dir., Ag. Dev.	DATE: Dec 17, 1973
OFFICER: Thomas C. Niblock	TITLE: Director, USAID/Philippines	DATE: Dec. 17, 1973

IV. PROJECT AUTHORIZATION

CONDITIONS OF APPROVAL

CLEARANCES

BUR/OFF.	SIGNATURE	DATE	BUR/OFF.	SIGNATURE	DATE
Program Office	Raymond Cohen	[illegible]			
ODM	John Hummon	12/27/73			

APPROVAL AAs OR OFFICE DIRECTORS		6. APPROVAL A/AID (See M.O. 1025.1 VI C)	
SIGNATURE	DATE	SIGNATURE	DATE
TITLE		ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT	

1 FEB 74

SUMMARY

SMALL FARMER INCOME AND PRODUCTION

This project will provide direct technical assistance in agricultural and management skills, monetary support and appropriate training and commodity resources. The aim is to remove constraints to productivity and higher income for a substantial number of small-scale farmers, particularly rice and corn producers, who comprise the bulk of the lower income farmers.

Assistance will be provided in two forms. First, through direct linkages with the National Food and Agriculture Council (NFAC), agricultural management and analytical capability with appropriate technical aids will be brought to bear on improving and institutionalizing on-going rice and corn production programs. Second, a system of carefully planned tests for increased food production through improved cropping systems will be developed and explored, and directed to risk reduction for the cultivator and attend to the economic and related social feasibility aspects.

Rice and Corn Production

The production aspect of the project is built upon the previous USAID efforts with the GOP, striking at the problem of increasing the small farm productivity of basic crops. The recent USAID supported Disaster Rehabilitation activities of rice projects in Luzon set the stage for the development of GOP nationwide program in increasing the production of rice - known locally as "Masagana 99".

The Disaster Rehabilitation and Masagana 99 programs have or are demonstrating several elements essential to successful government efforts to help the small farmer and form a conceptual backdrop for USAID assistance to this project. These include:

1. Well defined targets in terms of numbers of project beneficiaries and measurable benefits desired for them.

2. Specified levels of manpower and financial inputs commensurate with defined targets.

3. Availability of a tested package of production practices and inputs.

4. Coordination among the various government and private entities involved.

5. Use of management system which identifies bottlenecks and acts to remove them on the basis of feedback data from the field.

6. Development of priorities in attacking the various problems confronted in a production program.

The capability to mount one year "crash" programs, embodying some of these and related factors in a successful campaign for production increases and increased incomes to the small scale farmer, is evident. What is needed over the longer term is to fix these elements into a system which operates in a regularized and routine fashion, and does not require a "crisis" situation to be activated. The four-year project contained herein is to consolidate progress to date, strengthen various program elements, and overall help to institutionalize the GOP's capability in administering its rice and corn production efforts for the small farmer.

"Test Bed" Operation

The second aspect of this project is to test opportunities for improving small farmer income through cropping systems research at the farm level. Although much emphasis must continue in increasing yields and improving quality of rice and corn (the key staples that provide most of the caloric intake of Filipinos), these efforts must be complemented by testing variables within cropping systems, especially of those farmers who produce the primary staple food crop.

Specific objectives will include:

1. Compatibility of different crops grown in rotation with rice and corn.

2. Constraints of cropping systems including water, fertilizer and pesticides; their economic effect and the risks factor to the producer.

3. Economic and social feasibility of alternate cropping patterns including marketing and utilization.

4. "Whole farm" financing to adequately support varied multi-cropping systems.

The factors which influence the makeup of cropping patterns and the interaction thereof will be studied and analyzed under the direction of the National Food and Agriculture Council. Such work at the farm level is essential for guiding policy formulation and improving the operating factors of production programs.

SMALL SCALE FARMER INCOME PROJECT PROPOSAL (PROP)
USAID/PHILIPPINES

December 1973

A. STATEMENT OF THE PHILIPPINE GOAL

1. The Goal of the Government of the Philippines (GOP), which the USAID will support, is attainment of self-sufficiency in national rice and corn production, with special emphasis on increasing the productivity of small scale farmers[1]; and developing additional sources of farm income for these farmers through crop diversification.

2. Measurements of Goal Achievement Based upon GOP planning documentation the government's FY '78 targets (the last year of the present 4-year plan) in areas covered by this project are as follows:

Overall National Estimates	FY 73 (Normalized)[2]	FY 78 (Targeted)
a. National rice production (palay/rough/rice)	5.0 million MT	7.3 million MT[3a]
b. National corn production (shelled)	2.0 million MT	3.0 million MT[3b]
c. Average yield[4] all small scale rice farmers (per crop)		
1. Irrigated hectares	1,850 kg/ha	2,904 kg/ha
2. Rainfed hectares	1,320 kg/ha	1,848 kg/ha
d. Net estimated annual[5] income of all small scale rice farmers (2 hectares each). Increase based on rice increment only	$230 annual income/ family (1,500 pesos)	$350 annual income per family per year (2345 pesos)
e. Average yield all small scale corn farmers	855 kg/ha	1,254 kg/ha
f. Net estimated annual income[6] of all small scale corn farmers (3 hectares each, 2 crops) Increase derived from corn production only.	$170 annual income/ family (1,120 pesos)	$325 annual income per family per year (2,144 pesos)

1 For the purposes of this discussion, the average small scale rice farmer is defined as raising one crop of rice on 2 hectares of land, annually; whereas the average small scale corn farmer is defined as raising two crops of corn on 3 hectares of land, annually.

2 This is an estimate based upon averages of the preceding four fiscal years.

3a Amount required for self-sufficiency plus small buffer stock.

3b Amount provides self-sufficiency for human consumption but not adequate to meet all feedgrain and industrial requirements.

4 Estimated 1974 weighted average use of High Yielding Varieties (HYV) is 60% of all rice crops, and 15% of all corn crops.
The GOP agricultural field force expects to target on 475,600 rice farmers and 26,000 corn farmers in 1974. Thereafter, the targets will vary based on need, financing and input available. The yields and income of target farmers will be analysed separately by class of farmer as this information becomes available from the Management Information System and the Base Line Surveys which will be developed as a part of this project.

5 Price of palay estimated at 70 centavos per kilo.

6 Price of corn estimated at 50 centavos per kilo.

3. Assumptions About Goal Achievement The following assumptions are outside the direct influcence of the USAID under this project, but are important to the success of the goal achievement.

a. The agriculture and related infrastructure share of current and capital expenditures in GOP budgets will be implemented as expressed in the 1974/77 Four Year Development Plan.

b. Food grain price policy will be implemented to provide the small scale farmer sufficient incentive to strive for higher productivity.

c. Applied agriculture research, extension, infrastructure investments, agrarian reform, and credit development as outlined in the plan will be directed towards small farm operations.

d. International assistance in the agricultural sector from other donors will be maintained at the present planned levels.

B. STATEMENT OF PROJECT PURPOSE

1. The Purpose of USAID under this project is to create an improved capacity in the NFAC and private sector to identify and deal with constraints to productivity and increased income for small rice and corn farmers.

The median scale farmer is often statistically characterized as a poor man who farms 3-5 acres, uses modern crop technology to only a limited extent, shares one carabao, finds truly productive work only about half of the time, and has annual family income ranging from $170 (₱1,120) to $230 (₱1,500). He lives with his family of five to seven children in a very small, partially weather-proof house without plumbing or electricity, often some distance from an all weather road and public transportation. He consumes about 1,970 calories a day, has six years of education, is indebted to the middlemen, has little hope for future change and will probably be dead by the age of 55. Nonetheless, experience has shown that he will respond to economic opportunity and to sincere, dedicated leadership.

The intent of this project is to focus on removing or reducing constraints to small scale farming. While we are addressing the problems of the small farmer group and targeting primarily the rice and corn farmer, it is not possible to service all small farmers equally nor have all benefit evenly under the terms of this project. Capacity to reach small farmers is determined primarily by the rate at which they are willing to adapt the HYV technology, extension staff members and resources. The intent, however, is that during the term of this project, the GOP effort assisted by USAID will bring about improved incomes of some 900,000 farmers, who represent approximately 75% of the total rice and corn small scale farm families in the Philippines.

(For Conditions Expected at the End of the Project, see next page)

2. Conditions Expected at the End of Project for the Targeted Farmers (in the GOP's Rice and Corn Program)	FY 73 (Normalized)	FY 78 (Targeted)
a. Number participating rice farmers	100,000 As of June 73	750,000
(growing one rice crop)	(80,000)	(600,000)
(growing two rice crops)	(20,000)	(150,000)
Average yield participating small scale rice farmers		
Irrigated	2,200 kg/ha	3,344 kg/ha
Rainfed	1,540 kg/ha	1,980 kg/ha
actual crop hectarage	200,000	1,500,000
c. Effective crop hectarage - includes two crops	240,000	1,800,000
Amount of fertilizer nutrients used by rice farmers (total/ha)	40 kg/ha	65 kg/ha
Value of pesticides and herbicides used by rice farmers (total/ha)	$9/ha (60 pesos)	$17/ha (110 pesos)
f. Number of participating corn farmers	10,000	170,000
h. Average yield participating corn farmers	970 kg/ha	1,710 kg/ha
i. Amount of institutional credit extended to rice and corn farmers under government sponsored programs - per year of project rice	$14.7 million (97 million pesos)	$110.6 million (730 million pesos)
corn	$ .15 million (1 million pesos)	$ 21.2 million (140 million pesos)
j. Credit repayment rice	86%	97%
corn	55%	92%
k. Average farmer/technician ratio rice	175	150
corn	100	80
l. Percentage of government technicians who are mobile (i.e. have own transportation for their work)	12%	75%
m. Percentage of government production technicians who receive relevant periodic extension in service technical training in rice/corn.	30%	90%

3. Basic Assumptions About Achievement of Purpose

a. That the elements to reach small scale farmers that are not addressed by USAID in this TA project (i.e. irrigation networks, basic research institutions and farm transportation systems) are either reasonably adequate at present, not as limiting as the factors being addressed, or are being addressed by other means.

b. If other factors arise during the implementation of this project that become critical constraints, USAID will take steps to address them, as appropriate.

c. Allocation of resources within agriculture (rice/corn versus livestock, sugar, coconuts, secondary crops) will be adequate to prevent destructive competition within the sector.

d. Production input supply problems will not negate other efforts of the government to help small scale farmers.

e. The GOP will provide sufficient incentives to maintain staffing and morale of their field agriculture personnel.

C STATEMENT OF PROJECT OUTPUTS

1. Outputs Outputs of this USAID supported project are as follows:

a. A Management Information System (MIS) within National Food and Agriculture Council (NFAC) capable of measuring progress and performance, identifying implementation problems in increasing small rice farmer productivity. USAID staff have assisted the NFAC in developing the beginning of the MIS during the past several months. This project will build upon the progress made to date.

b. An Economic Analysis Staff Unit within the Bureau of Agricultural Economics (BAECON) regularly utilizing data from the MIS and other sources to produce studies analyzing risk factors which small farmers face, production, the determinants of farm profitability in various farm enterprises, supply response with respect to credit, price input availability, and marketing. This analysis is presently not being undertaken by the Bureau of Agriculture Economics.

c. An Analysis by USAID funded contract team of the existing corn production technology and recommendations for further USAID support. Any follow on action will be based upon a careful review of the recommendations of the team.

d. A series of on farm experiments supported by USAID/NFAC and possibly other donors in a variety of crops and farm products carried out under farm conditions which will test new ideas and specific variables, considered forerunners to increasing small farmer income and employment. See "Course of Action" section for a fuller discussion of the test bed activities to be financed under this project.

e. Improve the GOP capability in the Fertilizer/Pesticide delivery system.

f. Development of an operational unit in the Central Bank Department of Rural Banks to identify credit issues and generate information requested by policy makers. At present, no such unit exists.

g. Determination by the Central Bank Department of Rural Banks of the role of integrated farm financing in small farm development. This means that the rural banks would make available loans to small farmers for their total operations rather than fragmented on a commodity basis.

h. An effective in-service extension training program under NFAC to support rice, corn and tested activities

i. Completion of USAID base-line study on the small farmer.

2. Objectively Verifiable Output Indicators

a. Series of Regular MIS Reports

1) Provincial Planting Profiles for crop campaign planning.

2) Progress reports on

a) planting hectarage
b) credit availability
c) seed availability
d) chemical inputs
e) extension workload
f) harvesting hectarage
g) harvest yields
h) prices
i) credit repayments
j) implementation problems

3) Provincial sample surveys of

a) planting and harvesting
b) input usage
c) commodity stocks
d) prices

4) Ad hoc special situation reports (such as reports on crop damage due to natural calamities).

b. Operational Provincial Officers, and BAECON statisticians, trained in MIS concepts and procedures.

c. Economic Analysis Staff Unit within the BAECON, producing

1) Regular time series on farm production and income.

2) Analysis of production campaign results.

3) Analysis of regular statistical sample surveys.

4) Supply and Demand analysis.

5) Special studies on resource utilization, analysis of risks, effects of price supports and subsidies, bank profitability and interest rates, transportation, distribution, storage, processing, etc.

1. Improved Crop Technology Packaging Effort

   1. Demonstration kits (verification)

      a. Adaptive research
      b. On-farm trials

   2. Interagency training programs for extension workers

      a. Training materials/aids
      b. Relevant application of technology

A. "Test Bed" Experiments Performed for Income Generating Opportunities including:

   1. Farm activities complementary and additional to rice and corn production.

   2. "Whole Farm Credit" trials.

   3. On farm identification of production constraints including water control measures, farm equipment.

   4. Cropping systems minimizing need for purchased inputs.

   5. Land use rationalization.

   Corn Team Appraisal

   1. Report Accepted/Reproduced
   2. Philippine Evaluation

      a. After 3 months
      b. After 2 years

B. Extension effectiveness measured by testing programs to determine extension training requirements.

3. Basic Assumptions About Production of Outputs

   a. That detailed and analyzed management information will continue to be a priority "felt need" on the part of the National Food & Agriculture Council.

   b. That self-sufficiency in rice and corn is desirable and that there is, therefore, a need to accelerate extensive diversification research and small-farmer-oriented adaptive trials.

   c. Formal periodic reviews of consultants reports will be made to evaluate progress in implementation of recommendations.

   d. That the Central Bank will be responsive to policy changes in the Farm Credit area.

3. STATEMENT OF PROJECT INPUTS

1. USAID Inputs

2. Manpower and Budget

a. Summary

	FY 75 Man Years	FY 75 $000	FY 76 M Yr	FY 76 $000	FY 77 M Yr	FY 77 $000	FY 78 M Yr	FY 78 $000
Personnel and Consultants	6+	390	6+	390	4+	280	3+	190
Participants		95	-	110	-	90	-	40
Commodities	-	110	-	205	-	175	-	80
TOTAL	6+	595	6+	705	4+	545	3+	310

b. Personnel

Project Manager (DH) (Recruit)	x	40	x	40	x	45	x	45
Management Information System Advisor (Data Collection) (DH) (Smith)	x	40	x	40				
Agr. Economic Analysis Advisor* (Contract) (Recruit)	x	50	x	50				
Applied Research (Rice & Corn) (Contract) (Feuer)	x	50	x	50	x	50		
"Test Bed" Advisor (Contract) (Recruit) An agricultural economist with an agronomy background	x	45	x	45	x	45	x	50
(A second "Test Bed" Advisor is required provided suitability of approach is demonstrated and expanded)			x	40	x	40	x	40
Sub-Total	5	225	6	265	4	180	3	135

* The need for this position will be reevaluated in FY '76.

	FY 75 Man Year	FY 75 $000	FY 76 M Yr	FY 76 $000	FY 77 M Yr	FY 77 $000	FY 78 M Yr	FY 78 $000
Support System Consultants								
Corn Consulting Team								
3 Man Team								
(Econ Mktg) (1 Prod. Agron (1 Research Agron Breeder)	x (6 man months)	35						
Fertilizer Development	x (6 man months)	30	x (3)	20	x (3)	20		
Marketing Price Stabilization		35 (est)		35 (est)		30 (est)		25 (est)
Credit	Man months undetermined at this time							
Extension Training (Methodology)								
(Svcip, Gorres & Velayo) SGV/Contract Consultants (or equivalent) in [illegible] Auditing		25		35		25		15
Consultant Assistance for Base Line & follow on survey to identify small farmer.								
Other Support Assistance* (approximately 10%)	Undetermined	35		35		25		15
Sub-Total	1	165		125		100		55
TOTAL	6	390	6	390	4	280	3	190

* We anticipate further demands for consultants will arise from both the analysis function and the test bed functions listed above.

	FY 75		FY 76		FY 77		FY 78	
	Man Year	$000	M Yr	$000	M Yr	$000	M Yr	$000

d. Participants Training Needs During Life of Project (Small Farmer Support)

1. Emphasis - primarily corn/sorghum delivery system components (production and utilization aspects); test bed technology; program management and analysis. No requirements of USAID for rice technology.

Specific training programs will be identified each year within the totals indicated below and be stated in the appropriate year Project Agreement.

2. Study Grant Categories[1] (General)

Agriculture Policy and Planning
Management Information Systems
Fortran Computer Programming
Grain Marketing/Credit/Storage
Fertilizer/Soils Management
Pest Management
Adaptive Research (Corn)
Corn Production (Extension/Management)

TOTAL	95	110	90	40

1 Cost Estimates

3 months East Asia Grant	$ 1,500
3 months U.S. Grant (Observation)	4,500
6 months U.S. Grant (Academic/Observation)	6,000
6 months U.S./Mexico Grant (Academic/Observation)	5,500
9 months U.S. (Academic/Observation)	9,000
12 months U.S. (Academic)	10,000

	FY 75	FY 76	FY 77	FY 78
	$000	$000	$000	$000
Commodities				
Vehicles (Jeeps, trucks etc.)	Specific commodity program requirements will be identified each year within the totals indicated below and be stated in the appropriate year Project Agreement			
Desk Calculators				
Film Stock				
Slides and Projectors (tied to GOP Pesos to develop materials)				
Excess Property (Office equipment, etc.)				
TOTAL	110	205	175	80
3. PL 480 Funding[1]	P30 M	P50 M	P30 M	-
4. Development Loan Funding	Amount and projects undetermined at this time. A complementary project would be the Accelerated Program Development Small Irrigation System (See MANILA 13990).			

1. P130 million is in the system now for the current GOP rice production program. The additional requirements are for supporting "test bed" activities.

5. Government of the Philippines (GOP) Inputs

	FUNDING SUPPORT TO PROJECT (in million pesos) FY 75	FY 76	FY 77	FY 78
a. SUMMARY				
Total GOP Project Related Funding	1,052	1,260	1,492	1,805
b. National Food and Agriculture Council (NFAC)				
Support Allowances for Technical Staff including travel, incentives, gasoline	14.0	15.5	17	18.4
Seed Production, Procurement, Distribution	4.7	5.2	5.6	6.1
Applied Research and Research Analysis	1.8	2.0	2.2	2.4
Demonstration, Farmer Education	4.0	4.4	4.9	5.3
Disease and Pest Control	2.5	2.8	3.1	3.3
Evaluation/Feasibility Activities	.5	.6	.7	.8
Training and Information - Technical Staff	1.5	1.6	1.8	2.0
Manpower	.5	.6	.7	.8
Administrative Support	2.5	2.8	3.1	3.3
NFAC Support - Local Government and Provincial Operations	3.0	3.3	3.7	4.0
Agricultural Guarantee Loan Fund	30.0	33.0	36.5	39.6
Special Vehicle Loan Fund	3.0	3.3	3.7	4.0
	68	75	83	90
c. Department of Agriculture and Natural Resources (DANR)				
General Operational Support	36	37	39	40
d. Credit Institutions				
Philippine National Bank				
Agricultural Credit Administration				
Central Bank/Dept. of Rural Banks				
Peso requirements for credit (includes joint U.S.-GOP PL 480 and others)	500	620	750	875
Direct Agric. Total (in million pesos)	604	732	872	1,005
SUPPORTIVE FUNDING				
e. National Grains Authority (NGA)				
Price Stabilization Support	200	250	350	500
f. National Irrigation Administration (NIA)				
Infrastructure/Maintenance Operation	253	278	270	300

6. Basic Assumptions About Management of Inputs

a. That advisory, counterpart and participant manpower are available at the time needed and that their scope of activity is realistically described.

b. That the project inputs will be effectively coordinated and supported by NFAC so that separate but complementary factors from USAID and other donors will result in a better planning and delivery of resources to farmers.

2. RATIONALE

1. The GOP Program. The Philippine Government is presently mounting a series of programs to attack the problem of low income levels in the countryside. Agriculture is the largest economic activity in the Philippines, and rice production is the nation's current top priority concern. One project in the agricultural sector is to increase significantly the income of the small farmer (primarily and initially rice and corn farmers, irrespective of whether their status is tenant or owner) by increasing their productivity. The anticipated expanded production -- a corollary benefit -- will help to achieve national self-sufficiency in the production of rice and corn, and enable the Philippine economy to conserve valuable foreign exchange. The GOP has decided to approach this task by mounting a series of sustained intensive crop production campaigns, to extend the current technology. These are coordinated within the GOP and with the appropriate elements of the private sector through the National Food and Agriculture Council (NFAC).

The campaigns are nationwide, high visibility efforts, designed to, make a permanent impact upon the rural scene by revitalizing government field operations, private sector delivery systems and service to the small farmer. The current "Masagana 99" program which the USAID Mission is now assisting, is the main element of this approach.

2. USAID/GOP Objectives. This project addresses a prime concern of both the GOP and USAID -- the small scale rice and corn farmer. There are approximately 1 million small rice farmers and 350,000 corn farmers in the Philippines growing 2.5 million cropped hectares of rice and 2.1 million cropped hectares of corn respectively. They are the major inhabitant of the rural areas, and amongst its poorer members. The greatest social and economic impact upon rural society can be made by focusing the opportunity for change upon them.

USAID has been asked to assist the GOP in this project. Because both the climate for, and direction of, change accord with our own assessment of the country's future needs for agricultural development, we welcome this opportunity to participate. This proposal is consistent with the needs and priorities identified in both the recent World Bank agricultural sector study, with its 13 annexes, and the updated four year Agricultural Plan.

Our role is seen as technical assistance in the overall analytical phase of problem identification in selected key elements of the program, and limited participation during early implementation to help the Philippine agencies concerned "tune" the system. Simultaneously, we will help develop systematic project management skills among national, regional, and provincial level implementation personnel. In addition, limited support will be provided in terms of commodities and financial resource inputs.

The System Agriculture is a location-specific science. Crop production methods and needs vary widely from place to place, and should be adapted to local conditions. Regardless of location or crop, however, several essential elements of the system can be manipulated to influence agricultural development.

a. Irrigation Lack of farmer capacity to control flood waters, and his inability to bring suitable quality and quantity of irrigation water to the rice crop when needed, add to his production risks and make the farmer reluctant to use a complete package of HYV production practices.

The World Bank study highlighted the need for improved irrigation as one of the most critical constraints in increasing rice production. We fully agree with this conclusion. The USAID is assisting in irrigation under the Flood Rehabilitation Program and is proposing a separate project for assistance in irrigation focusing on on-farm distribution and management.

As explained in Annex B, other donors are also providing assistance in this area.

In this project, priority will be given to farmers with irrigated lands, for even in those areas where irrigation is available, farmers are not attaining their potential due to other limiting factors.

b. Seed Production System To produce and distribute quality rice seed for farmers to purchase and plant in a timely manner. This is generally in place. The corn seed production system is somewhat less developed.

c. Technology To identify improved methods of reducing production risks, improving productivity of land and labor and increasing farmer profit. This too is generally in place and operating satisfactorily for rice. The corn technology is much less developed.

d. Production is carried out by the farmer. Extension work is continually needed to help the farmer to get the most out of his own efforts.

d. Training Communication of the technology to the farmers is an essential element. This requires an extension staff (itself competently trained) to carry the word to the farmer. This needs to be improved. IRRI, UPCA, and the private sector, in cooperation with NFAC can, and are developing plans to upgrade professional competency of the farm management technicians and the credit supervisors. USAID will assist in this to a limited degree.

e. Inputs National fertilizer and pesticide production, importation and distribution is inadequate. USAID will provide a consultant to work with NFAC and the fertilizer industry in evaluating the situation and formulating plans for improvement.

f. Credit In the past, the lack of an effective unified system for making essential inputs available to the small scale farmer in a timely manner was probably the biggest bottleneck. This has been largely overcome in the current price campaign program -- on a short term basis. The means for moving these inputs focused on development of small scale farmer non-collateral credit system through the private sector - the Agricultural Loan Fund (ALF) of the Central Bank. The ALF has given the farmer access to the inputs - fertilizer, pesticide, etc., coupled with technical assistance to see that he uses them to best advantage (method, sequence, and timing).

Much more developmental work has to be done to strengthen the small scale farmer credit program. The Agricultural Loan Fund is still not totally accepted by the rural banking community and problems of credit system viability and profitability remain. USAID will continue to follow the credit aspects closely and provide assistance under this project and the land reform project.

g. Infrastructure Development Farm to market roads are in poor shape, nationally. Farmers living in barrios not served by all weather roads have to pay higher prices for required inputs and experience difficulty in securing supplies of inputs when needed, as well as further difficulty in selling their crop. USAID through the Provincial Development Assistance (PDAP) and other donors are addressing this element in other projects.

h. Processing and Marketing Harvesting, drying, storage, milling transportation and other processing are carried out by the private sector. Each of these areas still needs systematic development and management improvements. Other donors are assisting. Limited USAID consultant services are also available.

h. Price Stabilization Farmers can sell palay at any barrio at any time, but the price offered is often well below the central market level plus transportation costs. The new National Grains Authority (NGA) was created in October 1972 to operate a price stabilization program and support the orderly development of grain storage business in the private sector. The need for a strong price support policy is crucial for all grains and a workable system will have to be developed. USAID is willing to provide short term technical assistance if requested by the GOP.

i. Project Management A Philippine government responsibility. Various services and institutions exist at different stages of development in many locations of the Philippine in support of rice and corn production. The critical management task facing NFAC is to get these activated in a timely coordinated manner so that specific small scale farmers may benefit, thereby sharply increasing production and income. Strengthening the NFAC capacity to do this will be one thrust of USAID's efforts under this project.

F COURSE OF ACTION

1. Implementation Plan

The project presented in this PROF represents the USAID/GOP efforts to support small farmers. The project's emphasis will be on the following elements:

Consolidation and Strengthening for Rice and Corn

1) Program Coordination and Monitoring;

2) Management Information System;

3) Production Economics;

4) Applied Research;

5) Credit System Development;

6) Fertilizer Delivery System;

7) Grain Marketing and Price Support;

8) Extension Communications and Training, and

9) Experimental testing of production, marketing and related ideas to increase small farmer output and income.

Advisory assistance related to the above elements that will be required during the life of this project is spelled out in the narrative section.

2. The current "state" of the support and delivery system to the small scale farmer, and the change expected as a result of this and other project efforts are qualitatively outlined below. Standard criteria used are as follows:

A	- Highly effective	- No further USAID support necessary
B	- Moderately effective	- Minimal USAID support desired
C	- Marginally effective	- USAID support necessary in key areas
D	- Not selected/Inadequate/ or Ineffective	- High level of USAID and/or other donor assistance required.

b. Category

	Now	FY 75	76	77	78
1) The System					
Irrigation	D	D	D	D	C
Seed Production System, Rice	B	B	B	B	A
Corn	D	D	C	C	B
Technology (Rice)	B	B	A	A	A
(Corn)	D	C	C	B	B
Production (Rice)	D	C	B	B	A
(Corn)	D	D	C	C	B
Training	C	C	B	B	B
Inputs	D	D	C	C	B
Credit	C	C	B	B	A
Infrastructure Development	D	D	C	C	C
Processing and Marketing Rice	C	C	C	B	B
Price Stabilization	D	D	C	C	B
Project Management	C	C	B	A	A
2) USAID Project Outputs					
Management Information System	C	C	B	A	A
Economic Analysis	D	C	B	B	B
Corn Technology Analysis	D	C	C	B	B
Test Bed Experiments	D	C	C	B	B
Transmission of Technology	C	C	B	B	B
Credit Analysis	D	C	B	B	A
Integrated Farm Financing	D	D	C	C	B
In-Service Extension Training	C	C	B	B	B
Base Line Study	D	B	B	B	A

Test Bed Operations

This aspect of the project will reinforce Philippine national local government and private sector efforts to meet equity concerns for small scale farmers. Although the innovative technology of the "green revolution" is impressive, much of it has not directly benefitted the poorer, small scale farmer. Because of the risk element the adoption cost threshold has been too high. There are many things that can be done to improve this picture.

The "test bed" approach will experiment in a systematic way with some of the key variables within the small scale farmer's horizon, in an attempt to reduce this risk, with minimal cash outlay for the farmer. For one example, sound management of the water that is available is an extremely important element in rice production. Yet a good understanding of this and adoption of effective practices is not satisfactory in the Philippines.

A series of supervised comparative trials on "as is" small rice farms to measure production and profitability as a function of water management can be undertaken. Further on-farm studies can be done to measure profitability as a result of crop, land use and input variability.

It would be the Mission's intent to work very closely with IRRI in this regard. Still other avenues for reducing risk to the farmer could come from improved delivery services to and from the farm gate. There is a need to better understand the basic relationships between institutions and social organizations which interact to provide services to small scale farmers. The "test bed" can also explore where technical benefits can be transferred more effectively to the small scale farmer.

Specific areas already identified for "Test Bed" studies are:

1. Water management, operations and utilization;

2. Distribution, and economic alternative uses of inputs;

3. Crop technology, and crop systems to minimize the need for purchased inputs;

4. Production alternatives for improving small scale farmer profitability of rice and corn, with other commercial crops.

5. The impact of land resettlement and land transfer upon productivity and income

6. Policies and systematic alternatives for purchasing, drying, storing, transporting and pricing farm products.

7. "Whole Farm" Farming

There are undoubtedly other important aspects which can be addressed. These ideas will need to be closely analyzed and formulated into a clear statement of action as series of specific activities for approval prior to implementation.

Commodity

Sequence of the project commodity procurement cycle for FY 75 (Can be replicated for each subsequent fiscal program cycle).

FY 75 — FY '76

S A S O N D J F M A M J A S O N D J

Commodity selections made GOP/USAID

Commodity approval GOP/USAID

Commodity requisitions submitted USAID

Commodity procurements arrive and are in place USAID/GOP

18 months

Participants

Sequence of the project participant cycle for FY '75 (Can be replicated for each subsequent fiscal program cycle).

FY '75 — FY '76

A S O N D J F M A M J J A S O N D J F M A M J

Participants selected and approved GOP/USAID

Participants commence training USAID

Participants complete training and return to assignment USAID/GOP

22 months

Narrative. The following personnel, with functions as indicated, are required to implement the plan to upgrade the quality of the small scale farmer delivery system.

Category	Function
Management Position	
1 Project Manager (Direct Hire)	To manage USAID resource into the joint GOP-USAID project. Render advisory assistance through combined experience of the USAID project staff in assuring appropriate linkages and managerial controls are applied with project director. Interlinkage development of this project with related USAID technical assistance activities and potential capital assistance efforts.
Technical Position	
1 Management Systems Advisor (Direct Hire)	To advise and assist GOP project personnel design, develop and implement management information system to provide rapid data gathering and feedback whereby problems can be identified and addressed in a timely manner. Train counterparts in systematic, analytical methodology from statistical, management and operations research disciplines. Provide a data base for longer range analytical studies of on-farm production practices and delivery system constraints.
1 Economic Analyst advisor (Contract)	To assist in developing and interpreting basic economic information whereby sound recommendations can be made that will enhance policy making and upgrade the evaluative process of project activities. Advise and assist GOP define criteria for evaluating small farmer economic rewards in projects. Assist BAECON capacity and capability to develop studies and analyses of the commodities produced by small scale farmers emphasizing crop strategies that consider capital investments and purchased inputs, pricing and levels of productivity. Identifying through appropriate research design, the constraints to higher yield and farm income and proposing possible measures to alleviate these constraints.
1 Adaptive Research Advisor (Contract)	To advise and assist in organizing and incorporating the results of agricultural research of the food-grains into an effective outreach program that will address the targeted audience as established. Implement a cooperative applied and adaptive research system on farms through appropriate GOP field research units. Assist host government research personnel in applied

	research evaluations and planning staff requirements and training. This includes research feedback, result interpretation, and replanning requirements based on new findings. Assist in assuring appropriate technological variables are being properly tested on producers land and that these variables are appropriately evaluated in terms of farmer profitability.
1 "Test Bed" Advisor (Contract)	To assist in exploring ways research findings and systems design and management can more closely support each other and be problem specific to the needs of the small scale farmer. Through testing in selected locations, models can be developed which may serve to influence the tactical aspects of the production delivery system and guide policy. Basic concepts of the test model will examine institutions, social organizations and the interaction of these with the small scale farmer. The packaging of physical facilities, technical knowledge, management and information and data will be analyzed to identify and correct points of imbalance and inequity to the farmer and determine the orderly development of human resources. Key variables include water management, production inputs and cropping system strategies which minimize capital outlay and reduce amounts of purchased inputs.
1 Corn Consulting Team (6 mos. total) 1 Econ (Mktg) 1 Prod Agron 1 Research Agron (Breeder) (Contract)	To analyze in-depth for NFAC the Philippine corn production and utilization system and examine the technological and economic variables that affect production. Evaluate the research network with particular emphasis on high yielding varieties, downey mildew resistance and input relationships of fertilizer and pesticides. Investigate the production economics of the crop in terms of the producer and availability and cost of inputs supply. Investigate the marketing process with particular emphasis on processing, storage, drying, price support and marketing policy noting constraints.
1 Credit Consultant (Contract)	To assist and advise in program development and research within the agricultural credit institutions with emphasis on analysis to better support small farmer programs. Review implications of research findings with goal of providing policy guides and improving the credit component of the production delivery system. Analyze and evaluate types of credit research needed. Evaluate progress of development plans with relationship to adequacy and timeliness of credit needs to recipients.

1 Fertilizer Consultant (Contract)	To strengthen an agricultural commodity sector in 1) institutional development of the FIA (Fertilizer Industry Authority), 2) technical priorities for short medium-long term development, 3) technical skills transfer, 4) forecasting and analyses assistance in domestic usage of commodity.
1 Marketing Price Support Consultant (Contract)	To render top policy guidance to an agency that was newly created to stabilize the grain industry thru a viable delivery system which includes 1) price regulation and control, 2) support policy, 3) storage and logistics, 4) national goal plans for the food sector.
1 Extension Training Consultant (Contract)	To provide technical expertise in newer methods of extension communications that are appropriate and timely to the Philippines. Tasks include 1) upgrading presentations with relevant info, 2) developing linkages between training institution communication facilities and field outlets, 3) audio and visual materials that specifically relate to goal plans and translate to the normative audience 4) feedback evaluation and replanning needs.
Implementation Monitoring	In addition to the continuous monitoring and management efforts by the USAID Project Manager, concurrent auditing of the effectiveness of project implementation by a disinterested third party is highly desirable. Criteria for pre-determining effectiveness standards will be included in the sub-project agreements.
Special Survey Requirements	Although the small scale farmer is much discussed, and there is much generalization, very little hard data exists on the "target" small farmer. For this reason, it is highly desirable that a Base Line Survey of the small scale farmer be conducted to determine his income; the characteristics of his production activities, the employment implications of his cropping practices, what he thinks are the principal constraints for increasing production and income, and the additional services he needs most. This will be updated annually during the life of the project. Thus when we complete the project, we will have more than speculation upon which to base our evaluation.

The commodity inputs and participant training will strengthen key elements on both the technological and managerial front in support of the overall project objectives. With these USAID provided resources, by the end of the USAID project, the goals of the project should be achievable at self-sustaining levels, and the GOP should be sufficiently equipped and staffed with trained personnel from both the managerial and technological standpoints, as to continue functioning effectively without further USAID support in these areas.

APPENDIX A - COMPLEMENTARY USAID/PHILIPPINES PROJECTS

Ongoing development projects assisted by USAID/Philippines complementary in supporting this PROP, are identified below.

1. Agrarian Reform - A project to assist the GOP:

   a. Implement a land transfer system.

   b. Assist in planning and implementing test beds in two provinces for an ultimate reform system which goes beyond ownership transfer and includes farmer associations, cooperatives and planning.

   c. Assist the Agrarian Reform Institute and Philippine Council for Agricultural Research (PCAR) in developing required agrarian reform research support capability.

2. Bicol River Basin Development - An effort to improve the standard of living of farmers within a river basin. A program vertically integrated on an area wide basis starting with organized and expanding farming units through a full range of developing activities, e.g. land reform and credit, water development and management, electrification, infrastructure and production system.

3. Local Development Project - A project designed to focus on development assistance through the network of the provincial government. This includes determining development requirements developing local capability in bringing the benefits of technology and improved management for the rural areas. Equipment pool development and management for rural infrastructure is a key facet of this project.

4. Food and Nutrition - A project to:

   a. Assist the National Food and Agriculture Council (NFAC), the Philippine Agency responsible for national nutrition planning and coordination, in strengthening its functions through technical advice and commodity support.

   b. Assist in pre-feasibility studies to develop new ways and methods (interventions) for correcting local malnourishment which reduce reliance on donated and other imported foods for supplementary feeding programs.

   c. Reach by FY 1977 1.3 million malnourished infants and preschool children and 0.5 million for their pregnant or lactating mothers with supplemental foods and with food and nutrition education.

   d. Reach by FY 1977 2.7 million underweight or malnourished elementary school children with supplemental food and with food and nutrition education.

5. Rural Electrification - A project which by 1976 will bring relatively low power to 240 municipalities and its related areas serving 5 million people. USAID is financing about 50% of the $92 M cost for this project.

6. Water Development and Management - The Mission is pursuing projects in water management and control to the National Irrigation Administration and other entities for irrigation project, operations and management advisory assistance, and potable water utilities system.

7. Inland Fisheries - A project to develop a viable research component to support an adequately developed extension program for the modern methods of fish pond management to owner producers.

APPENDIX B - COMPLEMENTARY PROJECTS BY OTHER DONORS

Ongoing development projects directly or indirectly related to the small farmer support system PROP that are being supported by other donor agencies.

I. Water Development Utilization and Management

a. ADB Assistance Projects - Five irrigation sites in Mindanao totalling 21,000 hectares.

b. NIA/UNDP Development Projects for ground water development which includes demonstrating the feasibility of utilizing ground water as a supplementary sources of irrigation water.

c. Angat-Magat Integrated Agricultural Development Project - Subject to loan negotiation with the ADB.

d. Magat River Feasibility Study - Completed under BUREC/USAID and subjected for future World Bank financing.

e. Upper Pampanga River Project - Originally from USAID feasibility study, IBRD financed now being implemented under a Filipino contract.

f. Pampanga River Flood Control Program - Utilizing USAID rehabilitation funds. Apply research and modern management systems with PCAR, NEDB and IRRI.

g. USAID assistance to rehabilitation NIA systems - About 35 national and 120 communal systems.

h. USAID financed feasibility study of potential of 10,000 hectares irrigated lands bordering Laguna de Bay.

II. Grain Industries Development

a. UNDP technical assistance in training program related to harvesting, threshing, training, storage, marketing and loan of grains in support of IBRD grain storage and loan through the Development Bank of the Philippines (DBP).

b. IRRI Agricultural Engineering Project for developing, testing and evaluating small farm equipment appropriate for small scale farmer producers of food grains project supported by AID funds.

III. Seed Production and Distribution

Newly developed project and commodity loan between the GOP and Japan to expand seed production and distribution based on nucleus of activities supported by USAID assistance in the past. Commence October 1973.

IV. Rodent Research

a. AID supported project on Rodent Research Center (Funded by TAB/Washington).

b. West German project with GOP in rodent protection programs. Emphasizes use of chemicals and control procedures.

V. Infrastructure

a. IBRD project for primary roads in Mindanao, Central Luzon and Cotabato Port Development.

b. Government of Japan project support for Pan-Philippine Highways and several other road projects.

c. USAID assistance provided for feeder road development in selected provinces under the Provincial Development Assistance Project (PDAP).

SMALL FARMER INCOME & PRODUCTION PROJECT PROPOSAL

NARRATIVE SUMMARY A	OBJECTIVELY VERIFIABLE INDICATORS B	ASSUMPTIONS C
Goal The goal of the Government of the Philippines (GOP), which the USAID will support, is attainment of self-sufficiency in national rice and corn production, with special emphasis on increasing the productivity of small scale farmers through crop diversification.	**Measurement of Goal Achievement** **Overall National Estimates**	a. The agriculture and related infrastructure share of current and capital expenditures in GOP budgets will be implemented as expressed in the 1974/77 Four Year Development Plan. b. Food grain price policy will be implemented to provide the small scale farmer sufficient incentive to strive for higher productivity. c. Applied agriculture research, extension, infrastructure investments, agrarian reform, and credit development will be directed towards small farm operations. d. International assistance in the agricultural sector from other donors will be maintained at the present planned levels.

	FY 73 (Normalized)	FY 78 (Targeted)
a. National rice production (palay/rough rice)	5.0 million MT	7.3 million MT
b. National corn production (shelled)	2.0 million MT	3.0 million MT
c. Average yield all small scale rice farmers (per crop)		
1. Irrigated hectares	1,850 kg/ha	2,904 kg/ha
2. Rainfed hectares	1,320 kg/ha	1,848 kg/ha
d. Net estimated annual income of all small scale rice farmers (2 hectares each). Increase based on rice increment only	$230 annual income/family (1,500 pesos)	$350 annual income/family/year (2,345 pesos)
e. Average yield all small scale corn farmers	855 kg/ha	1,254 kg/ha
f. Net estimated annual income of all small scale corn farmers (3 hectares each, 2 crops) Increase derived from corn production only	$170 annual income/family (1,120 pesos)	$325 annual income/family/year (2,144 pesos)

		FY 73 (Normalized)	FY 78 (Targeted)
End of Project Status (30 June 1977			
a. Number participating rice farmers		100,000 As of Jun 73	750,000
(growing one rice crop)		(80,000)	(600,000)
(growing two rice crop)		(20,000)	(150,000)
b. Average yield participating small scale rice farmers			
Irrigated		2,200 kg/ha	3,344 kg/ha
Rainfed		1,540 kg/ha	1,980 kg/ha
c. Actual crop hectarage		200,000	1,500,000
d. Effective crop hectarage - includes includes two crops		240,000	1,800,000
e. Amount of fertilizer nutrients used by rice farmers (total/ha)		40 kg/ha	65 kg/ha
f. Value of pesticides and herbicides used by rice farmers (total/ha)		$5/ha (60 pesos)	$17/ha (110 pesos)
g. Number of participating corn farmers		10,000	170,000
h. Average yield participating corn farmers		970 kg/ha	1,710 kg/ha
i. Amount of institutional credit extended to rice and corn farmers under government sponsored programs - per year of project	rice	$14.7 million (97 million pesos)	$110.6 million (730 million pesos)
	corn	$ .15 million (1 million pesos)	$ 21.2 million (140 million pesos)
j. Credit repayment	rice	86%	97%
	corn	55%	92%
k. Average farmer/technician ration	rice	175	150
	corn	100	80
l. Percentage of government technicians who are mobile (i.e. have own transportation for their work).		12%	75%
m. Percentage of government production technicians who receive relevant periodic extension in-service technical training in rice/corn.		30%	90%

a. That the elements to reach small scale farmers that are not addressed by USAID in this TA project, (i.e. irrigation networks, basic institutions in research, extension, credit, farm transportation systems, storage, and marketing), are either reasonably adequate at present, not as limiting as the factors being addressed, or are being addressed by other means.
b. If other factors arise during the implementation of this project that become critical constraints, USAID will take steps to address them, as appropriate.
c. Allocation of resources within agriculture (rice/corn versus livestock, sugar, coconuts, secondary crops) will be adequate to prevent destructive competition within the sector.
d. Production input supply problems will not negate other efforts of the government to help small scale farmers.
e. The GOP structure will provide sufficient incentives to maintain staffing and morale of their field agricultural staffs.

1. Purpose
The purpose of USAID under this project is to create an improved capacity in the NFAC and private sector to identify and deal with constraints to productivity and increased income of small scale farmers.

Measures of goal achievement above, are for the entire GOP food grains improvement program. Conditions expected at the end of this project are identified to the right. To this end, USAID technical assistance is focused on critical points in the system, as identified below.

Project Outputs

a. A Management Information System (MIS) capable of measuring progress and performance, identifying implementation problems in increasing small rice farmer productivity.
b. An Economic Analysis Staff Unit regularly utilizing data from the MIS and other sources to produce studies analyzing - risk factors which small farmers face, production, the determinants of farm profitability in various farm enterprises, supply response with respect to credit, price input availability, and marketing.
c. An analysis of the existing corn production technology and recommendations for further USAID support.
d. A series of experiments in a variety of crops and farm products carried out under farm conditions which will test [illegible] and specific variables, considered forerunners to increasing small farmer income and employment.
e. Improve the GOP capability in the fertilizer/pesticide delivery system.
f. An operational unit to identify credit issues and general information requested by policy makers.
g. Determination of the role of integrated farm financing in small farm development.
h. An effective in-service extension training program to support rice, corn and test activities.
i. Base line study on the small farmer.

Output Indicators

a. Series of Regular MIS Reports
   1. Provincial Planting Profiles for crop campaign planning.
   2. Progress reports on
      a. planting hectarage
      b. credit availability
      c. seed availability
      d. chemical inputs
      e. extension workload
      f. harvesting hectarage
      g. harvest yields
      h. prices
      i. credit repayments
      j. implementation problems
   3. Provincial sample surveys of
      a. planting and harvesting
      b. input usage
      c. commodity stocks
      d. prices
   4. Ad hoc special situation reports (such as reports of crop damage due to natural calamities).
   5. Operational Provincial Officers, and RAECON statisticians, trained in MIS concepts and procedures.
b. Economic Analysis Staff Unit within the RAECON, producing
   1. Regular time series reports on farm production and income.
   2. Analysis of production campaign results.
   3. Analysis of regular statistical sample surveys.
   4. Supply and Demand analysis
   5. Special studies on resource utilization, analysis or risks, effects of price supports and subsidies, bank profitability and interest rates, transportation, distribution, storage, processing, etc.

a. That detailed and analysed management information will continue to be a priority "felt need" on the part of the National Food and Agriculture Council.
b. That self-sufficiency in rice and corn is desirable and that there is, therefore, a need to accelerate extensive diversification research and small-farmer-oriented adaptive trials.
c. Formal periodic reviews of consultants reports will be made to evaluate progress in implementation of recommendations.
d. That the Central Bank will be responsive to policy changes in the farm credit area.

Project Inputs

1. U.S.
   a. Direct Hire
   b. Contract Services
   c. Commodities
   d. Participants
   e. P. L. 480
   f. Development Loan
2. Philippines (Millions of Pesos)

Magnitude and Timing

FY 75 Man Year	FY 75 $000	FY 76 M Yr	FY 76 $000	FY 77 M Yr	FY 77 $000	FY 78 M Yr	FY 78 $000
2	80	2	80	1	45	1	45
4+	310	4+	310	3+	235	2+	145
-	110	-	205	-	175	-	80
-	95	-	110	-	90	-	40
-	(₱30M)	-	(₱50M)	-	(₱30M)	-	-
Amount and projects undetermined at this time.							
-	(₱1,057M)	-	(₱1,260M)	-	(₱1,492M)	-	(₱1,805M)

a. That advisory, counterpart and participant manpower are available at the time needed and that their scope of activity is realistically described.
b. That the project inputs will be effectively coordinated and supported by NFAC so the separate but complementary factors from USAID and other donors will result in a better planning and delivery of resources to farmers.