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 PD-DAF-221

1. INITIAL STARTING DATE (Mo., Day, Yr.) May 1972		PASA PARTICIPATING AGENCY SERVICE AGREEMENT BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND U.S. DEPARTMENT OF AGRICULTURE	6. <input type="checkbox"/> PASA ORIGINAL <input checked="" type="checkbox"/> PASA AMENDMENT <u>6</u>	
2. PROJECTED COMPLETION DATE (Mo., Day, Yr.) September 30, 1976			7. PASA NUMBER AG/TAB-533-13-71	
3. CATEGORY <input checked="" type="checkbox"/> TDY <input checked="" type="checkbox"/> ASSIGNED			8. COUNTRY PHILIPPINES	
4. DURATION OF FUNDING <input checked="" type="checkbox"/> CURRENT YEAR <input type="checkbox"/> FORWARD FUNDING		5. PROJECT NO. AND TITLE Agriculture Diversification and Trade - Asia		9. TYPE <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
10. YEAR FY 19 <u>76</u>		11. FUNDING		

A. CITATIONS	(1) APPROPRIATION NO. 72-11X1023	(2) ALLOTMENT NO. 402-31-099-00-22-61	(3) PIO/T/OBLIGATION NO. 931-17-190-533-72-3167506
B. FOR PARTICIPATING AGENCY	(1) INITIAL OR CURRENT \$66,000	(2) CHANGE (+ OR -)	(3) NEW TOTAL \$66,000
C. RETAINED BY AID	(1) INITIAL OR CURRENT \$24,100	(2) CHANGE (+ OR -)	(3) NEW TOTAL \$24,100 **
D. COSTS FOR PARTICIPATING AGENCY ONLY	(1) FUNDING YEAR (INCLUDE CONTINUING PROJECTS)	(2) FUNDING YEAR (INCLUDE CURRENT FUNDING BLOCKS B(1) OR B(3))	(3) ESTIMATED TOTAL
E. PRINCIPAL COST COMPONENTS (BLOCK B)	(1) SALARIES, DIFFERENTIAL AND BENEFITS \$45,014	(2) TRANSPORTATION INCLUDING PER DIEM \$8,375	(3) OVERHEAD AND MISCELLANEOUS \$14,611

12. STATEMENT OF PURPOSE

A. Summary Description

This project was initiated in 1972 to assist the Philippines Government to analyse data on agricultural and rural conditions to determine the effects and trade off gains and losses when utilizing alternative national policies for agricultural inputs, production and trade.

This PASA amendment provides continued funding for 12 man months service for one resident Agriculture Economist and consultant services as follows: 34 man days by an additional Agriculture Economist, and 38 man days by the Director, Foreign Development Division, Economic Research Service.

\*\* reserved for USAID/Manila to pay cost of return travel of Mr. Kunkel and family (wife & 2 children) \$2,750, in-transit and miscellaneous expenses \$600; return of H&M and POW Kunkel \$4,500; in-country per diem Edwards, approx. 34 days \$1,250 & \$15,000 for computer service.

Note: Additional services by the Agriculture Economist, Mr. Sharples, for approx. 34 man days will be funded under PASA AG/PHI-259-1-76.

13. GOVERNMENT AGENCY AGREES TO THE GENERAL AGREEMENT DATED Feb. 15, 1969 BETWEEN AID AND THE AGENCY NAMED ABOVE. THE AGENCY NAMED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN BLOCK 12 AND TO BE AS NEAR AS POSSIBLE TO BE OTHERWISE AUTHORIZED BY AID. ALL SERVICES SHALL BE OF U.S. ORIGIN. ANY APPENDICES ATTACHED HERETO ARE CONSIDERED PART OF THIS PASA.

14. SIGNATURES

NAME: <u>[Signature]</u>	NAME: <u>Edward Rawson</u>
TITLE/OFFICE: <u>Deputy Administrator, ERS</u>	TITLE/OFFICE: <u>CHIEF, PARTICIPATING AGENCY STAFF CONTRACT MANAGEMENT, AID</u>
DATE: <u>SEP 24 1975</u>	DATE: <u>17 SEP 1975</u>

15. APPENDICES

APPENDIX A - BUDGET PLAN  
 APPENDIX B - SCOPE OF WORK  
 OTHER (Specify) \_\_\_\_\_

16. NEGOTIATING OFFICERS

AID: CM/PAS: [Signature]  
 AGENCY: USDA/ERS: GWaldman

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 93105397  
 PD-AAF-221

PASA	<b>PARTICIPATING AGENCY SERVICE AGREEMENT</b> BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE UNITED STATES DEPARTMENT OF AGRICULTURE ECONOMIC RESEARCH SERVICE		1. PASA CONTROL NO. PA/AS)13-71
			2. ORIGINAL OR AMENDMENT NO. <u>61p</u>
			3. AMOUNT \$12,487
4. SERVICE TO BE CHARGED TO: ALLOTMENT: 156-31-092-00-22-11 APPROPRIATION 72-111006		5. SERVICE TO BE RENDERED IN: U.S. and the Philippines	6. DATE SERVICES TO TERMINATE (MO., DAY, YR) 6/30/73
7. TITLE OF PURPOSE:			

Agricultural Diversification and Trade

8. TYPE SERVICE:  PROJECT  STAFF

TECHNICAL ASSISTANCE  RESEARCH  OTHER (SPECIFY): TDY

ASSIGNMENT  DETAIL (REIMB.)  DETAIL (NON-REIMB.)

9. PROVISIONS:

ORIGINAL - PURSUANT TO SECTION 632(B) OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, THE AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.) REQUESTS AND THE PARTICIPATING AGENCY SPECIFIED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN THIS AGREEMENT. THE SCOPE OF WORK TO BE PERFORMED AND THE COSTS FOR WHICH A.I.D. WILL REIMBURSE THE PARTICIPATING AGENCY ARE SET FORTH IN APPENDICES TO THIS AGREEMENT. THE CONDITIONS GOVERNING THE IMPLEMENTATION OF THIS AGREEMENT ARE CONTAINED IN

THE GENERAL AGREEMENT BETWEEN THE TWO AGENCIES DATED: February 15, 1966

APPENDIX 1, 2, 3 TO THIS PASA, AND/OR  A.I.D. ISSUANCES N.O. 210 Series: A.I.D. 210.1 N.O. 210.6

AMENDMENT - THIS AMENDMENT TO PASA NO. \_\_\_\_\_ PIOT/NO. \_\_\_\_\_

DATED \_\_\_\_\_ IS FOR THE PURPOSE OF:

CHANGING SCOPE OF WORK  INCREASING FUNDS  DECREASING FUNDS  OTHER (SPECIFY): \_\_\_\_\_

PROVIDING OR  REVISING WORK PLAN FOR FY \_\_\_\_\_  PROVIDING OR  REVISING BUDGET PLAN FOR FY \_\_\_\_\_

PROVIDING FUNDS FOR CONTINUED SERVICE IN FY \_\_\_\_\_

APPENDIX	TITLE	NO. OF PGS.	11. NEGOTIATING OFFICER'S AID
1	PIOT/T No. 931-17-190-533-72-3117573	5	TA/AGP: L. W. ... TA/PM: E. Knight
2	Project Summary	16	PARTICIPATING AGENCY
3	PASA Budget Plan for FY 1973	1	USDA/ERS John ...

12. APPROVED FOR: _____ SIGNATURE: _____ TITLE: _____ DATE: _____	APPROVED FOR: _____ SIGNATURE: _____
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AID 1330-1X (B-70)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Worldwide	Page 1 of 5 Pages
		2. PIO/T No. 931-17-190-533-72-3117573	3. <input checked="" type="checkbox"/> Original or Amendment No. _____
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	4. Project/Activity No. and Title  Agricultural Diversification and Trade 931-17-190-533	

DISTRIBUTION	5. Appropriation Symbol 72-1111006		6. A. Allotment Symbol and Charge 156-31-099-00-22-11		6. B. Funds Allotted to: <input checked="" type="checkbox"/> A.I.D./W <input type="checkbox"/> Mission	
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Subobligation				J. Funding Period (Mo., Day, Yr.) From 5/1/71 to 6/30/71	
	9. A. Service to Start (Mo., Day, Yr.) Between 5/1/71 and 6/30/71				7. B. Completion date of services (Mo., Day, Yr.) 12/31/71	
	10. A. Type of Action <input type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Cooperating Country Contract <input checked="" type="checkbox"/> Participating Agency Service Agreement <input type="checkbox"/> Other:					
	10. B. Authorized Agent AID/W through USDA/BRS REF: PASA RA(AJ) 13-71					
	Estimated Financing		(1)	(2)	(3)	(4)
\$1.00 =		Previous Total	Increase	Decrease	Total to Date	
11. Maximum A.I.D. Financing	A. Dollars		12,487		12,487	
	B. U.S.-Owned Local Currency					
12. Cooperating Country Contributions	A. Counterpart					
	B. Other					

13. Mission References

14. Instructions to Authorized Agent: THIS PIO/T provides funding to develop a specific cooperative research project in the Philippines. Funds allotted to the Economic Research Service, United States Department of Agriculture (USDA), support consultation with research workers in the Philippines to prepare a detailed plan of cooperative research on the opportunities for greater diversification in agricultural production. This PIO/T is based on the Project Paper entitled Agricultural Diversification and Trade dated 2/24/71, Appendix 2, accepted by RIGC on 3/11/71 and by R/C on 4/15/71, and partially implements the decision to provide \$75,000 total funding to support the preparation of detailed project proposals. Of this total, \$12,487 will be allocated to the USDA during FY 71.

15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate	B. Funds for the services requested are available
C. The scope of work lies within the purview of the initiating office and approved Agency Programs	D.
E.	F.

16. For the use of the recipient of the funding conditions set forth hereon are hereby accepted:	17. For the use of the donor of the funding conditions set forth hereon are hereby accepted:	18. Date of signature
Signature and date:	<i>[Signature]</i> Signature: Robert J. O'Brien Title: ASSISTANT SECRETARY	5/21/71
Title:		

AID 1950-1X (B-70)	Cooperating Country Philippines	PIO/T No. 931-17-190-533-72-3117573	Page 2 of 5 Pages
PIO/T	Project/Activity No. and Title 931-17-190-533 Agricultural Diversification and Trade		

**SCOPE OF WORK**

**19. Scope of Technical Services**

A. Objective for which the Technical Services are to be Used are (1) to develop specific collaborative effort and coordinated work plans for an Agricultural and Trade Diversification project, local and U.S. budgets, host country financing and support for such a project in the Philippines. /U.S. Mission and/Activities under this PIO/T will be carried out by the Economic Research Service (ERS). They will work with institutions and individual research workers in defining research objectives, preparing a detailed plan of work, and preparing a joint budget for the proposed research.

A Planning Group, composed of four people, one each from ERS, North Carolina State University, East West Center and AII/W, has met to discuss forms of cooperation and elements of complementarity before working with their LDC counterparts. At least one similar meeting will be held after each institution has prepared a proposed

(continued on page 5)

**C. Technicians**

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Month/Year)
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Staffing patterns are stated in the budget data in Appendix 3.

**(2) Duty Post and Duration of Technicians' Services**

U.S. and the Philippines on TDX.

**(3) Language requirements**

None contemplated at this time.

**(4) Access to Classified Information**

None contemplated at this time.

D. Financing of Technical Services

Country - Philippines

AID 1950-1X (8-70)	Cooperating Country Worldwide	PIO/T No. 931-17-190-533-72-3117573	Page 3 of 5 Pages
	PIO/T Project/Activity No. and Title 931-17-190-533 Agricultural Diversification and Trade		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of those services)

A. <u>(1) Quantity</u> <u>(2) Description</u>	<u>(3) Estimated Cost</u>	<u>(4) Special Instructions</u>
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None contemplated at this time.

B. Financing of Equipment and Supplies

(1) By AID - \$ None

(2) By Cooperating Country - NA

21. Special Provisions

- A. This PIO/T is subject to AID ~~(22 CFR 201.10)~~ (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify): If dollars made available to EPS, under this PIO/T are to be spent for services or procurement abroad, such dollars shall be converted to local currency through the disbursing officer of the U.S. Embassy in the cooperating country unless the USAID or AID/W otherwise in writing authorizes.

NOTE: Block 21, Special Provisions is continued on Page 5 of this TIA/I.

AID 1959-1X 69-791  PIO/T	Cooperating Country Worldwide	PICT No. 931-17-190-533-72-3117573	Page 4 of 5 Pages
	Project/Activity no. and title 931-17-190-533 Agricultural Diversification and Trade		

**22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)**

REports: A proposed research project (25 copies) will be furnished AID by ERS by October 1, 1971. Additional copies will be provided to the LDC collaborators as required.

Monthly Participating Agency Accrued Expenditure Reports pursuant to Participating Agency Notice No. 71 dated July 1, 1969 will be submitted to A.I.D./W, C/ACC/CAB and C/ACC/WAB. In addition to copies of report to be submitted, C/ACC (see para. III of P.A. Notice No. 71), one copy will be submitted to A.I.D./W, Attention: PASA Officer (TA/EM), Technical Assistance Bureau.

**23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference block 19.C(4) above.)**

**24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID**

**A. Relationships and Responsibilities**

ERS shall coordinate their plans through the AID project monitor listed below.

**B. Cooperating Country Liaison Official**

Activities in any country will be cleared and coordinated through the AID Mission.

**C. AID Liaison Official**

Dr. Leonard Witt, T/ACC or  
Mr. James Orano, T/ACC

DEPARTMENT OF STATE  
 AGENCY FOR  
 INTERNATIONAL DEVELOPMENT

 Work Order  Invoice

PAGE 5 OF 5 PAGES

CONTINUATION  
SHEET

1. Cooperating Country Honduras	931-	2a. Code No. 7-190-533-72-3117507
2b. Effective Date		2c. Amendment <input checked="" type="checkbox"/> Original OR No.:

FORM SYMBOL

TITLE OF FORM

3. Project/Activity No. and Title 931-17-190-533 - Agricultural Diversification and Trade
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PIO/T

 PROJECT IMPLEMENTATION  
 ORDER/TECHNICAL  
 SERVICES

Use this form to complete the information required in any block of a FIO or PAA form.

Indicate block  
numbers.

19

research project jointly with cooperating professionals in the LDCs, to finalize the joint activities for presentation to AID/W.

## B. Description:

The basic nature of the planned project for which this study is being conducted is described in Appendix 2, referred to above (and in particular on pages 1 and 2).

In Appendix 3 is budget data for services to be provided by ERS of USDA.

21.

Special Provisions - continued from Page 3:

E. Before any international travel is undertaken or any commitments are made involving such travel, clearance must be obtained from A.I.D./W/E/ACF and A.I.D./W Regional Bureaus, overseas Missions and/or other overseas organizations, as appropriate. Funding for all travel undertaken for A.I.D. must be explicitly covered in PASA RA(AJ)13-71 or a duly executed Amendment thereto.

F. All items of nonexpendable equipment and supplies directly chargeable to A.I.D. under this PIC/T, PASA RA(AJ)13-71, and subsequent FIO/T and PASA Amendments, will be governed by the following guidelines:

1. Equipment and/or supplies is essential for carrying out A.I.D. operations under this project, and would not otherwise be funded from the Department's own resources.
2. A.I.D./W approval in writing is required prior to the purchase of all such items of equipment and/or supplies.
3. Upon completion or termination of this PASA project appropriate disposition of all such equipment and/or supplies will be made by A.I.D./W in accordance with applicable law and regulations.

## PROJECT SUMMARY

Title: Agricultural Diversification and Trade

Status: New Project

Contractors: East-West Center, U. of Hawaii; Economic Research Service, USDA;  
Dept. of Economics, North Carolina State University, possibly  
one other institution

Principal Investigators: H. Luykx, J. Schaub, R. King and R. Simmons

Duration: Three years

Total Estimated Cost: \$850,000

Current Year	\$150,000
FY 72	230,000
FY 73	230,000
FY 74	140,000

Project Manager: Dr. Lawrence W. Witt

Narrative: Agricultural diversification is being sought by IDOs for several reasons and from several points of view, ranging from: (1) finding alternative uses for land resources devoted to food grain production as self-sufficiency goals are met and exceeded, (2) creating a larger stream of income for the individual farmers as they use their land more intensively for a sequence of crops, (3) seeking to produce more products for domestic and international markets, and earn larger and more secure foreign exchange earnings. Comparative advantage implies a search of commodity and cost ratios to fulfill market or trade potentials within or between countries, whereas diversification requires determination of alternative production possibilities within a nation and has both technical and economic components.

The two issues are closely related, and require information on farm production possibilities, farm incomes, income and employment consequences of technological change, as well as on interregional competition, regional integration, and likely changes in trade patterns and prices. Adequate supply analysis requires

far more specific data on farm level alternatives than is presently available, including how likely new farm practises will change the nature of the farm production response. Also, the existence of sensitive issues in the allocation of resources and direction of policy and programs requires that decision makers have available rigorous, objective analyses by host country colleagues appraising the consequences of alternative uses of research, agricultural and financial resources. Thus, the strengthening of host country analytical capacity in the area is vital.

Specifically, the objectives are to: define the preferred production alternatives within the country and for export; determine the areas in which technological research and the diffusion of practises can most usefully improve the competitive position; identify realistic opportunities to export; establish research linkages with colleagues in the LDCs to estimate the nature of and factors affecting comparative advantage and diversification alternatives within selected countries; and, define policy options that are possible in view of regional demand and supply relationships, new technology, domestic price policy and trading arrangements.

The initial focus in East and South Asia will be on food grains and the next best alternative crops where the ERS and East-West Center will concentrate their efforts. A wider list of commodities will be considered in Latin America where North Carolina State University and perhaps one other institution will function. The approach will develop long term interactions among host country and US colleagues with graduate student collaboration and purposeful interaction among the research teams with AID/AI coordination. This interaction would include the Africa Bureau-FAO-ERS activities in trade interaction.

## EXPANDED NARRATIVE STATEMENT

### 1. Project Description and Background

Recent technological breakthroughs have made possible a substantial increase in food grain production in a number of countries. Additional improvements in farm practises are occurring in many countries as further technical innovations are created. In still others increasing domestic consumption is reducing farm exports despite a continuing need for foreign exchange. These developments coupled with the limited international markets for food grains stimulate a greater concern with the diversification of agriculture, that is to identify other farm production possibilities which can maintain and enhance farm income and employment, utilize domestic market opportunities and provide alternative and more promising sources of foreign exchange, thus using and intensifying the use of some of the resources now devoted to food grains. In some countries the need is for rigorous objective data which will identify for policy makers the available options for the resources now or likely to become surplus in grain production, or to exploit agricultural resources more fully to create new streams of income and foreign exchange.

The purpose of this project is to begin in a few countries to create and draw together micro economic data on the agricultural production situation and possibilities - the current and prospective supply response for major competing farm commodities. Analysis of this information, and the drawing on analyses of trade prospects already conducted, will appraise economically rational patterns of production and trade for the selected products. Such information can be used by policy makers to develop programs and organize production resources in a manner consistent with national goals.

There will be a twofold thrust for the proposed research. The first is to gain an understanding of the internal competitive relationships among significant commodities and to determine diversification potentials. Special attention will be given to dynamics including how new technology, adoption of improved practices, increased use of nonfarm produced inputs and institutional developments will change the economic relationships in production and marketing of commodities. The second will be to evaluate the potential for selected commodities to compete in regional or world markets. The research will include an analysis of demand, supply, marketing and transportation, <sup>trade barriers,</sup> /~~terms of~~ trade, and regional associations. Methodology will include the use of a micro-macro agricultural production and trade model.

The research plan will provide for short and intermediate term reports which will help policy makers to improve their decision making process. Final products will result after interim reports have been evaluated and revised, using an iterative research approach.

## 2. Significance to AID Objectives

This project will forge linkages between research workers in each of the host countries and U.S. research group on a significant and important problem facing the host country, the AID Mission, and the U.S., generally. This project through its joint research efforts will help strengthen the host country capacity to provide objective information to its decision makers.

This project will contribute to AID objectives by assisting developing countries in formulating and implementing agricultural development strategies and policies in view of changing production, market and trade opportunities.

Information has not been available to develop and appraise farm production programs in an international context. Present programs are largely developed by considering individual countries as separate entities. This project proposes to develop analyses of an individual country's diversification options and production potentials and to evaluate these potentials in a trade and development context. Thus, policy makers will be provided a basis for evaluating policies and programs in their countries after considering internal production possibilities and the production and trade prospects of other countries. Developing economic intelligence of this nature is essential if country planners and AID advisors are to effectively develop programs and strategies.

Thus, this project will contribute to three key problem areas:

- A. Sector Analysis and Agricultural Economics Capability
- B. Rural-Urban Transfer Systems (to a limited degree)
- C. Worldwide Agricultural Research Networks

### 3. Relation to Existing Knowledge

Considerable information currently available is relevant to this topic, but this information must be compiled and analyzed in a uniform and systematic manner. A great need exists for detailed farm level data on physical production costs and possibilities. The availability of relevant data depends to a large extent upon the particular country and commodities being considered. For example, a country such as the Philippines can be expected to have a large volume of information whereas the quantity and quality of data in Thailand is exceedingly thin.

The Falcon-Gotsch study of West Pakistan (Agricultural Price Policy and the Development of West Pakistan) financed by AID, concentrated on four principal crops, wheat, rice, maize and cotton giving primary attention to the internal competitive relations and relatively little attention to the trade prospects. The individual country studies to be conducted under this study, should provide the same sense of internal competitive relations, a somewhat greater review of the foreign trade opportunities, understanding of the current policy options, and an improved awareness of the dynamic forces and ways in which the particular country can manage the options so provided.

A few agricultural sector analyses have developed some understanding of the internal competitive relationships among principal commodities, particularly in Latin America. These studies will be drawn on whenever appropriate, but in most cases it will be necessary to supplement the information with more detailed micro agricultural data, for certain commodities or for certain regions of the country.

Work undertaken by FAO, such as in the Indicative World Plan, relates to the work outlined here. But again this work seldom has been able to draw on micro economic agricultural data, and in consequence is unable to

provide rigorously defined policy options. A number of other specialized studies financed by international agencies - the Asian Development Bank, IBRD, Economic Commission for Asia and the Far East, the Rockefeller and Ford Foundations - will be drawn upon when they are appropriate, to obtain as much economic intelligence as possible. Of particular relevance to the multi disciplinary program at the East-West Center will be the diversification experiments now being conducted by IRRI.

The USDA has participated in a number of detailed supply and demand projection studies. While some are now out of date (due to the dramatic changes induced by HYV), the results of others will be useful in completing supply, demand and trade analyses required in this project. Also, the ERS research on world demand prospects for wheat, rice, food grains, all grains, oilseeds, cotton, bananas and beverage crops will be an important input to the agricultural trade part of this project, along with data on conditions of trade.

#### 4. Relation to Other Research

This project requires the coordinated effort of three or four research institutions. Through coordination by AID/W each institution will make a unique contribution to the overall objectives, in at least two respects. Each institution will concentrate on a different country or region; in addition the East-West Center will give special attention to the agronomic biological practises that are likely to expand the possible level of productivity; and provide new farm diversification possibilities; the ERS will provide information on the world wide demand prospects for the studied commodities; North Carolina State University will provide information on transfer costs (in world trade) and develop the application of a competitive

trading model. A fourth institution, if included, would contribute analyses leading to the explicit delineation of policy options. In addition, each group will report its experiences in using a research methodology in collecting and organizing the data and subsequent analyses.

Either through the ADC seminars or the efforts of AID/W the several research workers and including host country collaborators will be brought together in periodic workshops to review the research approach and the contribution of this work to policy resolution. Workers in other projects such as AF/FAO/ECA trade integration, would be included.

## 5. Proposed Work Plan

### a. Scope of Work

In 4-6 important countries in Latin America host country counterparts will develop jointly with North Carolina State micro data which will provide current and probable future supply responses for a selected group of important agricultural commodities. Transfer cost information, assembled by North Carolina State University, and information on demand characteristics will be utilized in an application of a production trade model.

The East-West Center will develop a multi disciplinary team which will, in cooperation with host country counterparts in selected countries of South and East Asia, identify the technically feasible and economically suitable types of on-farm intensification and diversification alternatives. These options will be appraised in relation to their suitability both for the selected countries and for extension to other areas with similar environments.

A nation (the Philippines) in East Asia will be selected for the initial effort of the ERS. In close cooperation with host country professionals, data will be brought together on the cost inputs for rice and commodities competitive with rice for the use of agricultural resources. Domestic and international trade prospects will be evaluated. At least one additional country in South or East Asia will be selected later for a similar study, and to begin to bring together data for a limited model on trade potentials. If local currency and host country research teams can be assembled, a number of other country studies could be inaugurated linked with the then existing study teams.

b. A specific plan of work will be developed for each institution.

#### 6. Research Methodology

The separate research institution will each follow a different methodology, and will be appended hereto.

#### 7. Researcher Competence

##### a. North Carolina State University

North Carolina State University has demonstrated competence in a number of AID research projects. The two principal research workers to be involved in this project are mature, experienced professionals with experience in Latin America. They have a personal relationship with professional people in a large number of Latin American countries and are eminently suited for their role in linking and coordinating a series of micro level studies in the major economies in Latin America.

##### b. Economic Research Service

The resources of ERS on the demand for farm commodities is not approached by any university or private research organization. They consider the work contemplated here as essential to any significant improvement in the

projection of future supply for major commodities. The ERS expects to supply a senior and experienced professional for this project, one whose skills will be missed in Washington but for whom this work becomes an integral part of the long run activities of the ERS .

c. East-West Center

The Center has important connections with institutions and governments in East and South Asia with unquestioned objectives of mutual interests. Its contacts with students, professors and research workers enable them to make a valuable and unique multi disciplinary contribution in defining the economic and technical possibilities of farm level diversification.

d. A fourth institution may be selected later, particularly if it appears that personnel experienced in analyzing policy options will be needed. However, a short term consultant to meet with these research groups may well fulfill this need.

8. Contribution to Institution Building

It is expected that each country will make a financial contribution to a companion project integrated with but separate from the project described herewith. The specific work plan, commodities covered, projected publications will be developed so that there are joint efforts among several colleagues, some senior, some junior, but each with a specific and professional assignment.

Thus, this project will build an in-country competence to continue such research, to update the results periodically, to extend the analysis to other commodities, and will build long term professional linkages with research workers in other countries.

9. Utilization Plans

Much of the utilization will occur through major interaction with

host country decision makers through host country professional colleagues, with U.S. personnel playing a minor role. For the AID Mission, the policy options may be presented jointly. In the U.S., the personnel of the ERS will play an important role vis-a-vis government decision makers, while the university research people will contribute to this and also play a large role in communicating with professional colleagues and the general public.

Two kinds of reports are expected. One will be prepared at strategic intervals when public policy decisions are due utilizing the best evidence then available, many for limited circulation. The other will be comprehensive research publications intended for basic data inputs to IBRD, FAO, regional development banks and to government economists as they assist officials in making policy decisions. The latter, of course, includes AID/W and field Missions.

#### 10. Budget Analysis

Detailed budget analysis will be provided in appended separate projects, as they are spelled out in detail during March. The annual level of funding during full operation starting in FY 72 will be about \$100,000 for the ERS and about \$90,000 each for North Carolina State and the East-West Center. This will provide two full time man years in each project, plus a variety of other personnel inputs. In some cases it will include local enumerators, in other cases support for a graduate student research, and in other cases some part time consulting. Travel costs are expected to be less for N.C. State and the East-West Center.

The allocation of funds is expected to be about as follows:

	FY 71	FY 72	FY 73	FY 74
ERS	\$30-40,000	100,000	100,000	60,000
N. C. STATE	110-120,000	80,000 100,000	90,000 90,000	80,000
	<hr/> 150,000	<hr/> 280,000	<hr/> 280,000	<hr/> 140,000

The ERS-Philippines part of the program will begin in April with two men on TDY, and preparation of materials in Washington.

The North Carolina State part of the program would start slightly later, while that of the East-West Center is scheduled to begin after July 1. Conceivably these roles could be reversed, or both begin late in FY 71.

The budget for each institution will contain \$10,000 to sponsor one joint workshop, thus three workshops in the three year period.

## 11. Internal and External Reviews

This project was developed in close association with the EA Bureau. It has been discussed with members of the AID Mission in the Philippines and with probable collaborators in two Philippine institutions. Preliminary conversations have been held with one member of the AID Mission in Thailand and with several senior Thai officials. All have indicated that the problem is extremely important and that they welcome the proposal.

The North Carolina team has discussed the general idea with a number of their contacts in Latin America with an enthusiastic response. The IA Bureau/W has been contacted and has evinced interest. As of 22 February a definitive proposal and response has not occurred, in part because the North Carolina proposal is being revised.

The SEADAG seminar on Agricultural Diversification in South East Asia was held in Manila in January. Much public concern and professional interest in this topic was expressed. The results of this conference supply the basis for the East-West Center phase of this project.

During the internal review (RIGC), some concern was expressed: (1) that trade barriers were such that any comparative advantage study was irrelevant; and (2) on the ability of the ERS to be objective and on their willingness to assign competent people.

On the first issue, part of the rationale for the study is that neither the developing countries nor the United States have information on real cost comparisons of the relevant sets of possible export commodities, particularly those for which significant changes in production technology has occurred. Such information is needed by the LDCs in identifying the opportunities for new production - export programs and by both the LDCs and the developed

countries as background data for possible future negotiations as changes in trade barriers. Also, the original project writeup did not make as explicit as it should have that existant trade policies and trade barriers must be identified and given consideration as part of the estimation of regional and world demand for a particular LDCs exports. This was assumed implicitly in the initial project writeup; it is stated explicitly under C3b on page 2 of the Supplement. Of course, trade barriers do have substantial influence upon the export options available to LDC decision makers.

On the second issue, the ERS has clearly committed itself to working with AID in identifying highly competent people to work in this project. It further insists (and the project monitor concurs) that ERS personnel do function in an objective research capacity, both within the USDA and in working with outside professional colleagues. Informal meetings have been held with members of USAID/Manila and professionals in the GOP in which these issues have been discussed, resulting in an expressed desire to proceed with a formal proposal.

## 12. Proposing Office General Evaluation

TA/ACF considers the problem outlined here to be very critical. The general proposal requires a variety of research inputs. A consensus that this research is important will permit careful and detailed planning of the inputs that each of the contractors will make, both among the contractors and with the regional bureaus and missions/host country personnel. The project contributes to several key problem areas. It clearly deals with some of the later generation problems induced by the new HYV, and it

proposes institutional developments which will enormously improve the capacity of LDC countries to make rational policy choices in the use of their agriculture resources.

The project monitor is strongly of the opinion that the micro level data on production diversification possibilities and supply response and the relations of likely future changes in supply schedules to trade opportunities are essential for major improvements in rational strategies in relation to the conditions of world trade. This is a long run improvement. For the shorter run, host country decision makers in countries like the Philippines, Thailand, Pakistan, Brazil, Colombia and others need rigorous objective analyses of policy options, presented by their own analysts and dealing with sensitive issues.

The RIGC at its meeting on March 11, 1971 recommended that the alternative procedure plan A (page 2 of the attachment) be initially accepted and funding of 7,500 dollars provided to develop linkages in LDCs. The RIGC also recommended that the proposal should be reviewed in early FY 72 by RIGC, particularly with respect to linkages. The proposal should include the matters of trade barriers and ERS function in it.

Approved for submission by ACF Review Committee on February 23, 1971

TA/AGF:LSWitt:jn:2/24/71

Approved for submission to RIGC:

TA/AGF:Omer J. Kelley, Director

TA/AGF:Lawrence W. Witt

*Officially*  
*Lawrence W. Witt*

## AGRICULTURAL DIVERSIFICATION AND TRADE--SUPPLEMENT

- I. Proposed Procedures - within the project**
- A. In Latin America, probably for Africa, with modifications, for research groups at N.C. State and other institution if selected**
1. Confirm the indicated interest of 4-6 Latin American research workers. (N.C.S. has contacts with professionals in Peru, Brazil, Colombia, Mexico, Argentina, Central America and Chile)
  2. Contact and secure the interest of a similar group of African specialists and institutions
  3. Select the first of a set of commodities to be considered, and have each co-worker review and criticize the supply and demand projects in their country/region.
  4. Arrange a workshop of the collaborators to:
    - a. Present country picture for commodity,
    - b. Present general research plan and develop specific workplans
  - \*5. Make the first trial of the procedures and methods for integrating the country supply responses, using data readily available and relying on sensitivity analysis.
  6. Program some supply response studies in the various countries, as a long run (1.5 years) project to develop micro data for a group of commodities. Tentatively, include sugar, rice, cotton, oils, grains, livestock, and several "potential" trading commodities for L. A. Select similar list for Africa.
  7. Also, program work on transfer cost estimates, trade policies and strategies which limit the operation of comparative advantage, and accumulate needed demand information. Another joint workshop also would be programmed.
- B. In East Asia and NESEA - East West Center and Economic Research Service**
1. In mid-April at Honolulu hold a two day workshop among EWC and ERS personnel (with AID participation) to define possible collaboration, division of labor, geographical interests.
  2. ERS personnel continue on to East Asia (Philippines preferred) on TDY to develop a detailed collaborative research plan, to assist in preparation of a within country complementary proposal (commodities, areas, and research methods)
  3. EWC personnel will organize a summer 1971 multidisciplinary workshop to include senior East and South Asia participants now in Hawaii, a limited number of visiting research workers from that area, and faculty in the EWC to outline a specific program, including products and countries to be considered.
  4. ERS will organize the materials on demand analysis needed by each of the research groups, and critically analyze the existing information on supply response for relevant Asian countries.
  5. EWC and research associates will begin the in-country studies on technological possibilities in diversification in accordance with the summer discussions on a technical-economic analysis.
  6. Similarly, the ERS and associates will begin in-country studies on micro-supply response and domestic and overseas trade and market opportunities.

\* Preplanning completed

**C. Jointly and with complementarity**

1. With 3-4 research teams pursuing closely related studies the U.S. and host country leadership should hold periodic workshops - a sort of traveling seminar about once a year, each time in a different location. The first could be part of the Hawaii workshop
2. Workplans and workpapers should be exchanged whenever completed.
3. Each would make a separate contribution to the others
  - a. Information on regional and world demand for the commodities included (ERS)
  - b. Import policies which limit the use of economic potentials for export (ERS)
  - c. Information on transfer costs from export to import ports (NCS)
  - d. Possible procedures or models for aggregation of supply/information from several countries. Testing of these procedures (NCS)
  - e. The technological basis for current and near term potential changes in supply response (EMC and country studies)
  - f. Internal demand potentials for commodities included (country studies)
  - g. Micro supply response studies for each country (each group)
  - h. Preparation of policy alternatives for local decision makers (host country collaborators)
  - i. Analysis of implications of findings for U.S. policy and strategy. (within government by ERS; for general distribution by U.S. university teams)

**D. Additional funding - one or more, depending on specifics**

1. Host country counterparts, by allocation of time
2. Formal research projects, host country funding, perhaps through a Research Council
3. Supplemental funding by USAID Mission, or to Research Council
4. Other U.S. owned local currency, perhaps through USDA

**E. Personnel**

1. Two principal workers at NCS have 6 years experience in Latin America, numerous contacts with professionals and former students. Other personnel also well qualified.
2. In consultation with Africa Bureau, a research team and procedures would be identified with similar contacts and experience.
3. A panel of five have been nominated by ERS, with a variety of overseas and quantitative research experience; AID to participate in selection among them, or secure other nominations.
4. EMC project leader has long experience in South and East Asia, and access to present and former visiting professors from Asia. Other U.S. components also experienced in Asia.

**II. Possible Procedures for RIGC - for the project**

**A. Alternative A**

Accept the project with modest funding to each of the 3-4 U.S. collaborating research teams, subject to review as individual projects early in FY 72. If real collaborative efforts, host country funding, and institutional development abroad are not clearly indicated, that part of the project will be cancelled.

(Such cancellation will only affect the U.S. institution, since no real collaboration has developed)

**B. Alternative B**

Accept the project as a six month planning effort. As soon as host country collaboration and specific workplans are developed, each proposal will be reviewed and appraised as a new project to begin in FY 72. (This provides maximum flexibility to RIGC and RAC, limited assurance of continuity to the research teams in working with host country collaborators, and probably will delay implementation by 4-6 months.

**C. Alternative C**

Similar to B except on procedures.

Deny the project for now, but endorse the idea for later implementation. Provide planning money to each institution for 1971, to be spent via TBY, salary or consultation, travel, to develop specific collaborative effort and coordinated workplans, local and US budgets, host country financing and mission clearance or support. Bring these specific workplans back to RIGC and RAC at the earliest possible moment (individually if necessary, preferably as an integrated project).

**III. Other Items**

Full collaboration requires that host country personnel participate in the process of project design and planning. But since that process requires time in the field AID cannot insist that a U.S. project proposal specify the details of other country research effort, research methods, etc., unless it is prepared to invest in planning research.

However, AID does have the right (and necessity) to insist and RIGC personnel have the responsibility to determine the nature of the contemplated cooperation and require that modern and appropriate methodology is used. It can insist on an early review of these issues as a project is approved. But a clear question that applies to AID current and future research proposals is how to assure both collaboration and appropriate methodology.

One procedure, used up to now, is the specification of a sophisticated methodology in the proposal and trust that the research team will succeed in soliciting host country counterparts who will welcome participation. This approach has limitations, particularly if the issue has low priority in the host country, or host country research workers have limited faith in the research approach for their conditions.

Another approach is to fund the project on the basis of priority problem and trust that the research team will develop jointly a relevant and appropriate methodology - the original approach of this project.

A third approach requires an "initial" review through RIGC, with funding for planning only when the problem has sufficient priority. (other proposals would not be funded at all.) This procedure would permit the later project submission to include: (1) Mutual collaboration in project design; (2) Initial specification of both host country and U.S. funding; (3) specification of research methods and division of labor; (4) host country priority decisions and mission clearance. In effect, this transfers, for the "good" projects, some of the activity of the first year of the project (developing cooperative relationships) to the planning period, and does not necessarily delay the completion of the work.

AID-2-3 (6-64)  PASA BUDGET PLAN By Object Class	PARTICIPATING AGENCY SERVICE AGREEMENT  WITH: UNITED STATES DEPARTMENT OF AGRICULTURE ECONOMIC RESEARCH SERVICE BUDGET PLAN FOR FY <u>71</u>	AMOUNT: \$12,487 APPROPRIATION 72-1111006 ALLOTMENT 156-31-099-00-22-11	PASA CONTROL NO. PA(A)13-71 PROJECT NO. 931-17-190-533-72-3217573	Page <u>1</u> of <u>1</u> Pages
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Position	Class. Grade	FC Grade	Rate	Mon Days	Salary	Differential	11 TOTAL	12 Personnel Benefits	21 Int'l. Travel	22 Transportation of Things	TOTAL	
Personnel												
Ag. Economist (Arkinson)	15/7		29,099	28	\$3,134		3,134		\$2,150		\$5,284	
Ag. Economist (Walters)	15/1		24,251	15	1,399		1,399		1,870		3,269	
Ag. Economist (Kunkel)	12/1		15,040	28	1,620		1,620				1,620	
Stat. Ass't. (White)	7/6		10,012	15	577		577				577	
Stenographer (Almogner)	4/1		6,202	10	238		238				238	
Benefits (Total)								578			578	
											TOTAL \$11,566	
Travel: 2 tickets with excess baggage (Washington-Manila-Washington) Per Diem 56 days @ \$20							\$2,900 \$1,120					
								23 Rent, Communications, Utilities				
								26 Supplies and Materials			50	
								31 Equipment				
								Overhead <u>7.5</u> %			<u>871</u>	
*Estimated Per Diem:											GRAND TOTAL \$12,487	

AID 2-2 (10-67)	<b>PARTICIPATING AGENCY SERVICE AGREEMENT</b> BETWEEN THE <b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b> AND THE <b>U. S. Department of Agriculture</b> <b>Economic Research Service</b>	1. PASA CONTROL NO. <b>RA(AJ) 13-71</b> <input type="checkbox"/> ORIGINAL OR AMENDMENT NO. <u>1</u>
		2. PIO/T NO. <b>931-17-190-533-72-3127558</b> 3. AMOUNT <b>\$12,472</b> <b>FY 1972</b>
4. SERVICE TO BE CHARGED TO: ALLOTMENT: <b>256-31-099-00-22-21</b> APPROPRIATION: <b>72-1121036</b>	5. SERVICE TO BE RENDERED IN: <b>U.S. and the Philippines</b>	6. DATE SERVICES TO TERMINATE (MO., DAY, YR.): <b>10/ 1/71</b>

7. TITLE OF PURPOSE:  
**Agricultural Diversification and Trade**

8. TYPE SERVICE:     PROJECT     STAFF

TECHNICAL ASSISTANCE     RESEARCH     OTHER (SPECIFY): **TDY**  
 ASSIGNMENT     DETAIL (REIMB.)     DETAIL (NON-REIMB.)

9. PROVISIONS:

ORIGINAL - PURSUANT TO SECTION 632(B) OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, THE AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.) REQUESTS AND THE PARTICIPATING AGENCY SPECIFIED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN THIS AGREEMENT. THE SCOPE OF WORK TO BE PERFORMED AND THE COSTS FOR WHICH A.I.D. WILL REIMBURSE THE PARTICIPATING AGENCY ARE SET FORTH IN APPENDICES TO THIS AGREEMENT. THE CONDITIONS GOVERNING THE IMPLEMENTATION OF THIS AGREEMENT ARE CONTAINED IN

THE GENERAL AGREEMENT BETWEEN THE TWO AGENCIES DATED: February 15, 1966

APPENDIX A & B TO THIS PASA, AND/OR  A.I.D. ISSUANCES M.O. 240 Series; M.O. 416.6; M.O. 610.4.

AMENDMENT - THIS AMENDMENT TO PASA NO. PA(AJ) 13-71    PIO/T NO. 931-17-190-533-72-3127558  
 DATED 5/1/71 IS FOR THE PURPOSE OF:

CHANGING SCOPE OF WORK     INCREASING FUNDS     DECREASING FUNDS     OTHER (SPECIFY):  
 PROVIDING OR  REVISING WORK PLAN FOR FY 72     PROVIDING OR  REVISING BUDGET PLAN FOR FY 72     PROVIDING FUNDS FOR CONTINUED SERVICE IN FY 72

**FUNDING EXPLANATION:**

Total funds obligated prior years (FY 1971)    \$12,487  
 Current (FY 1972) funding    \$12,472

The level of activity and funding set forth in this PASA and Appendices has been negotiated pursuant to AID/TAB's present projections, but prior to passage of the FY 1972 Appropriation Bill for AID. In the event Congress fails to appropriate funds in line with our projections, a revision of this Pasa may be necessary.

Funding is provided to cover project costs until 1 October 1971 at which time the project will be reviewed by RAC and decision will be made on future project funding.

10. THE FOLLOWING APPENDICES ARE ATTACHED HERETO AND MADE PART OF THIS AGREEMENT:			11. NEGOTIATING OFFICERS: AID * TA/AGF: <u>LHitt</u> TA/FR: <u>Knights</u> PARTICIPATING AGENCY <u>USDA/ERS: John Schaub</u>
APPENDIX	TITLE	NO. OF PGS.	
A	PIO/T 931-17-190-533	1	
B	PASA Budget Plan for FY 72	1	

12. APPROVED FOR: <u>U. S. Department of Agriculture</u> SIGNATURE: <u>[Signature]</u> TITLE: <u>[Title]</u> DATE: <u>[Date]</u>	APPROVED FOR: AGENCY FOR INTERNATIONAL DEVELOPMENT SIGNATURE: <u>[Signature]</u> TITLE: <u>Assoc. Asst. Administrator</u> DATE: <u>[Date]</u>
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AID 1950-1X (8-70)  PIO/T	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT  PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1. Cooperating Country Morocco	3/6 250	Page 1 of 1 Pages	
		2. PID No. 931-17-190-533- 72-2127558		3. <input checked="" type="checkbox"/> Original or Amendment No. _____	
		4. Project Activity No. and Title 931-17-190-533-72 Agricultural Diversification and Trade			

DISTRIBUTION	5. Appropriation Symbol 72-1121006	6.A. Allotment Symbol and Course 256-31-(99-00-22-21	6.B. Funds Allotted to: <input checked="" type="checkbox"/> A.I.D. <input type="checkbox"/> Other																																			
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Subobligation		7. Funding Period (Mo., Day, Yr.) From 7/1/71 to 10/1/71																																			
	8.A. Service to Start (Mo., Day, Yr.) Between 7/1/71 and 10/1/71		8.B. Completion Date of Services (Mo., Day, Yr.) 10/1/71																																			
	10.A. Type of Action <input type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Country Contract <input checked="" type="checkbox"/> Participating Agency <input type="checkbox"/> Other <input type="checkbox"/> Service Agreement																																					
	10.B. Authorized Agent AID/W through USDA/Economic Research Service PISA Ref: RA(AI) 13-71																																					
	<table border="1"> <thead> <tr> <th colspan="2">Estimated Financing</th> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> </tr> <tr> <th colspan="2"></th> <th>Previous Total</th> <th>Increase</th> <th>Decrease</th> <th>Total to Date</th> </tr> </thead> <tbody> <tr> <td rowspan="2">11. Maximum A.I.D. Financing</td> <td>A. Dollars</td> <td></td> <td>\$12,472</td> <td></td> <td>\$12,472</td> </tr> <tr> <td>B. U.S.-Owned Local Currency</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="2">12. Cooperating Country Contributions</td> <td>A. Counterpart</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>B. Other</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Estimated Financing		(1)	(2)	(3)	(4)			Previous Total	Increase	Decrease	Total to Date	11. Maximum A.I.D. Financing	A. Dollars		\$12,472		\$12,472	B. U.S.-Owned Local Currency					12. Cooperating Country Contributions	A. Counterpart					B. Other			
Estimated Financing		(1)	(2)	(3)	(4)																																	
		Previous Total	Increase	Decrease	Total to Date																																	
11. Maximum A.I.D. Financing	A. Dollars		\$12,472		\$12,472																																	
	B. U.S.-Owned Local Currency																																					
12. Cooperating Country Contributions	A. Counterpart																																					
	B. Other																																					

13. Mission References

24. Instructions to Authorized Agent  
This PIO/T provides FY72 funding to continue this project under PISA RA(AI) 71 with USDA/ERS to develop specific cooperative research projects in selected developing countries. This final phase of the project is scheduled for completion on 1 October 1971 at which time research proposals and country work plans will be reviewed by RIG and a decision on future funding will be made. All other conditions of the PISA RA(AI) 13-71 as stated in PIO/T 931-17-190-533-72-2117573 dated 5/1/71 remain the same.

15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate	B. Funds for the services requested are available
C. The scope of work lies within the purview of the initiating office and approved Agency Programs	D.
E.	

BEST AVAILABLE COPY

16. This form is to be filled out by the office of origin. The information is to be used for:

17. Date: \_\_\_\_\_

18. Title: \_\_\_\_\_

APPENDIX B

PARTICIPATING AGENCY SERVICE AGREEMENT WITH: UNITED STATES DEPARTMENT OF AGRICULTURE ECONOMIC RESEARCH SERVICE BUDGET PLAN FOR FY 72	AMOUNT: \$12,487 APPROPRIATION 72-1121006 ALLOTMENT 256-31-099-00-22-21	PASA CONTROL NO. RA(A) 13-71 PIA/T NO. 931-17-190-533-72-312753	Page 1 of 1

	Class. Grade	FC Grade	Rate	Days	Salary	Differ- ential	11 TOTAL	12 Personal Benefits	21 Int'l. Travel	22 Transportation of Things	TOTAL
Ag. Scientist (12/10)	15/7		29,009	54	6,048		6,048				6,048
Econ. Asst. (12/10)	9/7		11,517	54	2,376		2,376				2,376
Stat. Asst. (12/10)	7/6		10,012	51	1,989		1,989				1,989
Secretary (12/10)	6/3		8,234	10	320		320				320
Benefits (Total)								869			869

TOTAL \$11,602

23 Rent, Communications, Utilities \_\_\_\_\_

26 Supplies and Materials \_\_\_\_\_

31 Equipment \_\_\_\_\_

Overhead 7.5% \$70

GRAND TOTAL \$12,472

*Felix*

AID 27 (13-71)	<b>PARTICIPATING AGENCY SERVICE AGREEMENT</b> BETWEEN THE <b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b> AND THE <b>U.S. Department of Agriculture</b> <b>Economic Research Service</b>	1. ASA CONTROL NO. RA(AJ) 13-71
		<input type="checkbox"/> ORIGINAL OR AMENDMENT NO. <u>2</u>
		2. PIO/T NO. 931-17-190-533-72-3127558-A1
3. AMOUNT Increase of \$7.45 to Total of \$1,111,111.11		4. SERVICE TO BE CHARGED TO: ALLOTMENT: 251-31-099-00-22-21 APPROPRIATION: 72-1121004
5. SERVICE TO BE RENDERED IN: U.S. & the Philippines		6. DATE SERVICES TO TERMINATE (MO., DAY, YR.) 6/30/72
7. TITLE OF PROJECT:		

**Agricultural Diversification and Trade**

8. TYPE SERVICE: <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> STAFF
<input type="checkbox"/> TECHNICAL ASSISTANCE <input checked="" type="checkbox"/> RESEARCH <input checked="" type="checkbox"/> OTHER (SPECIFY): <u>TDY</u> <input type="checkbox"/> ASSIGNMENT <input checked="" type="checkbox"/> DETAIL (REIMB.) <input type="checkbox"/> DETAIL (NON-REIMB.)

9. PROVISIONS:

ORIGINAL - PURSUANT TO SECTION 552(B) OF THE FOREIGN ASSISTANCE ACT OF 1951, AS AMENDED, THE AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.) REQUESTS AND THE PARTICIPATING AGENCY SPECIFIED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN THIS AGREEMENT. THE SCOPE OF WORK TO BE PERFORMED AND THE COSTS FOR WHICH A.I.D. WILL REIMBURSE THE PARTICIPATING AGENCY ARE SET FORTH IN APPENDICES TO THIS AGREEMENT. THE CONDITIONS GOVERNING THE IMPLEMENTATION OF THIS AGREEMENT ARE CONTAINED IN

THE GENERAL AGREEMENT BETWEEN THE TWO AGENCIES DATED: February 15, 1966  
 APPENDIX A, B, & C TO THIS PASA, AND/OR  A.I.D. ISSUANCES M.O. 240 Series: M.O. 416.6; M.O. 610.4, M.O. 191.11.

AMENDMENT - THIS AMENDMENT TO PASA NO. RA(AJ) 13-71 PIO/T NO. 931-17-190-533-72-3127558 DATED 5/1/72 IS FOR THE PURPOSE OF:

CHANGING SCOPE OF WORK  INCREASING FUNDS  DECREASING FUNDS  OTHER (SPECIFY):  
 PROVIDING OR  REVISING  PROVIDING OR  REVISING BUDGET PLAN FOR FY 72  
 WORK PLAN FOR FY 72  PROVIDING FUNDS FOR CONTINUED SERVICE IN FY 72

**FUNDING REVISIONS:**  
 Total funds obligated prior years (FY 1971) \$12,487  
 Current (FY 1972) funding \$39,907

The level of activity and funding set forth in this PASA and Appendices has been negotiated pursuant to AID/TAB's present projections. In the event that either sufficient funds are not appropriated or allocated in line with our projections, a revision of this PASA may be necessary.

Funding is provided to cover project costs until June 30, 1972.

10. THE FOLLOWING APPENDICES ARE ATTACHED HERETO AND MADE PART OF THIS AGREEMENT:			11. NEGOTIATING OFFICER: AID TA/NER: <i>[Signature]</i> TA/EM: <i>[Signature]</i> PARTICIPATING AGENCY USDA/ERS: <i>[Signature]</i>
APPENDIX	TITLE	NO. OF PGS.	
A	PIO/T 931-17-190-533-72-3127558-A1	6	
B	PASA Budget Plan for FY72 (Revised 2/15/72)	2	
C	Plan of Work	2	

12. APPROVED FOR: U.S. Department of Agriculture	APPROVED FOR: AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: <i>[Signature]</i>	SIGNATURE: <i>[Signature]</i>
TITLE: <i>[Title]</i>	TITLE: Assoc. Ass't. Administrator
DATE: <i>[Date]</i>	DATE: <i>[Date]</i>

DEPARTMENT OF STATE  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

PIO/T

PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country  
PHILIPPINES

2. AID Contract No. 12-71-12755

3.  Original or  
Amendment No. \_\_\_\_\_

4. Project/Activity No. and Title

Agricultural Diversification and Trade

DISTRIBUTION

5. A. Distribution Symbol

6. A. Allotment Symbol and Charge

6. B. Funds Allotted to:

A.I.D.  Other

7. Obligation Status

Administrative Reservation

Obligation

8. Reporting Period (From, To, Yr.)

From \_\_\_\_\_ To \_\_\_\_\_

9. A. Period of Performance (Day, Yr.)

Between \_\_\_\_\_ and \_\_\_\_\_

9. B. Completion Calendar Period (Day, Day, Yr.)

10. A. Type of Action

Cooperating

Participating Agency

Grant

A.I.D. Contract

Country Contract

Service Agreement

10. B. Authorized Agent

W. J. Brennan, USAID Economic Research Service RA(57) 12-71-12

Estimated Financing

\$1,000 +

11. Maximum A.I.D. Financing

A. Dollars

(1) Previous Total \$2,472

(2) Increase \$27,435

(3) Decrease

(4) Total to Date

\$29,907

12. Cooperating Country Contributions

A. Counterpart

PHILIPPINES

B. Other

13. Mission References

14. Instructions to Authorized Agent

PHILIPPINES (O. 1) is succeeded by the following instructions to the authorized agent: This PIO/T provides FY72 funding to continue this project under RA(57) 12-71-12755 with USAID to develop a specific comparative research schedule in the Philippines and possibly other developing countries. The planning phase of this project was substantially completed by 1 October 1971 and will be fully completed before April 1, 1972, at which time the attached new research proposal will be submitted for review. (See Appendix C hereto) will have been reviewed by WAC and a decision on future funding will have been made.

(Continued on Page 2)

15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate

DA/SER, L. Hilt

Date: \_\_\_\_\_

B. Funds for the services requested are available

DA/FA Funds Control

Date: \_\_\_\_\_

DA/FA L. Knight

C. The scope of work lies within the purview of the initiating office and

DA/Agency Programs

Date: \_\_\_\_\_

DA/Agency Programs

Date: \_\_\_\_\_

DA/Agency Programs

DA/Agency Programs

Date: \_\_\_\_\_

DA/Agency Programs

Date: \_\_\_\_\_

DA/Agency Programs

Date: \_\_\_\_\_

DA/Agency Programs

Date: \_\_\_\_\_

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to

Signature and date:

Title:

17. For the Agency for International Development

Signature:

Title:

**SCOPE OF WORK**

- 10. Scope of Technical Services**
- A. Objective for which the Technical Services are to be Used** Services to be performed by the USDA, ERS under this PASA will consist of developing specific cooperative research relationships with the (Continued on page 6)
- B. Description**  
Studies and evaluation of existing data will be made in the following six problem areas during the first Phase (I) of the project activity:
1. Farm surveys
  2. Actual experience and planned programs on crop diversification
  3. Identification of homogeneous, agro-economic regions within the Philippines
  4. Supply response studies

(Continued on page 6)

**C. Technicians**

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months)
1	Ag. Economist	GS-15/7	65 man days
1	Ag. Economist	GS-12/2	65 man days
1	Sec. Steno.	GS-6/4	22 man days
1	Stat. Clerk	GS-7/6	44 man days

(2) Duty Post and Duration of Technicians' Services  
U.S. and Philippines

(3) Language requirements  
None

(4) Access to Classified Information  
N/A

(5) Dependents  Will  Will Not Be Permitted to Accompany Technician

**D. Financing of Technical Services**

(1) By AID - \$ 27,435

(2) By Cooperating Country -

AID 1525-114 (9-70) PIO/T	Cooperating Country Worldwide	PIO/T No. 937-1, 19 33-72 3127558 -A1	Page 3 of 6 Pages
Project/Activity No. and Title Agricultural Diversification and Trade PASA PA(AJ)13-71-A2			

20. Equipment and supplies (limited to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
None			

B. Financing of Equipment and Supplies  
 (1) By AID - \$ -  
 (2) By Cooperating Country - -

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) (PASA Implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify):  
 Advance clearances must be obtained from AID/TA/AGR, appropriate Regional Bureaus and overseas Missions before any overseas travel is undertaken or any commitments are made involving such travel.

AID 1320-1X (8-70)	Cooperating Country Worldwide	PIO/T No. 031-17-13-533 72-3127558-A1	Page 4 of 6 pages
PIO/T	Project/Activity No. and Title Agricultural Diversification and Trade PASA RA(AJ)13-71-A2		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

Thirty five copies of an Annual Report of the Studies conducted under Phase I of this activity shall be provided to TA/AGR by July 31, 1972. Its format shall conform to the attached "Guidelines for the preparation of the Research Annual Report, January 20, 1972" (Appendix B)

Quarterly Participating Agency Accrued Expenditure Reports pursuant to Participating Agency Notice No. 71 and M.O. 1531.1. In addition to copies of report to be submitted to A/CONT/C/ACC, A.I.D./W (see para III of P.A. Notice No. 71) and M.O. 1531.1, one copy to be submitted to A.I.D./W, Attention: PASA Officer, Technical Assistance Bureau (TA/FX).

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

Available in TA/AGR, USAID/Manila and agencies of the Government of the Philippines.

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

**A. Relationships and Responsibilities**

The PASA team will work in cooperation with USAID/Philippines and appropriate officials of the Government of the Philippines. USDA/ERS will coordinate all plans through the A.I.D./W TA/AGR Project Manager.

**B. Cooperating Country Liaison Official**

USAID/Manila Director and Food and Agriculture Officer.

**C. AID Liaison Officials**

TA/AGR, A. Costa

**LOGISTIC SUPPORT**

25. Provisions for Logistic Support		In Kind Supplied By		From Local Currency Supplied By	
		AID	Cooperating Country	AID	Cooperating Country
A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")					
	(1) Office Space				
	(2) Office Equipment				
	(3) Utilities and Office				
	(4) Furniture				
	(5) Household Equipment (Stoves, Refriger., etc.)				
	(6) Transportation in Cooperating Country				
	(7) International Services				
Other: (Specify)	(8)				
	(9)				
	(10)				
	(11)				
	(12)				
	(13)				
	(14)				
	(15)				

B. Additional Facilities Available From Other Sources

Logistic support by Mission and Government of Philippines to be determined subject to availability.

C. Comments

CONTINUATION SHEET

DEPARTMENT OF STATE  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

Worksheet  List

PAGE 6 OF 6 PAGES

FORM SYMBOL

TITLE OF FORM

PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country  
Worldwide

2.a. Code No.

2.b. Effective Date

2.c.  Original OR Amendment  
No. \_\_\_\_\_

3. Project/Activity No. and Title

Agricultural Diversification and Trade  
PASA RA(AJ)13-71-A2

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

Block 1:  
(Cont'd)

The issuance of this PIO/T Amendment No. 1 together with the signing for AID of PASA RA(AJ) 13-71 Amendment No. 2, will confirm RAC's approval of the funding provided for in this PIO/T amendment. All other conditions of PASA RA(AJ) 13-71 as stated in PIO/T # 931-17-190-533-72-3117573, dated 5/1/71, remain the same.

Block 19A  
(Cont'd)

Government of the Philippines to intensively study and evaluate data for the purpose of determining governmental policies and options in the field of diversification of agricultural production and trade.

Block 19B  
(Cont'd)

- 5. Special industry studies
- 6. Demand and market studies

This work to be accomplished in approximately three months, will provide a sound basis for determining priority needs for additional research and data collection in this area during Phase II to be conducted in FY73. (See attached Plan of Work - Appendix C to PASA RA(AJ)13-71-A2.

**ERS/Philippines - Agricultural Diversification and Trade**Plan of Work

This research project began on February 1, 1972, as soon as the National Research Development Board approved funding of the Philippine inputs. The ERS component will begin as soon as the approval procedure in AID/W is completed, with the target date no later than April 1.

The PIO/T will cover Phase 1, about three months, and the beginning of Phase 2.

Phase 1 consists of an intensive study and evaluation of the existing data focusing on six problem areas:

1. Farm surveys
2. Actual experience and planned programs on crop diversification
3. The identification of homogeneous, agro-economic regions within the Philippines
4. Supply response studies
5. Special industry studies
6. Demand and market studies

By the end of this period this review will provide a sound basis for determining the priority needs for additional research and data collection.

Phase 2. Evaluation of initial studies, establishing special research projects and preliminary macro-analysis.

Early in this phase a research workshop will be organized to review the suggested areas of research and advise on priority research areas and procedures. Specific research responsibilities will be assigned. The operational research parts of

Phase 2 and preliminary macro-economic study largely will occur during FY 73.

The research workshop is scheduled for June 1972, and included in this PIO/T. It is possible that strategic individuals will have time conflicts which enforce a later date. This will be clear by early May; if the timing is unsatisfactory, the \$5,000 designated for the workshop would be released in FY 72 and reinstated for early FY 73.

APPENDIX B

AID-2-3 (6-64)  F. A. BUDGET PLAN .. Subject Class	PARTICIPATING AGENCY SERVICE AGREEMENT  WITH: UNITED STATES DEPARTMENT OF AGRICULTURE ECONOMIC RESEARCH SERVICE Part 1 of BUDGET PLAN FOR FY <u>72</u>	AMOUNT \$39,907** APPROPRIATION 72-1121004 ALLOTMENT 254-31-099-00-22-21	PASA CONTROL NO. RA(AJ) 13-71- A1 and A2	Page <u>1</u> of <u>2</u> Pages
			PICY NO. 931-17-190-533-72-3127558 and Addt.	

(July 1, 1971 to March 20, 1972)

Position	Class. Grade	FC Grade	Rate	Man Days	Salary	Differ- ential	11 TOTAL	12 Personnel Benefits	21 Int'l. Travel	22 Transpor- tation of Things	TOTAL
<u>Personnel</u>											
Ag. Economist (Attrition)	15/7		29,009	54	6,048		6,048				6,048
Economist (Detail)	9/7		11,517	54	2,376		2,376				2,376
Stat. Asst. (Detail)	7/6		10,012	51	1,989		1,989				1,989
Secretary (Secret)	6/3		8,234	10	320		320				320
Benefits (Total)								869			869

TOTAL \$11,602

- 23 Rent, Communications, Utilities \_\_\_\_\_
- 26 Supplies and Materials \_\_\_\_\_
- 31 Equipment \_\_\_\_\_

Refer to Page 2 of this Revised Budget Plan under Grand Total.

Overhead 7.5 % 870

GRAND TOTAL \$12,472

APPENDIX B

AID-2-3 (1972) PASA BUDGET PLAN By Subject Class	PARTICIPATING AGENCY SERVICE AGREEMENT WITH: UNITED STATES DEPARTMENT OF AGRICULTURE ECONOMIC RESEARCH SERVICE Part 2 of BUDGET PLAN FOR FY <u>72</u>	AMOUNT: <u>\$39,907</u>	PASA CONTROL NO.	Page <u>2</u>
		APPROPRIATION <u>72-1121004</u>	Amendment 2 RA(AJ) 13-71	of <u>2</u> Pages
		ALLOTMENT <u>254-31-099-00-22-21</u>	PROJECT NO. <u>931-17-190-533-72-3127558 (A1)</u>	

Position	Class. Grade	FC Grade	Rate	Man Days	Salary <sup>1/</sup>	(10%) Differential	11	12	21	22	TOTAL
							TOTAL	Personnel Benefits	Int'l. Travel	Transportation of Things	
Ag. Economist (Atkinson)	15/7		30,701	65	9,180	415	9,595	645	3,320	-	\$13,560
Ag. Economist (Kunkel)	12/2		16,395	65	4,905	220	5,125	345	2,720	-	8,190
Sec. Steno. (Barnes)	6/4		8,969	22	910	-	910	65	-	-	975
Stat. Clerk	7/6		10,563	44	2,145	-	2,145	150	-	-	<u>2,295</u>
TOTAL											\$25,020

OC-25 Data Processing 500

<sup>1/</sup> Includes leave factor

TOTAL	_____
23 Rent, Communications, Utilities	_____
26 Supplies and Materials	_____
31 Equipment	_____
Overhead <u>7.5</u> %	1,915
Sub Total	<u>27,435</u>
Sub Total (Page 1)	<u>12,472</u>
Grand Total	<u>\$39,907</u>

Estimated Total \$3,010

AID 1-2-64

# PARTICIPATING AGENCY SERVICE AGREEMENT BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE

PASA

U.S. Department of Agriculture  
Economic Research Service

PASA CONTROL NO.  
PA(AJ) 13-71

ORIGINAL OR AMENDMENT NO. 3

2. PIO/T NO.  
931-17-190-533-72

3. AMOUNT  
\$120,000 FY 1973

4. SERVICE TO BE CHARGED TO:  
ALLOTMENT: 354-31-099-00-22-31  
APPROPRIATION: 72-1131004

5. SERVICE TO BE RENDERED IN:  
U.S. & the Philippines

6. DATE SERVICES TO  
TERMINATE (MO. DAY, YR.)  
6/30/73

7. TITLE OF PURPOSE:

AGRICULTURAL DIVERSIFICATION AND TRADE

8. TYPE SERVICE:  PROJECT  STAFF  
 TECHNICAL ASSISTANCE  RESEARCH  OTHER (SPECIFY): TDY  
 ASSIGNMENT  DETAIL (REIMB.)  DETAIL (NON-REIMB.)

9. PROVISIONS:

ORIGINAL - PURSUANT TO SECTION 632(B) OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, THE AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.) REQUESTS AND THE PARTICIPATING AGENCY SPECIFIED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN THIS AGREEMENT. THE SCOPE OF WORK TO BE PERFORMED AND THE COSTS FOR WHICH A.I.D. WILL REIMBURSE THE PARTICIPATING AGENCY ARE SET FORTH IN APPENDICES TO THIS AGREEMENT. THE CONDITIONS GOVERNING THE IMPLEMENTATION OF THIS AGREEMENT ARE CONTAINED IN

THE GENERAL AGREEMENT BETWEEN THE TWO AGENCIES DATED: February 16, 1966  
 APPENDIX A & B TO THIS PASA, AND/OR  A.I.D. ISSUANCES M.O. 210 Series; M.O. 416.6; M.O. 610.4

AMENDMENT - THIS AMENDMENT TO PASA NO. PA(AJ)12-7142 DATED 4/11/72 IS FOR THE PURPOSE OF:  
 CHANGING SCOPE OF WORK  INCREASING FUNDS  DECREASING FUNDS  OTHER (SPECIFY)  
 PROVIDING OR  REVISING WORK PLAN FOR FY 73  PROVIDING OR  REVISING BUDGET PLAN FOR FY 73  
 PROVIDING FUNDS FOR CONTINUED SERVICE IN FY 73

**Funding Explanation:** Total funds obligated prior years (FY 71 & FY 72) for planning - \$24,959; FY 72 for implementation \$27,435. Current FY 73 funding \$120,000. The level of activity and funding set forth in this PASA and appendices have been negotiated pursuant to AID/TAB's present projection. In the event that sufficient funds are neither appropriated nor allocated in line with our projections, a revision of this PASA may be necessary. Funding is provided to partially cover costs until June 30, 1973. An additional \$4,125 will be provided in a later PIO/T if funds are available, after review of progress by March 1, 1973.

10. THE FOLLOWING APPENDICES ARE ATTACHED HERETO AND MADE PART OF THIS AGREEMENT.

APPENDIX	TITLE	NO. OF PGS.
A	PIO/T	
B	PASA Budget Plan for FY 73	
C	Plan of Work for FY 73 & supporting documents	

11. NEGOTIATING OFFICER FOR PARTICIPATING AGENCY:  
AID  
CM/PAS, E. Rawson  
USDA - Harry W. [unclear]  
George [unclear]

12. APPROVED FOR:  
U. S. Department of Agriculture  
SIGNATURE: \_\_\_\_\_  
TITLE: Administrator, ERS  
DATE: \_\_\_\_\_

APPROVED FOR:  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
SIGNATURE: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

AIC-2-3 (8-64)  FASA BUDGET PLAN By Object Class	PARTICIPATING AGENCY SERVICE AGREEMENT  WITH:  U.S. Department of Agriculture  BUDGET PLAN FOR FY <u>1973</u>	AMOUNT: \$124,135	FASA CONTROL NO.
		APPROPRIATION	Page <u>    </u> RA(AJ) 13-71
		ALLOTMENT	of <u>    </u> Pages PIOT/NO.

Position	Class. Grade	FC Grade	Rate	Man Months	Salary	Differ- ential	11	12	21	22	TOTAL
							TOTAL	Personnel Benefits	Int'l.* Travel	Transpor- tation of Things	
Agr. Economist (Adminstr)	15/7	-	30,701	9	26,480	830	27,310	1,935	3,360 <u>1/</u>	-	32,605
Agr. Economist (Adminstr)	12/3	-	16,924	12	16,935	1,695	18,630	1,425	2,300	4,605	26,960
Agr. Economist (Specialist)	15/5	-	28,995	3	8,675	395	9,070	610	1,680 <u>1/</u>	-	11,360
Secy. Steno (Adminstr)	7/4	-	9,959	3	2,805	-	2,805	210	-	-	3,015
Local Technical Services	-	-	-	-	6,000	-	6,000	-	-	-	6,000

1/ In-country per diem to be cost of Mission; trips in excess of 30 days incountry

TOTAL 79,940

23 Rmt, Communications, Utilities	-
25 Data Processing	8,000
26 Supplies and Materials	-
27 Workshop	5,000
31 Equipment	-
32 Conference	15,000

Overhead 15 % 16,125

GRAND TOTAL 124,135

\*Estimated Per Diem: \$450

### Special Provisions

Three items in the budget totaling \$26,000 for local technical services, workshop, and conference are essentially field activities; and USAID/A.I.D. is of the view that funds for these activities should be reserved to USAID Philippines. The project manager, Arthur Coutu, is scheduled to visit the Philippines September/October 1972. He will review with Mission and Philippine counterparts the feasibility of the Mission assuming administrative responsibility for TA Bureau funded local support. His recommendations will be reviewed on his return and the PASA amended as necessary.

PARTICIPATING AGENCY SERVICE AGREEMENT  
BETWEEN THE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
AND THE  
U.S. Department of Agriculture

PASA

1. PROJECT/AMENDMENT NO. 4  
2. PIO/T NO. 931-17-190-533-72-3147551 & A-  
3. AMOUNT  
FY 1974: \$130,200

4. SERVICE TO BE CHARGED TO:  
ALLOTMENT: 454-31-099-00-22-41  
APPROPRIATION: 72-1141004  
5. SERVICE TO BE RENDERED IN:  
U.S. and Philippines  
6. DATE SERVICES TO TERMINATE (MO., DAY, YR.):  
March 31, 1975

7. TITLE OF PURPOSE:

Agricultural Diversification and Trade

BEST AVAILABLE COPY

8. TYPE SERVICE:  PROJECT  STAFF  
 TECHNICAL ASSISTANCE  RESEARCH  OTHER (SPECIFY):  
 ASSIGNMENT  DETAIL (REIMB.)  DETAIL (NON-REIMB.)

9. PROVISIONS:  
ORIGINAL - PURSUANT TO SECTION 632(B) OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, THE AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.) REQUESTS AND THE PARTICIPATING AGENCY SPECIFIED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN THIS AGREEMENT. THE SCOPE OF WORK TO BE PERFORMED AND THE COSTS FOR WHICH A.I.D. WILL REIMBURSE THE PARTICIPATING AGENCY ARE SET FORTH IN APPENDICES TO THIS AGREEMENT. THE CONDITIONS GOVERNING THE IMPLEMENTATION OF THIS AGREEMENT ARE CONTAINED IN  
 THE GENERAL AGREEMENT BETWEEN THE TWO AGENCIES DATED: February 15, 1966  
 APPENDIX A - E TO THIS PASA, AND/OR  A.I.D. ISSUANCES H.O. Series 240 and 416.6

AMENDMENT - THIS AMENDMENT TO PASA NO. RA(AJ)73-71, A-3, PIO/T NO. 931-17-190-533-72-3147551 DATED September 29, 1972 IS FOR THE PURPOSE OF:

CHANGING SCOPE OF WORK  INCREASING FUNDS  DECREASING FUNDS  OTHER (SPECIFY):  
 PROVIDING ~~ADDITIONAL~~ BUDGET PLAN FOR FY 74  
WORK PLAN FOR FY 74  PROVIDING FUNDS FOR CONTINUED SERVICE IN FY 74

Recapitulation of Authorized PASA Funding:

A. Current Funding FY 1974:		B. Total Funding:	
Previously Funded	- 0 -	FY 1971-72	\$ 52,394
Change	+ \$130,200	FY 1973	120,000
<u>Total FY 1974</u>	<u>\$130,200</u>	<u>FY 1974</u>	<u>\$130,200</u>

I. THE FOLLOWING APPENDICES ARE ATTACHED HERETO AND MADE PART OF THIS AGREEMENT:			II. NEGOTIATING OFFICERS:	
APPENDIX	TITLE	NO. OF PGS.	AID <i>2-1-71</i>	CM/TAB/WHILLER PARTICIPATING AGENCY USDA/ERS:GW/ldm <i>W</i>
A	Budget Plan FY 1974	1		
B	PIO/T 931-17-190-533-72-314755	5		
C	PIO/T 931-17-190-533-72-3147551, A-1	1		
D	Progress Report	5		
E	Work Plan	10		

APPROVED FOR:  
U.S. Department of Agriculture  
*[Signature]*  
TITLE:  
DATE:

APPROVED FOR:  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
*[Signature]*

AID-2-3

PASA  
BUDGET PLAN  
by  
Object Class

PARTICIPATING AGENCY SERVICE AGREEMENT

WITH:  
USDA

BUDGET PLAN FOR FY 1974

AMOUNT: \$130,200  
APPROPRIATION  
72-1141004  
ALLOTMENT

454-31-099-00-22-41

Philippines

PASA CONTROL NO.

RA(AJ) 13-71 A-4

PROJ. NO.

931-17-190-533-72-3147551

of 1 Pages

Position	Class. Grade	FC Grade	Rate	Mon Mos. <del>XXXX</del>	Salary	Differ- ential	11	12	21	22	TOTAL
							TOTAL	Personnel Benefits	Int'l. Travel	Transpor- tation of Things	
<b>Asst. Economists</b>											
J. Atkinson	15/8	----	34,857	12	34,190	310	34,500	2,905	6,315 <sup>1/</sup>	----	43,720
D. Kunkel	----	10/2	21,366	12	19,555	1,955	21,510	1,665	----	100 <sup>**</sup>	23,275
R. Stone	----	13/2	33,667	15 days	2,325	---	2,325	165	1,075 <sup>3/</sup>	----	3,565
AG Econ. Spec.	14/5	----	27,479	1	2,585	---	2,585	180	2,090 <sup>4/</sup>	----	4,855
Research Ass't. D. Morales	---	----	----	2	---	---	---	---	2,065 <sup>2/</sup>	----	2,065
Statist. Clerk	7/7	----	11,961	9	8,950	---	8,950	760	---	----	9,710
Secretary	7/5	----	11,297	6	5,650	---	5,650	480	---	----	6,130

TOTAL 93,320

The trips including incountry per diem. First trip 72 days, third trip 65 days  
per diem for intransit per diem and 10 das. Manila only. (Philippine National)  
Two trips - SAIG/MANILA/SAIGON, including incountry per diem.  
One trip - incountry per diem included.  
\$1,000 reserved for mission expenses. \$6,000 reserved for USDA and subject to  
overhead.

- 33 Rent, Communications, Utilities
- 25. Data Processing 12,000<sup>5/</sup>
- 26 Supplies and Materials
- 31 Equipment

Overhead 25 % 24,800

GRAND TOTAL 130,200

BEST AVAILABLE COPY

DEPARTMENT OF STATE  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

1. Cooperating Country  
Worldwide

PIO/T

PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

2. PIO/T No.

931-17-190-533-72-317555

3. Original or

Amendment No.

4. Project Activity No. and Title

Agricultural Diversification and Trade -  
USDA/ERS - RA(AJ) 13-71 - Philippines

DISTRIBUTION

5. Appropriation Symbol

72-1141004

6.A. Allotment Symbol and Charge

454-31-099-00-22-41

6.B. Funds Allotted to:

A.I.D.  Mission

7. Obligation Status

Administrative Reservation

Subobligation

8. Funding Period (Mo., Day, Yr.)

From 7/1/73 to 6/30/74

9.A. Service to Start (Mo., Day, Yr.)

Between July 1, 1973

and 9/30/73

9.B. Completion date of Services

(Mo., Day, Yr.)

3/31/75

10.A. Type of Action

A.I.D. Contract

Cooperating

Country Contract

Participating Agency

Service Agreement

Other

10.B. Authorized Agent

AID/W thru USDA: - RA(AJ) 13-71 A-4

Estimated Financing

\$1.00 =

(1)

Previous Total

(2)

Increase

(3)

Decrease

(4)

Total to Date

11.

Maximum  
A.I.D.  
Financing

A. Dollars

\$125,000

\$125,000

B. U.S.-Owned  
Local Currency

12.

Cooperating  
Country  
Contributions

A. Counterpart

B. Other

Mission  
References

14. Instructions to Authorized Agent

This PIO/T authorizes funds for services in FY 74.

These funds will be expended by USDA/ERS in cooperation with Philippine counterparts and USAID. Funds for this extension will be used to carry on the work specified in Block 19B. Funds allotted to USDA/ERS will support one long-term technician for 12 months, 10.5 man-months of TDY technician time with approximately 50% in Philippines and 50% in U.S. Supporting services are detailed in Appendix A.

(Continued on Page 5)

FUNDS RECEIVED BY

*all*

9/15/73

15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate

B. Funds for the services requested are available

TA/AGR, J. Caton

Date: 8/2/73

TA/PM, Mary Mozynski

Date: 9/5/73

The scope of work lies within the purview of the initiating office and approved Agency Programs

TA/AGR, O. Keller

Date: 8/2/73

TA/RIG, M. Rechcigl

Date: 9/15/73

TA/AGR, M. Gall

Date: 8/2/73

TA/AGR, J. Coriavo

Date: 8/2/73

16. For the cooperating country: The terms and conditions of financing are hereby accepted:

17. For the Agency for International Development

18. Date of Issuance

Signature and date:

Signature: James McDermott, TA/RIG

Title:

Title: *James McDermott*

ERO 1755-1X

PIO/T

Project Activity No. and Title

Agricultural Diversification &amp; Trade PASA RA(AJ)13-71

## SCOPE OF WORK

## 19. Scope of Technical Services

- A. Objective for which the Technical Services are to be Used Services to be performed by the USDA/ERS under this PASA will consist of cooperation with the Philippine Government in assisting to analyze data with the objective of determining effects and trade-offs of alternative national gov't. policies for Philippine agricultural production & trade.

B. Description  
Activities will be as follows:

1. Complete the Interregional production-marketing analysis for rice & expand to include corn & livestock as well as detailed info. from delineation of homogenous agro-economic areas.
2. By the end of 1974, complete a multiple product linear programming model that is representative of the majority of Philippine agriculture.
3. Complete development of a linear programming model that will show optimum size of farm that can be operated with family resources only.
4. Analysis of effects of uncertainty on farm income.
5. Regionalized analysis of integrated agricultural survey for 1971 wet season rice to develop relationships between yield, fertilizer and chemical use, including a cross-section regression analysis.

## C. Technicians

(1) (a) Number	(b) Specialized Field	(c) Grade and or Salary	(d) Duration of Assignment (Man-Months)
1	Ag. Economist - Kunkel	GS 12/3	12 mm
1	Ag. Economist - Atkinson	GS 15/7	12 mm
2	Sec/Steno	GS (7/7 & 7/5)	15 mm
1 or more	Ag. Economist(s) Specialists	GS 15/5	1.5 mm

## (2) Duty Post and Duration of Technicians' Services

U.S. &amp; Philippines

## (3) Language requirements

None

## (4) Access to Classified Information

N/A

(5) Dependents

 All All but

Are Permitted to Accompany assigned technician

## D. Financing of Technical Services

(1) By AID - \$ 125,000

BEST AVAILABLE COPY  
(2) By Cooperating Country

AID 1353-1X (B-701)	Cooperating Country Worldwide	PIO/T No.	Page 3 of 5 Pages
PIO/T	Project Activity No. and Title Agricultural Diversification & Trade PASA RA(AJ) 13-71		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

Thirty five copies of an Annual Report of the Studies conducted under Phase I of this activity shall be provided to TA/AGR by July 31, 1974. Its format shall conform to the attached "Guidelines for the preparation of the Research Annual Report, January 20, 1972".

Quarterly Participating Agency Accrued Expenditure Reports pursuant to Participating Agency Notice No. 71 and M.O. 1531.1, one copy to be submitted to AID/W.

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

Available in TA/AGR, USAID/Manila and agencies of the Government of the Philippines.

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

The PASA team will work in cooperation with USAID/Philippines and appropriate officials of the Government of the Philippines. USAID/ERS will coordinate all plans through the AID/W TA/AGR Project Manager.

BEST AVAILABLE COPY

B. Cooperating Country Liaison Official

C. AID Liaison Officials

USAID/Manila Director & Food & Agriculture Officer  
TA/AGR, Douglas D. Caton

AID 1352-1A 18-701	Cooperating Country Worldwide	PIO T No.	Page 4 of 5 Pages
PIO T	Project Activity No. and Title Agricultural Diversification & Trade PASA RA(AJ)13-71		

**LOGISTIC SUPPORT**

25. Provisions for Logistic Support  A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Cooperating Country
(1) Office Space	X	X		
(2) Office Equipment	X	X		
(3) Housing and Utilities	X			
(4) Furniture	X			
(5) Household Equipment, Groceries, etc.	X			
(6) Transportation in Cooperating Country	X	X	X	X
(7) Interpreter Services				
Other: (Specify)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

**B. Additional Facilities Available From Other Sources**

Mission and Government of Philippines shall provide all in-country logistical support. Mission and the Government of Philippines shall agree on form and proportions of logistical support to be provided by each, including in-country travel and per diem for long term technicians.

**C. Comments**

- A. This PIO/T is subject to AID PASA implementation regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Other (specify):  
Advance clearances must be obtained from the AID/TA/AGR project manager before any overseas travel is undertaken or any commitments are made involving such travel.

CONTINUATION SHEET

FORM SYMBOL

DEPARTMENT OF STATE  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

TITLE OF FORM  
  
PROJECT IMPLEMENTATION  
ORDER TECHNICAL  
SERVICES

Worksheet  Issuance

PAGE 5 OF 5 PAGES

1. Cooperating Country  
Worldwide

2.a. Code No.

2.b. Effective Date  
7/2/73

2.c.  Original CR  Amendment No.

3. Project Activity No. and Title  
Agricultural Diversification & Trade  
PASA FA(AJ)13-71

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA PR form.

Cont'd  
Block 14

This PIO/T provides \$125,000 as the second year funding of the project to carry out activities 1 through 5 in block 19B and outlined in Appendix C: First Annual Report to June 30, 1973 and Plan of Work from July 1, 1973 to June 30, 1974. The report proposes a sixth activity (item C, page 3 of the report): Demand-Price Agricultural Sector Analysis, but it is not approved for implementation by this PIO/T. Its approval as well as the future course of action for the project beyond FY 74 will be based upon an AID review to be conducted during February 1974.

AID-1350-1X  
(1-71)

DEPARTMENT OF STATE  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

PIO/T

PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country

Worldwide 3147551-A

Page 1 of 1 Pages

2. PIO/T No.

931-17-107-333-72-3147551

3.  Original or  
Amendment No. \_\_\_\_\_

4. Project/Activity No. and Title

Agricultural Diversification and Trade  
USDA/ERS-RA(AJ) 13-71-Philippines

DISTRIBUTION

5. Appropriation Symbol

72-1141004

6.A. Allotment Symbol and Charge

454-31-002-00-22-47

6.B. Funds Allotted to:

A.I.D.  Mission

7. Obligation Status

Administrative Reservation  Implementing Document

8. Funding Period (Mo., Day, Yr.)

From 7/1/74 To 6/30/75

9.A. Services to Start (Mo., Day, Yr.)

Between 7/1/74 and 6/30/75

9.B. Completion Date of Services  
(Mo., Day, Yr.)

3/31/75

10.A. Type of Action

A.I.D. Contract  Cooperating  
Country Contract  Participating Agency  
Service Agreement  Other

10.B. Authorized Agent

AID/TA/AGR/USDA/ERS-RA(AJ) 13-71

Estimated Financing

		(1)	(2)	(3)	(4)
		Previous Total	Increase	Decrease	Total to Date
\$1.00=					
11. Maximum A.I.D. Financing	A. Dollars	125,000	6,700		131,700
	B. U.S.-Owned Local Currency				
12. Cooperating Country Contributions	A. Counterpart				
	B. Other				

FUNDS RESERVED BY

POSTED

3. Mission References

14. Instructions to Authorized Agent

This Amendment #1 provides additional funds to USDA (RA(AJ) 13-71) to cover additional TDY and additional MI for one technician.

All other conditions remain the same.

Note: The resident technicians will remain in the field for 3 additional months requiring more salary, per diem and travel funds than originally planned. More TDY services than previously envisaged will require increased funding for travel and per diem.

15. References - Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate.

B. Funds for the services requested are available

TA/AGR, E. Caten Date: 11/20/74

C. The scope of work lies within the purview of the initiating and approved Agency Programs

D. TA/AGR, M. Gall Date: 11/20/74  
TA/AGR, J.B. Conroy Date: 11/20/74

TA/AGR, O.J. Kelley Date: 11/20/74

TA/AGR, M. Gall Date: 11/20/74

TA/AGR, J.B. Conroy Date: 11/20/74

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to

17. For the Agency for International Development

Signature and date

Title

Signature: [Signature]

Title: [Title]

Personnel and Activities

There was no change in ERS personnel assigned to ADAM, during the fiscal year with Atkinson and Kunkel on full-time assignments. Kunkel took up residence in the Philippines in December 1972. A short TDY visit was made by William Faught, and Richard Foote was a TDY consultant from Saigon for 3 weeks on a demand-price analysis for the principal agricultural products of the Philippines. For the year ahead, in addition to the proposed participation of Daly and Hoffman referred to above, arrangements are being completed for Fred Cook to help with the delineation of homogeneous agricultural areas and with Bill Bolton to assist in getting the programming model operational. Both will be drawing upon their recent experience with a similar model in Vietnam.

Among the Filipinos, there was little change in the 15 junior economists and clerical staff. For the intermediate level economists, who had some graduate level training and experience, the 3 employed at the beginning of the year left the project during the year. Two replacements were secured, and one of these became administrative officer, replacing the officer who was promoted to a position in other work of the BAECON. The BAECON economist who had been working on the linear programming analysis of the optimum size farm is now working in the ADAM group.

Of the senior staff directors and advisors, Professor Pedro Sandoval took a position abroad and was replaced by Professor Aida Librero.

A planning conference held in Davao City, Mindanao in December 1972 was very helpful. Some of the best informed Filipino economists attended, gave us searching criticism and suggestions, and have been engaged as consultants for the project.

A broader conference is scheduled during the next year to be held with the North Carolina State directed portion of the research being conducted in Latin America. Six or 8 participants from the Philippines and an equal number of Latins will attend perhaps in Washington, D.C. In addition to presenting results, attention will be focused on other approaches to agricultural sector analysis or agricultural development with participation from other agencies.

AID-2-3

PASA  
BUDGET PLAN  
By  
Object Class

PARTICIPATING AGENCY SERVICE AGREEMENT

WITH  
USAID

BUDGET PLAN FOR FY 1974

AMOUNT: \$131,650  
APPROPRIATION  
ALLOTMENT -

PASA CONTROL NO.

PA (AD) 12-71

Page 1

PIOT NO.

Position	Class. Grade	FC Grade	Rate	Mon Years	Mos Salary	Differential	11	12	21	22	TOTAL
							TOTAL	Personnel Benefits	Int'l. Travel	Transportation of Things	
J. Allison	15/18	-	34,557	12	34,190	310	34,500	2,905	6,315 <sup>1/</sup>	-	43,720
S. Hunsick	-	10/20	21,366	12	19,553	1,955	21,510	1,665	-	100	23,275
S. Longaker	-	-	-	2	-	-	-	-	2,065 <sup>2/</sup>	-	2,065
R. Foster	-	13/20	33,667	2/4	2,325	-	2,325	165	1,045 <sup>2/</sup>	-	3,535
Asst. Accountant	14/5	-	27,479	1	2,585	-	2,585	180	2,090 <sup>3/</sup>	-	4,855
Asst. Sec.	9/9	-	11,961	9	8,950	-	8,950	760	-	-	9,710
Secretary	9/5	-	11,297	6	5,630	-	5,630	480	-	-	6,130

<sup>1/</sup> Two trips including incountry per diem

<sup>2/</sup> Per diem for airtransit per diem and 1000. Manila only. (Philippine National).

<sup>3/</sup> Two trips - - SAIC/MADIRA/SAIC600, including incountry per diem.

<sup>4/</sup> One trip - - incountry per diem included.

TOTAL 93,320

23 Rent, Communications, Utilities -

25 Data Processing 12,000

26 Supplies and Materials -

31 Equipment -

Overhead 75 % 26,230

GRAND TOTAL 131,650

\*Estimated Per Diem: \$4,690

8-12/12/73

FASA BUDGET PLAN By Subject Class	PARTICIPATING AGENCY SERVICE AGREEMENT WITH USDA		UNIT \$125,000	FASA CONTROL NO.	Page
	BUDGET PLAN FOR FY <u>1974</u>		APPROPRIATION  ALLOTMENT	80(03)1371 PROJ. NO.	of Pages

Position	Class. Grade	FC Grade	Rate	Man/Years	20.4 Salary	10 Differential	11 TOTAL	12 Personnel Benefits	21 Int'l. Travel	22 Transportation of Things	TOTAL
Atkinson	15/8	-	34,557 <del>33,147</del>	9	30,462 30,000	310 385	31,212 30,385	2,657 2,805	3,500 <del>6,700 1/2</del>	-	37,000 39,000
Kunkel	-	9/6	20,412 <del>19,211</del>	12	20,150 18,880	2,010 -1,890	22,110 20,770	1,605 1,605	-	100	24,000 22,500 ✓
Agri. Econ. Spec.	15/5	-	32,631 30,486	1.5	4,315	-	4,315	370 650	1,115 2,365 1/2	-	6,000 7,000
White	7/7	-	11,316 <del>11,422</del>	9	10,465	-	10,465	730	-	-	11,000 ✓
Barnes	7/5	-	11,277 <del>10,788</del>	6	6,645	-	6,645	465	-	-	7,000 ✓

1/ All ~~allowing~~ per diem included ~~to the extent of housing, transport, and meal allowances~~

\* ~~3 months~~ at 1972 policy level and 4.7% raise

TOTAL	89,000
23 Rent, Communications, Utilities	7,000
25 Data Processing	12,000 ✓
26 Supplies and Materials	7,000
31 Equipment	7,000
Overhead <u>25</u> %	25,000

\* Estimated Per Diem: \$5,700

GRAND TOTAL 125,000

17

PASA  
BUDGET PLAN  
By  
Object Class

PARTICIPATING AGENCY SERVICE AGREEMENT

WITH:  
WASA

BUDGET PLAN FOR FY 1974

AMOUNT: \$ 154,375  
APPROPRIATION

PASA CONTROL NO.

ALLOTMENT

PIOT NO.

Position	Class Grade	FC Grade	Rate	Man Mos, Years	Salary	Differ- ential	11	12	21	22	TOTAL
							TOTAL	Personnel Benefits	Int'l. Travel	Transpor- tation of Things	
Operator	15/8	-	23,129	9 1/2	20,165	370	20,550	2,100	2,700 2/	-	27,350
Operator	-	9/6	19,211	12	13,850	1,890	26,740	1,605	-	100	28,445
Operator Spec. (1)	15/5	-	30,436	3	4,315	-	4,315	370	2,700 2/	-	7,385
Technician	7/7	-	11,422	9	10,465	-	10,465	730	-	-	11,195
Operator	7/5	-	10,788	6	6,645	-	6,645	465	-	-	7,110

NOT AVAILABLE COPY

TOTAL 154,375

1/ 40% - monthly period includes OPA's and Washington Times; telephone, travel factor included.

2/ All incoming from claims included

- 23 Rent, Communications, Utilities
- 25 Sales Processing 12,690
- 26 Supplies and Materials
- 31 Equipment

Overhead 2.5 % 44,890

GRAND TOTAL 209,265

\*Estimated Personnel: \$ 1,250

8/24/73

1. INITIAL STARTING DATE (Mo., Day, Yr.) May 1972		PASA PARTICIPATING AGENCY SERVICE AGREEMENT BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND U.S. DEPARTMENT OF AGRICULTURE	6. <input type="checkbox"/> PASA ORIGINAL <input checked="" type="checkbox"/> PASA AMENDMENT <u>5</u>	
2. ANTICIPATED COMPLETION DATE (Mo., Day, Yr.) June 30, 1976			7. PASA NUMBER RA(AG)13-71	
3. CATEGORY <input checked="" type="checkbox"/> TDY <input type="checkbox"/> ASSIGNED			8. COUNTRY PHILIPPINES	
4. DURATION OF FUNDING <input checked="" type="checkbox"/> CURRENT YEAR <input type="checkbox"/> FORWARD FUNDING		5. PROJECT NO. AND TITLE Agriculture Diversification and Trade		9. TYPE <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN
				10. YEAR FY 19 <u>75</u>

11. FUNDING			
A. CITATIONS	(1) APPROPRIATION NO. 72-11X1023	(2) ALLOTMENT NO. 402-31-099-00-22-51	(3) PIG/OBLIGATION NO. 921-17-190-533-73-9157568
B. FOR PARTICIPATING AGENCY	(1) INITIAL OR CURRENT	(2) CHANGE (+ OR -)	(3) NEW TOTAL \$97,391
C. RETAINED BY AID	(1) INITIAL OR CURRENT \$12,297	(2) CHANGE (+ OR -)	(3) NEW TOTAL \$12,297*
D. COSTS FOR PARTICIPATING AGENCY ONLY	(1) PRIOR YEAR (FOR CONTINUING PROJECTS) \$302,500	(2) FUTURE YEAR (INCLUDE CURRENT FUNDING BLOCKS B(1) OR B(3)) \$200,000	(3) ESTIMATED TOTAL \$502,500
E. PRINCIPAL COST COMPONENTS (BLOCK B)	(1) SALARIES, DIFFERENTIAL AND BENEFITS \$46,473	(2) TRANSPORTATION INCLUDING PER DIEM \$22,040	(3) OVERHEAD AND MISCELLANEOUS \$28,878

12. STATEMENT OF PURPOSE

A. Summary Description  
 The experience gained through this PASA is expected to be applicable to other LDCs. The project was initiated in February 1972 to assist the Philippine Government in analyzing data with the objective of determining the effects and trade-offs of alternative national governmental policies for Philippine agricultural production and trade. Since it was expected at that time that rice yields would increase tremendously with adoption of new high yielding varieties and improved technology it was decided that agricultural diversification was necessary to find alternative land uses for resources devoted to food grain production, increase farm income and provide additional foreign exchange. In order to properly identify the problem and propose effective solutions it was necessary 1) to gain an understanding of the internal competitive relationships among significant commodities and to determine diversification potentials, and 2) evaluate potential demand for selected commodities to compete in national, regional, or world markets.

\*Retained for Mission use for cost of computer time and in-country per diem as of April 1, 1975.

13. GOVERNING PROVISIONS: PURSUANT TO THE GENERAL AGREEMENT DATED Aug. 11, 1956 BETWEEN AID AND THE USAID, THE AGENCY NAMED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN BLOCK 20 AMPLIFIED AS NEEDED BY APPENDIX B. UNLESS OTHERWISE AUTHORIZED BY AID, ALL SERVICES SHALL BE OF U.S. COUNTRY. ALL APPENDICES ATTACHED HERETO ARE CONSIDERED PART OF THIS PASA.

14. SIGNATURES

NAME: <u>Melvin L. Olson</u>	NAME: <u>Edward Lawson</u>
TITLE/OFFICE: <u>Acting Deputy Administrator, ERS</u>	TITLE/OFFICE: <u>CHIEF, PARTICIPATING AGENCY STAFF CONTRACT MANAGEMENT, AIC</u>
DATE: <u>FEB 25 1975</u>	DATE: <u>Feb 25 1975</u>

15. APPROVALS

16. NEGOTIATING OFFICERS

AID: [Signature]  
 AGENCY: USAID/ERS: GRADENAI

BUDGET PLAN APPENDIX A  PAGE 1 of 1	PARTICIPATING AGENCY SERVICE AGREEMENT BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND the U.S. Department of Agriculture		1. PASA NO. RA (AG) 73-71	2. AMENDMENT NO. 5	3. FISCAL YEAR 1975	
			4. APPROPRIATION 72-11X1023	5. ALLOTMENT 402-31-099-00-22-51	6. AMOUNT CURRENTLY FUNDED \$97,391	
7. FUNDED BY	PIO/T-OBLIG. NO.	AMOUNT	PIO/T-OBLIG. NO.	AMOUNT	8. RELATED LOCAL SUPPORT PROVIDED BY AID	9. TRUST FUND
	231-17-190-533-73- 3157568	\$97,391				

10. PASA BUDGET PLAN - FUNDING		11. STAFFING			
DESCRIPTION	AMOUNT	NAME AND TITLE	GRADE	PERIOD CLASS/DAYS	AMOUNT
<b>A. PERSONNEL COSTS:</b>			FC		
SALARIES	\$41,180	Agri. Econ., Kunkel	10/02	260	\$22,202 1/2
BENEFITS ( 8.5 % OF SALARIES)	3,074	Consultants:	GS		
DIFFERENTIAL	2,219	Agri. Econ., Sharples	14/05	57	7,566 1/2
TRAVEL (EXPLAIN UNDER E)	17,050 2/	Agri. Econ., Fuchs	13/01	27	2,649 1/2
PER DIEM (EXPLAIN UNDER E)	4,990 3/	Agri. Econ., Edwards	15/07	19	3,015
MOVEMENT EFFECTS (INTERNATIONAL) (NORMALLY ONLY MOVEMENT TO POST)		Agri. Econ., Faught	15/08	23	3,873
MOVEMENTS/STORAGE OF EFFECTS (DOMESTIC)		Agri. Econ., Consultant	125/d	15	1,875
SUB-TOTAL	68,513				
<b>B. OTHER: (SPECIFY IN E BELOW)</b>	9,400 4/				
<b>C. OVERHEAD</b> <input type="checkbox"/> SALARIES & BENEFITS 25% <input type="checkbox"/> PERSONNEL COSTS <input type="checkbox"/> ALL COSTS	19,478				
<b>D. TOTAL INCLUDES</b> _____ TO BE FUNDED BY FUTURE PASA AMENDMENTS)	97,391				

E. EXPLANATORY COMMENTS  
 1/ Includes salary increase of 5.5%. 2/ International travel: Sharples - 2 rt Lafayette, Ind./Manila; Fuchs - 1 rt DC/Manila; Edwards - 1 rt DC/Manila; Faught - 1 rt DC/Manila; Keller (Ag. Econ., Univ. Tennessee) 1 rt Knoxville/Manila; Ag. Consultant - 1 rt Anas, Icom/Manila; Gonzales (Agri. Econ. Asst.) 1 rt Knoxville/Manila. Domestic: Sharples - 3 rt Lafayette/DC. 3/ In-transit per diem, in-country per diem, and miscell. travel expenses paid for following technicians, as USAID/Manila did not provide in-country per diem -- Sharples - \$1,400; Fuchs - \$1,040; Edwards - \$770; Faught - \$830. Domestic per diem -- Sharples - \$200. Beginning April 1, 1975, USAID/Manila will provide in-country per diem using funds reserved for that purpose in subject PIO# 4/ \$8,500 cost of computer files program system; \$700 Printing and Reproduction; \$200 Supplies and Materials.

BEST AVAILABLE COPY

<b>APPENDIX B</b> <b>SCOPE OF WORK</b> Page <u>1</u> of <u>2</u>	<b>PARTICIPATING AGENCY SERVICE AGREEMENT</b> Between <b>THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND</b> <b>U.S. DEPARTMENT OF AGRICULTURE</b>	<input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMEND 5 NO.
		PASA No.
		RA(AG) 13-71
		FISCAL YEAR 1975

Progress has already been made in developing a linear model covering the major crops and livestock products in seven regions for analyzing alternative production and market opportunities. A preliminary draft of the analytical framework has been completed and work on building the model is about half completed. Additional analysis using cross sectional data is underway for those commodities not included in the time series analysis. Also nearly completed is the analysis of prices and margins to provide input data for the programming model, as well as additional studies of farm-technology relations and fertilizer studies. As a result of Project reviews in Washington and Manila recommendations for utilizing more high-level technical consultants and developing plans for integrating the project into the regular work of the Bureau of Agricultural Economics, Philippine Department of Agriculture have been implemented. A termination date has also been set, namely June 30, 1976.

**B. Specific Scope of Work**

This PASA amendment funds 12 man months continued services of 1 resident agricultural Economist, FC-10, and provides for approximately 235 man days of consultant services. Specific activities will be complete:

1. Demand analysis and derive separable demand functions.
2. Development of national and regional production, marketing analytical model for relevant crop and livestock enterprises.
3. Preliminary validation runs of the model with selected policy alternatives, and
4. Preparation of data for base period analysis and for forecasts for 1980-1984.

In addition, plans will be developed for additional analysis and policy testing. Further details may be found in the research report dated July 30, 1974.

**C. Liaison and Guidance**

AID Liaison Official - TA/AGR, A. Minden.  
 USAID/Manila, Director and Food and Agriculture Officer.

The PASA team will work in cooperation with USAID/Manila and appropriate officials of the Government of the Philippines.

**D. Background Information**

Background information is available in AID/TA/AGR, USAID/Manila and agencies of the Government of the Philippines.

**E. Reports**

(1) Monthly status reports (35 copies) will be submitted to AID/TA/AGR by letter 22/1/74.

(2) An annual report of Activities (35 copies) will be submitted to AID/TA/AGR by July 1, 1974 and its format will conform to the "Guidelines for the preparation of the Research Annual Report of January 10, 1972."

APPENDIX B STATEMENT OF WORK <u>2 of 2</u>	<b>PARTICIPATING AGENCY SERVICE AGREEMENT</b> Between <b>THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND</b> <b>U.S. DEPARTMENT OF AGRICULTURE</b>	<input type="checkbox"/> ORIGINAL	<input checked="" type="checkbox"/> AMEND 5
		PASA No.	
		RA(AG)13-71	
		FISCAL YEAR	
		1975	

Logistic Support

The following logistic support will be provided jointly by USAID/Manila and GOP: space and equipment, and in-country transportation will be provided jointly in local currency.

USAID/Manila will provide Housing, utilities, furniture, and equipment.

USAID/Manila and GOP will agree on form and proportions of logistical support to be provided by each including in-country travel and per diem for long-term technicians.

International Travel

International travel originating in the U.S. must have prior approval of CM/PAS.

1. INITIAL STARTING DATE  
(Mo., Day, Yr.)

May 1972

2. PROJECTED COMPLETION DATE  
(Mo., Day, Yr.)  
September 30, 1976

3. CATEGORY  
 TOY  ASSIGNED

4. DURATION OF FUNDING  
 CURRENT YEAR  
 FORWARD FUNDING

11. FUNDING

A. CITATIONS		(1) APPROPRIATION NO. 72-11X1023	(2) ALLOTMENT NO. 402-31-099-00-22-61	(3) PID/T/OBLIGATION NO. 931-17-196-533-72-216750
B. FOR PARTICIPATING AGENCY	(1) INITIAL OR CURRENT	\$66,000	(2) CHANGE (+ OR -)	(3) NEW TOTAL \$66,000
	(1) INITIAL OR CURRENT	\$24,100	(2) CHANGE (+ OR -)	(3) NEW TOTAL \$24,100 **
D. TOTAL PROJECT COSTS FOR PARTICIPATING AGENCY ONLY		(1) PRIOR YEARS (FOR CONTINUING PROJECTS) \$400,000	(2) FUTURE YEAR (INCLUDE CURRENT FUNDING BLOCKS B(1) OR B(2)) \$85,000	(3) ESTIMATED TOTAL \$485,000
E. PRINCIPAL COST COMPONENTS (BLOCK B)		(1) SALARIES, DIFFERENTIAL AND BENEFITS \$45,014	(2) TRANSPORTATION INCLUDING PER DIEM \$8,375	(3) OVLHEAD AND MISCELLANEOUS \$14,611

12. STATEMENT OF PURPOSE

A. Summary Description

This project was initiated in 1972 to assist the Philippines Government to analyse data on agricultural and rural conditions to determine the effects and trade off gains and losses when utilizing alternative national policies for agricultural inputs, production and trade.

This PASA amendment provides continued funding for 12 man months service for one resident Agriculture Economist and consultant services as follows: 34 man days by an additional Agriculture Economist, and 38 man days by the Director, Foreign Development Division, Economic Research Service.

\*\* reserved for USAID/Manila to pay cost of return travel of Mr. Kunkel and family (wife & 2 children) \$2,750, in-transit and miscellaneous expenses \$600; return of HPE and POV Kunkel \$4,500; in-country per diem Edwards, approx. 34 days \$1,250. Note: Additional services by one Agriculture Economist, Mr. Sharples, for approx. 34 man days will be funded under PASA AG/PHL-259-1-76.

13. GOVERNING PROVISIONS: PURSUANT TO THE GENERAL AGREEMENT DATED Feb. 15, 1966 BETWEEN AID AND THE USA, THE AGENCY NAMED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN BLOCK 12 AMPLIFIED AS NEEDED BY APPENDIX B. UNLESS OTHERWISE AUTHORIZED BY AID, ALL SERVICES SHALL BE OF U.S. ORIGIN. ANY APPENDICES ATTACHED HERETO ARE CONSIDERED PART OF THIS PASA.

14. SIGNATURES

NAME: [Signature]  
TITLE/OFFICE: Deputy Administrator, ERS  
DATE: SEP 24 1975

NAME: [Signature]  
TITLE/OFFICE: CHIEF, PARTICIPATING AGENCY STAFF CONTRACT MANAGEMENT, AID  
DATE: 17 SEP 1975

15. APPENDICES

- APPENDIX A - BUDGET PLAN  
 APPENDIX B - SCOPE OF WORK  
 OTHER (Specify)

16. NEGOTIATING OFFICERS

AID: CM/PAS: [Signature]  
AGENCY: USDA/ERS: [Signature]

KPA - 1

931-17-90-533  
Tab Set - p. 29

1. INITIAL DATE OF SIGNING (Mo., Day, Yr.) <b>May 1972</b>		PASA <b>PARTICIPATING AGENCY SERVICE AGREEMENT</b> BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND <b>U.S. DEPARTMENT OF AGRICULTURE</b>		6. <input type="checkbox"/> PASA ORIGINAL <input checked="" type="checkbox"/> PASA AMENDMENT <u>1</u>	
7. PROJECTED COMPLETION DATE (Mo., Day, Yr.) <b>September 30, 1976</b>		8. COUNTRY <b>PHILIPPINES</b>		7. PASA NUMBER <b>AG/TAB-533-13-71</b>	
3. CATEGORY <input checked="" type="checkbox"/> TOY <input checked="" type="checkbox"/> ASSIGNED		5. PROJECT NO. AND TITLE <b>Agriculture Diversification and Trade - Asia</b>		9. TYPE <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	
4. DURATION OF FUNDING <input checked="" type="checkbox"/> CURRENT YEAR <input type="checkbox"/> FORWARD FUNDING				10. YEAR <b>FY 19 76</b>	

11. FUNDING			
A. CITATIONS	(1) APPROPRIATION NO. 72- 11X1023	(2) ALLOTMENT NO. 402-31-099-00-22-61	(3) PIO/T/OBLIGATION NO. 931-17-190-533-72-3167506
B. FOR PARTICIPATING AGENCY	(1) INITIAL OR CURRENT \$66,000	(2) CHANGE (+ OR -) + \$1,312	(3) NEW TOTAL \$67,312
C. RETAINED BY AID	(1) INITIAL OR CURRENT \$24,100	(2) CHANGE (+ OR -)	(3) NEW TOTAL \$24,100
D. TOTAL PROJECT COSTS FOR PARTICIPATING AGENCY ONLY	(1) PRIOR YEARS (FOR CONTINUING PROJECTS) \$400,000	(2) FUTURE YEAR (INCLUDE CURRENT FUNDING-BLOCKS B(1) OR B(3)) \$86,312	(3) ESTIMATED TOTAL \$486,312
E. PRINCIPAL COST COMPONENTS (BLOCK B)	(1) SALARIES, DIFFERENTIAL AND BENEFITS	(2) TRANSPORTATION INCLUDING PER DIEM	(3) OVERHEAD AND MISCELLANEOUS

12. STATEMENT OF PURPOSE

This PASA amendment provides \$1,050 for a maintenance contract with Haverly Systems, Denville, New Jersey plus \$262 for overhead to service computer equipment as requested by USAID/Manila.

Note: The amount reserved for USAID/Manila also includes \$15,000 for computer time in Manila.

All other provisions remain the same.

13. GOVERNING PROVISIONS: PURSUANT TO THE GENERAL AGREEMENT DATED Feb. 15, 1966 BETWEEN AID AND THE USDA, THE AGENCY NAMED ABOVE AGREES TO PROVIDE THE SERVICES OUTLINED IN BLOCK 12 AMPLIFIED AS NEEDED BY APPENDIX B. UNLESS OTHERWISE AUTHORIZED BY AID, ALL SERVICES SHALL BE OF U.S. ORIGIN. ANY APPENDICES ATTACHED HERETO ARE CONSIDERED PART OF THIS PASA.

14. SIGNATURES	
NAME: <u>Will C. Mohr</u> TITLE/OFFICE: <u>Acting Deputy Commissioner, ERS</u> DATE: <u>11-4-75</u>	NAME: <u>Edward Rawson</u> TITLE/OFFICE: <u>CHIEF, PARTICIPATING AGENCY STAFF CONTRACT MANAGEMENT, AID</u> DATE: <u>9 OCT 1975</u>

15. APPENDICES <input type="checkbox"/> APPENDIX A - BUDGET PLAN <input type="checkbox"/> APPENDIX B - SCOPE OF WORK <input type="checkbox"/> OTHER (Specify) _____	16. NEGOTIATING OFFICERS AID: <u>CM/PAS: H. Schroeder</u> AGENCY: <u>USDA/ERS: G. Waldman</u> <u>USDA/ERS: M. Fox</u>
--	--

DEPARTMENT OF STATE  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country

Worldwide

Page 1 of

93105330  
Page 6

2. PIO/T No.

3.  Original or  
Amendment No.

315756  
315756  
Agricultural Diversification and Trade - Asia

29p

DISTRIBUTION

5. Appropriation Symbol  
6.A. Allotment Symbol and Charge  
6.B. Funds Allotted to:  
 A.I.D. W  Mission

7. Obligation Symbol **402-11-399-05-22-89**  
 Administrative Reservation  Implementing Document  
Funding Period (Mo., Day, Yr.)  
From 7/1/75 to 6/30/76

9.A. Services to Start (Mo., Day, Yr.)  
Between 7/1/75 and 8/1/75  
9.B. Completion date of Services  
(Mo., Day, Yr.) 6/30/76

10.A. Type of Action  
 A.I.D. Contract  Cooperating Country Contract  Participating Agency Service Agreement  Other

10.B. Authorized Agent  
AID/W through USDA/Economic Research Service RA(AJ) 13-71

Estimated Financing		(1)	(2)	(3)	(4)
		Previous Total	Increase	Decrease	Total to Date
\$1.00=					
11. Maximum A.I.D. Financing	A. Dollars		96,000		96,000
	B. U.S.-Owned Local Currency			FUNDS RESERVED BY	
12. Cooperating Country Contributions	A. Counterpart				
	B. Other				

*Job*  
7/30/75  
SERV...

13. Mission References

Previous PIO/T  
3157568

14. Instructions to Authorized Agent  
The AID PASA officer is requested to fund a 12 month extension of PASA-RA(AJ) 13-71 with the U.S. Department of Agriculture/Economic Research Service(USDA/ERS) in the amount shown in Block 11 above. These funds will be expanded by USDA/ERS in cooperation with Philippine counterparts and USAID/Manila. Funds for this extension will be used to carry on work specified in Block 19B. Funds will be utilized in accord with the attached budget estimate. This project was reviewed by RAC in December 1974 and was approved for a 15 month extension beyond the existing PASA.

The final 3 months of project activity will be funded during the Interim Quarter.

15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate TA/AG, L. B. Fletcher Date <u>6/5/75</u>	B. Funds for the services requested are available TA/POS, <u>M. Muzynski</u> Date <u>1/27/75</u>
C. The scope of work lies within the purview of the initiating and approved Agency Programs TA/AG, L. F. Hesser Date	D. <u>M. Muzynski</u> Date <u>7/22/75</u>
E. TA/AG, R. Holmes Date	F. TA/FPA, C. <u>Boletto</u> Date <u>7/22/75</u>
	TA/RES, M. <u>Rehncigl</u> Date <u>1/1/75</u>

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to

17. For the Agency for International Development

18. Date of Signature

Signature and date:

Signature: [Signature]

Title:

Title: TA/PTU Chief PPA

7/28/75

AID 1380-1X (B-70)	Cooperating Country Worldwide	PIO/T No.	Page 2 of Pages 6
PIO/T	Project/Activity No. and Title Agricultural Diversification and Trade - Asia		

**SCOPE OF WORK**

**19. Scope of Technical Services**

**A. Objective for which the Technical Services are to be Used** Services to be performed by USDA/ERS under this PASA will consist of cooperating with the Philippine Government in assisting it to analyse data on Agricultural and Rural conditions with the objective of determining (continued)

**B. Description**

Activities will be as follows: (1) Complete demand analysis and derive separate demand functions (2) Complete development of national and regional production-marketing analytical model for relevant crop and livestock enterprises i.e. interregional multiple product linear programming models (3) Complete preparation of data for base period analysis and for 1980-1984 forecasts (4) Complete preliminary validation runs of the model with selected policy alternatives (5) Develop plans for additional analysis and policy testing.

This project was reviewed by RAC on December 12, 1974. The requested extension of 15 months was approved as a terminal date.

**C. Technicians**

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months)
1	Agricultural Economist	FC 10/03-04	15 mm
3	Agricultural Economists (TDY)	GS 13/01-GS-15	6 mm

**(2) Duty Post and Duration of Technicians' Services**

U.S. and Philippines

**(3) Language requirements**

None

**(4) Access to Classified Information**

N.A.

**(5) Dependents**

Will

Will Not

Be Permitted to Accompany Technician when overseas for one year or longer

**D. Financing of Technical Services**

(1) By AID - \$120,000

(2) By Cooperating Country -

AID 1980-1X (8-70)	Cooperating Country Worldwide	PIO/T No.	Page 3 of Pages 6
PIO/T	Project/Activity No. and Title Agricultural Diversification and Trade Asia		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
None			

B. Financing of Equipment and Supplies  
 (1) By AID - \$ None (2) By Cooperating Country -

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify): "SPECIAL PROVISIONS"

Prior to making any visits to LDCs, the Contractor will review his plans with TA/AGR. He will keep AID Missions in countries to be visited fully informed of proposed visits, ask them to provide any advice they wish regarding timing and content of the visits and to participate if they desire, and will inform the Missions of the outcomes of consultations. He will make his own appointments and logistics arrangements directly. Upon completion of any project funded travel, a copy of the trip report will be provided to the TA/AGR Project Manager. The report format will be established jointly by the Contractor and the Project Manager."

AID 1380-1X (9-70)	Cooperating Country Worldwide	PIO/T No.	Page 4 of Pages 6
PIO/T	Project/Activity No. and Title Agricultural Diversification and Trade - Asia		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

Monthly status reports will be filed with TA/AGR. Thirty-five copies of a terminal report of activities conducted under this PASA shall be provided to TA/AG by October 1, 1976. Report format will follow the "Guidelines for Preparation of the Annual Research Report" dated January 20, 1972 with the exception of section G on Work Plan and Budget Forecast for coming years.

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

Background information used in initial development, subsequent annual reports, data and position papers and publications are available in TA/AG, USAID Manila and agencies of the Government of the Philippines.

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities The PASA team will work in cooperation with USAID/Manila and appropriate officials of the Government of the Philippines. USDA/ERS will coordinate all plans through AID/W TA/AG Project Manager.

B. Cooperating Country Liaison Official

USAID/Manila Director and the Food and Agriculture Officer

C. AID Liaison Officials

Dr. Leon F. Hesser, Acting Director TA/AG or his designee.

AID 1880-1X (B-70)	Cooperating Country	PIO/T No.	Page 5 of	Pages 6
	Worldwide			
PIO/T	Project/Activity No. and Title			
Agricultural Diversification and Trade - Asia				

**LOGISTIC SUPPORT**

25. Provisions for Logistic Support	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Cooperating Country
<i>1. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")</i>				
(1) Office Space		X		
(2) Office Equipment		X		
(3) Housing and Utilities	X			
(4) Furniture	X			
(5) Household Equipment (Stoves, Refrig., etc.)	X			
(6) Transportation in Cooperating Country	X		X	X
(7) Interpreter Services				
Other: (Specify)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

**B. Additional Facilities Available From Other Sources**

Mission and Government of Philippines shall agree on form and proportions of logistical support to be provided by each including in-country travel and per diem for long-term technicians.

**C. Comments**

CONTINUATION  
SHEET

FORM SYMBOL

DEPARTMENT OF STATE,  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

 Worksheet [ ] .source

PAGE 6 OF PAGES 6

1. Cooperating Country  
Worldwide

2.a. Code No.

2.b. Effective Date

2.c. Amendment  
 Original OR No: \_\_\_\_\_

3. Project/Activity No. and Title

Agricultural Diversification and Trade - Asia

Indicate block  
numbers.

Use this form to complete the information required in any block of a PIO or PA, PR form.

19A

effects and trade off gains and losses when utilizing alternative national governmental policies for Philippine agricultural inputs, production and trade.

26

The estimated budget for a 15 month period that includes project close out is as follows:

Personnel and International Travel of persons and effects	\$ 76,505
Other costs including computer rental fees	20,000
Overhead 25%	<u>23,495</u>
Total	\$120,000

AID 1350-1X (7-71)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Worldwide 147551-A	Page 1 of 1 Pages
		2. PIO/T No. 931-17-190-533-72-314755	3. <input type="checkbox"/> Original or Amendment No. 1
		4. Project/Activity No. and Title Agricultural Diversification and Trade USDA/ERS-RA(AJ) 13-71-Philippines	
		5. Appropriation Symbol 72-1141004	

DISTRIBUTION	6.A. Allotment Symbol and Charge 454-31-099-00-22-41		6.B. Funds Allotted to: <input checked="" type="checkbox"/> A.I.D./W <input type="checkbox"/> Mission																													
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document		8. Funding Period (Mo., Day, Yr.) From 7/1/73 To 6/30/74																													
	9.A. Services to Start (Mo., Day, Yr.) Between 7/1/73 and 6/30/73		9.B. Completion date of Services (Mo., Day, Yr.) 3/31/75																													
	10.A. Type of Action <input type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Cooperating Country Contract <input type="checkbox"/> Participating Agency Service Agreement <input type="checkbox"/> Other																															
	10.B. Authorized Agent AID/W thru USDA/ERS-RA(AJ) 13-71																															
	Estimated Financing																															
	<table border="1"> <thead> <tr> <th colspan="2">\$1.00=</th> <th>(1) Previous Total</th> <th>(2) Increase</th> <th>(3) Decrease</th> <th>(4) Total to Date</th> </tr> </thead> <tbody> <tr> <td rowspan="2">11. Maximum A.I.D. Financing</td> <td>A. Dollars</td> <td>125,000</td> <td>6,700</td> <td></td> <td>131,700</td> </tr> <tr> <td>B. U.S.-Owned Local Currency</td> <td></td> <td></td> <td></td> <td>FUNDS RESERVED</td> </tr> <tr> <td rowspan="2">12. Cooperating Country Contributions</td> <td>A. Counterpart</td> <td></td> <td></td> <td></td> <td><i>[Signature]</i></td> </tr> <tr> <td>B. Other</td> <td></td> <td></td> <td></td> <td>POSTED 1-28-74</td> </tr> </tbody> </table>				\$1.00=		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date	11. Maximum A.I.D. Financing	A. Dollars	125,000	6,700		131,700	B. U.S.-Owned Local Currency				FUNDS RESERVED	12. Cooperating Country Contributions	A. Counterpart				<i>[Signature]</i>	B. Other				POSTED 1-28-74
	\$1.00=		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date																										
	11. Maximum A.I.D. Financing	A. Dollars	125,000	6,700		131,700																										
		B. U.S.-Owned Local Currency				FUNDS RESERVED																										
12. Cooperating Country Contributions	A. Counterpart				<i>[Signature]</i>																											
	B. Other				POSTED 1-28-74																											
13. Mission References																																
14. Instructions to Authorized Agent																																

This Amendment #1 provides additional funds to USDA (RA(AJ) 13-71) to cover additional TDY and additional MM for one technician.

**All other conditions remain the same.**

Note: The resident technicians will remain in the field for 3 additional months requiring more salary, per diem and travel funds than originally planned. More TDY services than previously envisaged will require increased funding for travel and per diem.

15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate TA/AGR, D. Canton <i>[Signature]</i> Date: 1/10/74	B. Funds for the services requested are available
C. The scope of work lies within the purview of the initiating and approved Agency Programs TA/AGR, O.J. Kelley <i>[Signature]</i> Date: 1/10/74	D. TA/RIG, M. Rechcigl Date:
E. TA/AGR, M. Galli <i>[Signature]</i> Date: 1/10/74 TA/AGR, J.B. Corduro <i>[Signature]</i> Date: 1/17/74	F.

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to  Signature and date: Title:	17. For the Agency for International Development  Signature: James McDermott Title: DIRECTOR TA/RIG	18. Date of Signature
--	--	-----------------------

AID 570-1X (8/70)

PIO/T

DEPARTMENT OF STATE  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country  
**Worldwide**

2. PIO/T No.  
**931-17-190-533-72-3147551**

3. Original or Amendment No.

4. Project/Activity No. and Title  
**Agricultural Diversification and Trade -  
USDA/ERS - RA(AJ) 13-71 - Philippines**

Page 1 of 6 Pages

DISTRIBUTION

5. Appropriation Symbol  
**72-1141004**

6.A. Allotment Symbol and Charge  
**454-31-099-00-22-41**

6.B. Funds Allotted to:  
 A.I.D./W  Mission

7. Obligation Status  
 Administrative Reservation  Subobligation

9.A. Service to Start (Mo., Day, Yr.)  
Between **July 1, 1973** and **9/30/73**

9.B. Completion date of Services (Mo., Day, Yr.)  
**3/31/75**

10.A. Type of Action  
 A.I.D. Contract  Cooperating Country Contract  Participating Agency Service Agreement

10.B. Authorized Agent

**AID/W thru USDA/ERS - RA(AJ) 13-71**

Estimated Financing		(1)	(2)	(3)	(4)
		Previous Total	Increase	Decrease	Total to Date
11. Maximum A.I.D. Financing	A. Dollars		<b>\$125,000</b>		<b>\$125,000</b>
	B. U.S.-Owned Local Currency				
12. Cooperating Country Contributions	A. Counterpart				
	B. Other				

13. Mission References

14. Instructions to Authorized Agent

The AID PASA officer is requested to fund Amendment No. 4 of PASA RA(AJ) 13-71 with USDA/ERS in the amount detailed in Block 11 above. These funds will be expended by USDA/ERS in cooperation with Philippine counterparts and USAID. Funds for this extension will be used to carry on the work specified in Block 19B. Funds allotted to USDA/ERS will support one long-term technician for 12 months, 10.5 man-months of TDY technician time with approximately 50% in Philippines and 50% in U.S. Supporting services are detailed in the attached budget (Appendix B).

(Continued on Page 6)

FUNDS RECEIVED BY

*all*

9/5/73

15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate  
 TA/AGR, D. Caton *[Signature]* Date: **8/29/73**

B. Funds for the services required are available  
 TA/PM, Mary Mozynski

C. The scope of work lies within the purview of the initiating office and approved Agency Programs  
 TA/AGR, O. Kelley *[Signature]* Date: **8/30/73**

D.  
 TA/RIG, M. Rechigl *[Signature]* Date: **9/5/73**

E.  
 TA/AGR, M. Galli *[Signature]* Date: **8/30/73**

F.  
 TA/AGR, J. Cordaro *[Signature]* Date: **8/29/73**

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to

17. For the Agency for International Development

18. Date of Issuance

Signature and date: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: **James McDermott, TA/RIG**

Title: **Director**

ID 1350-1X (8-70)	Cooperating Country <b>Worldwide</b>	PIO/T No.	Page 2 of 6 Pages
	Project Activity No. and Title <b>Agricultural Diversification &amp; Trade PASA RA(AJ)13-71</b>		

**SCOPE OF WORK**

**19. Scope of Technical Services**

A. Objective for which the Technical Services are to be Used: **Services to be performed by the USDA/ERS under this PASA will consist of cooperation with the Philippine Government in assisting it to analyze data with the objective of determining effects and trade-offs of alternative gov't. policies for Philippine agricultural production & trade.**

Activities will be as follows:

1. Complete the Interregional production-marketing analysis for rice & expand to include corn & livestock as well as detailed info. from delineation of homogenous agro-economic areas.
2. By the end of 1974, complete a multiple product linear programming model that is representative of the majority of Philippine agriculture.
3. Complete development of a linear programming model that will show optimum size of farm that can be operated with family resources only.
4. Analysis of effects of uncertainty on farm income.
5. Regionalized analysis of integrated agricultural survey for 1971 wet season rice to develop relationships between yield, fertilizer and chemical use, including a cross-section regression analysis.

**C. Technicians**

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months)
1	Ag. Economist	GS 12/3	12 mm
1	Ag. Economist	GS 15/7	9 mm
2	Sec/Steno	GS (7/7 & 7/5)	15 mm
1 or more	Ag. Economist(s) Specialists	GS 15/5	1.5 mm

(2) Duty Post and Duration of Technicians' Services

**U.S. & Philippines**

(3) Language requirements

**None**

(4) Access to Classified Information

**N/A**

(5) Dependents

Will       Will Not

Be Permitted to Accompany Technician

**for long-term personnel service**

**D. Financing of Technical Services**

(1) By AID - \$ **125,000**

(2) By Cooperating Country -

AID 1380-1X (B-70)	Cooperating Country <b>World</b>	PIO/T No.	Page 3 of 6 Pages
PIO/T	Project/Activity Name and Title <b>Agricultural Diversification &amp; Trade PASA RA(AJ)13-71</b>		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

J

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
-----------------	-----------------	--------------------	--------------------------

B. Financing of Equipment and Supplies

(1) By AID - \$ **None**

(2) By Cooperating Country -

21. Special Provisions

- ~~REPEATED~~ A. This PIO/T is subject to AID (contracting) (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify): **Advance clearances must be obtained from the AID/TA/AGR project manager before any overseas travel is undertaken or any commitments are made involving such travel.**

AID 1380-1X (B-70)	Cooperating Country <b>Worldwide</b>	PIO/T No.	Page 4 of 6 Pages
PIO/T	Project/Activity No. and Title <b>Agricultural Diversification &amp; Trade PASA RA(AJ) 13-71</b>		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)  
**Thirty five copies of an Annual Report of the Studies conducted under Phase I of this activity shall be provided to TA/AGR by July 31, 1974. Its format shall conform to the attached "Guidelines for the preparation of the Research Annual Report, January 20, 1972".**

**Quarterly Participating Agency Accrued Expenditure Reports pursuant to Participating Agency Notice No. 71 and M.O. 1531.1, one copy to be submitted to AID/W.**

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

**Available in TA/AGR, USAID/Manila and agencies of the Government of the Philippines.**

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

- A. Relationships and Responsibilities**  
**The PASA team will work in cooperation with USAID/Philippines and appropriate officials of the Government of the Philippines. USDA/ERS will coordinate all plans through the AID/W TA/AGR Project Manager. The activities will be conducted in a manner designed to assure internalization of them as a viable element of the cooperating Philippine institutions. USAID/Manila Director and Food and Agriculture Officer.**
- B. Cooperating Country Liaison Official**
- C. AID Liaison Officials**

**TA/AGR, Douglas D. Caton**

AID 1350-1X (19-70)	Cooperating Country <b>Worldwide</b>	PIO/T No.	Page 5 of 6 Pages
PIO/T	Project Activity No. and Title <b>Agricultural Diversification &amp; Trade PASA RA(AJ)13-71</b>		

**LOGISTIC SUPPORT**

25. Provisions for Logistic Support  A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Cooperating Country
(1) Office Space	X	X		
(2) Office Equipment	X	X		
(3) Housing and Utilities	X			
(4) Furniture	X			
(5) Household Equipment (Stoves, Refrig., etc.)	X			
(6) Transportation in Cooperating Country	X			
(7) Interpreter Services	X	X	X	X
Other: (Specify)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

B. Additional Facilities Available From Other Sources

**Mission and Government of Philippines shall provide all in-country logistical support. Mission and the Government of Philippines shall agree on form and proportions of logistical support to be provided by each, including in-country travel and per diem for long term technicians.**

C. Comments

CONTINUATION  
SHEETDEPARTMENT OF STATE  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT Worksheet  IssuancePAGE 6 OF 6 PAGES

FORM SYMBOL

TITLE OF FORM

1. Cooperating Country

Worldwide

2.a. Code No.

2.b. Effective Date

7/1/73

2.c.

 Original OR Amendment No: 1

3. Project/Activity No. and Title

**Agricultural Diversification & Trade  
PASA RA(AJ)13-71****PROJECT IMPLEMENTATION  
ORDER TECHNICAL  
SERVICES**Indicate block  
numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

Cont'd  
Block 14

This PIO/T provides \$125,000 as the second year funding of the project to carry out activities 1 through 5 in block 19B and outlined in Appendix C: First Annual Report to June 30, 1973 and Plan of Work from July 1, 1973 to June 30, 1974. The report proposes a sixth activity (item C, page 3 of the report): Demand-Price Agricultural Sector Analysis, but it is not approved for implementation by this PIO/T. Its approval as well as the future course of action for the project beyond FY 74 will be based upon an AID review to be conducted during the last quarter of CY 73.

APPENDIX B

AID-2-3 (6-64)  PASA BUDGET PLAN By Object Class	PARTICIPATING AGENCY SERVICE AGREEMENT  WITH: USDA  BUDGET PLAN FOR FY <u>1974</u>	AMOUNT: \$125,000	PASA CONTROL NO.	Page <u>1</u>
		APPROPRIATION		of <u>1</u> Pages
		ALLOTMENT	PIO/T NO.	

Position	Class. Grade	FC Grade	Rate	Man Years	Salary	Differential	11	12	21	22	TOTAL
							TOTAL	Personnel Benefits	Int'l. Travel	Transportation of Things	
Atkinson	15/8	-	33,177	9	30,000	385	30,335	2,805	6,700 <sup>1/</sup>	-	39,890
Kunkel	-	9/6	19,211	12	18,880	1,890	20,770	1,605	-	100	22,475
Agr. Econ. Spec.	15/5	-	30,486	1.5	4,315	-	4,315	650	2,365 <sup>1/</sup>	-	7,330
White	7/7	-	11,422	9	10,465	-	10,465	730	-	-	11,195
Barnes	7/5	-	10,788	6	6,645	-	6,645	465	-	-	7,110

<sup>1/</sup> All incoming per diem included

	TOTAL	<u>88,000</u>
23 Rent, Communications, Utilities		-
25 Data Processing		<u>12,000</u>
26 Supplies and Materials		-
31 Equipment		-
Overhead	<u>25</u> %	<u>25,000</u>

\*Estimated For Diem: \$5,700

GRAND TOTAL 125,000

## **APPENDIX C**

### **AGRICULTURAL DIVERSIFICATION AND MARKETS IN THE PHILIPPINES**

- 1. The Bureau of Agricultural Economics (BAECON), Department of Agriculture and Natural Resources, Government of the Philippines.**
- 2. University of Philippine College of Agriculture (UPCA).**
- 3. Economic Research Service (ERS) of the U.S. Department of Agriculture.**

**First Annual Progress Report to June 30, 1973 and Plan of  
Work From July 1, 1973 to June 30, 1974.**

- 1. Outline Summary**
- 2. Fuller Description**

May 15, 1973

AGRICULTURAL DIVERSIFICATION AND MARKETS (ADAM) IN THE PHILIPPINES

I. OBJECTIVES:

- A. To develop the economic data and analysis needed to identify realistic agricultural production and market opportunities and alternatives at the farm, regional, and national levels; and,
- B. To obtain an integrated picture of agriculture within which various policy goals can be analyzed. These can be broadly stated as:
  1. Achieve self-sufficiency in agricultural products at least in regard to staple commodities such as rice and corn;
  2. Increase national income, raise income of rural people and increase employment in agriculture; and,
  3. Improve foreign exchange position by reducing agricultural imports and increasing agricultural exports.
- C. To develop in the Philippines the capacity for continuous analysis and re-evaluation of these opportunities and alternatives as production and market conditions change.

II. CONCEPTION OF THE PROBLEM:

- A. Initially, in 1970-71, a second generation Green Revolution problem. What to do after rice self-sufficiency reached?
- B. Recent emphasis--What are the constraints holding down expansion in rice, feedgrains, and livestock? Employment possibilities and mechanization.

III. ACCOMPLISHMENTS:

- A. Bibliography of research done in Agriculture in the Philippines seven volumes published which was used by the new Philippine Council for Agricultural Research (PCAR) as basic reference for preparation of their program.
- B. Analysis of Green Revolution Progress on Philippine Farms-- Sixteen-page report based on HAECON's 1969-70 sample survey. One-page summary stresses widespread adoption of HYV, but restricted application of fertilizer and chemicals. Most

farmers using fertilizer got relatively low response in yields. However, one-fifth of the farmers adopted good practices, and got good yield response, averaging nearly 100 cavans (4.5 metric tons) of palay per hectare--twice the average of the other four-fifths of the farmers adopting HYV on irrigated land.

- C. Also distributed at PCAR was a paper by Jess Alix giving a preliminary look at Philippine agriculture.
- D. A review of literature has been completed by the ADAM staff and is nearly ready for release.

#### IV. POLICY OPTIONS:

- A. There are three broad policies which can be used to achieve the objectives listed in I.
  1. Intensification of agricultural production to achieve optimum yields.
  2. Diversification to production required for self-sufficiency and large export,
  3. Modernization through adoption of new technology and mechanization. (It is implied that only limited expansion of new land cultivation is feasible as compared with the continued rapid population growth.)

#### V. RESEARCH AGENDA:

- A. Analysis of trade-offs among objectives and policies. Because there are trade-offs between policies and objectives, quantitative estimates of the extent and nature of these trade-offs are needed. For example, the achievement of self-sufficiency may be at the expense of increasing income; second, there are likely to be shortages of adequate markets, capital, foreign exchange or labor; again, quantitative estimates of the effects of these limitation on attaining policy goals need to be obtained.
- B. Establishing optimum allocation of and priorities for use of resources.
  1. It is necessary to have an organized framework within which to analyze the relationship between objectives, policies, and other relevant variables such as production, consumption, and prices.

2. The analysis should provide guidelines for priorities based on optimum use of resources at the farm level.
- C. An effective means of organizing the analysis into a formal planning technique in through the use of a linear programming analysis.

## VI. SCHEDULE OF RESEARCH RESULTS:

The overall analysis is being done in parts, each of which will be issued in a series of preliminary reports.

### A. National Policy Analysis - Supply and Distribution

1. Interregional production-marketing analysis for rice to be completed within 4-6 months (1-crop Linear Program).
2. Extension to include corn and livestock as well as detailed information from delineation of homogeneous agro-economic areas within 6-8 months from now.
3. Complete representation of the majority of Philippine agriculture during the following year. (Multiple-Product L.P.)

### B. Micro-Farm Level Analysis

1. Optimum size farm analysis of the size farm that can be operated with family resources only. Draft expected in 6-8 weeks. (L.P.) A simple study begun before we arrived; preliminary computer runs are being made.
2. Analysis of the effects of uncertainty on farm income. Test of a procedure developed by ERS; results expected in 3 to 4 months.
3. Analysis of integrated agricultural survey for rice wet season 1971 on a regional basis for developing relationships between yield, fertilizer, and chemical use. Some results expected 6-8 weeks. Additional results in 3-4 months. (Cross-section regression)

### C. Demand-Price Agricultural Sector Analysis (Proposed)

In place of the brief, general analysis that had been planned, a more quantitative regression treatment is proposed that will be complementary for planning agriculture. A draft would be completed within less than a year after the work is begun.

**Data Note:**

We have good data for rice, especially irrigated paddy, where HYV is important. We have fair data for corn, with new disease-resistant varieties in limited field use, and for sugar. The data are less adequate for coconuts, although several system-combinations, with other crops and livestock have been reported, livestock, other feedgrains, including soybeans, fruits and vegetables. Some reports are available on each of these commodities, and a few have budget data. For options not now in wide use, we will use experimental data, demonstration results, farm management association records, and foreign country coefficients for new crops. In short, the hard data will be supplemented by synthesized data for the relatively new options.

May 15, 1973

ADAM PROJECT

A major aim is to compare resource costs and benefits of alternative crop and livestock patterns that are feasible with present resources and technology available for the Philippines. Agricultural policy has several aims, such as attaining self-sufficiency and increasing exports, maximizing production and growth of agriculture, maximizing farm income, and maximizing contribution to agro-industrial growth, maximizing employment, helping small farmers and improving income distribution, and these aims are sometimes conflicting. An appropriate format for handling these problems is linear programming, with such of the goals as can be formulated each solved in turn. Then the trade-offs between the goals can be assessed. Especially important is the resource requirements of meeting the various goals, so that the announced aims can be related to the provision of the essential inputs.

As the new rice technology was introduced beginning in 1966-67, the far higher yield potentials promised the attainment of self-sufficiency and pointed to the need to shift resources to the production of other commodities. What could be grown and sold besides rice and corn (the second-generation problem?)

More recently a series of disappointing harvests of both rice and corn have focused attention on the constraints that are holding down the production of rice and corn (the 1st generation problem). How to exploit more of the potential of the green revolution? Both the urgency of obtaining some preliminary answers to the first generation problem and

the difficulties and delays in solving the 2nd generation problem suggest a commodity-by-commodity approach, beginning with rice, then adding corn, other feedgrains, livestock and poultry, export crops, etc., approximately in the order of priority in the Philippine 4-year agricultural plan. The resource situation and the data base in the Philippines make possible the examination of several policy questions from a one-commodity (rice) linear program analysis. The principal technological innovations are applicable primarily to irrigated paddy, only to a limited extent to rainfed paddy, and hardly at all to upland rice. The range in the area of irrigated paddy is calculable for the immediate years ahead, and under present conditions the irrigated land is rather specialized for rice culture. The options for irrigated land expansion are (1) the target goals announced, and (2) the rate attained in recent years. Questions relating to technology and resource requirements for alternative rice policies can be examined in a rice production-distribution portion of a linear programming model before other commodities are added.

The format for the rice section will include the 11 administrative regions of the Philippines, all of which grow rice. Most of the regions will have (a) irrigated 2-crop, (b) irrigated 1-crop, (c) rainfed paddy, and (d) upland typical farming situations, or relatively homogeneous areas; and the irrigated and perhaps the rainfed paddy will have alternative technological levels. Partial mechanization will be introduced as one option. A recent base year will be programmed and a projection will be made, perhaps to 1980. Alternative demand levels for rice will be based upon available studies (chiefly L. Darrah), but a fuller demand estimate will need to allow for substitution of other cereals, chiefly corn and wheat.

In addition to adding other crops and livestock to the analysis, more detailed information on agro-economic areas will be brought in at a later stage. Two of the 11 regions are being investigated more intensively, and a third and fourth region which have priority for development are to be included in supplementary studies by Ph.D. candidates from 2 American universities. One of the candidates is a Filipino and is to join the ADAM staff this summer.

Our principal input data for the production and marketing analysis are being drawn from the following sources:

1. An analysis of BAECON's regular Integrated Agricultural Survey, (sample size 10,000 to 18,000 farms) principally of rice, corn, and livestock population, supplemented by special surveys on fertilizer, chemicals for weed and pest control, and labor requirements. (See the Green Revolution paper for the crop year 1969-70, and the reference to the 1971 analysis mentioned below.)
2. Cost of production surveys of BAECON.
3. Available budget data from special surveys, chiefly by IRRI, University of Philippines College of Agriculture and Department of Economics, BAECON, and Ateneo University.
4. Projected Surveys on specialized problems, e.g., mechanization.

The data from the 1971 Census of Agriculture will be useful if it becomes available in time.

#### Micro-Farm Level Analysis

The objective of this portion of the research is to isolate the impact of policy and other variables on the individual farmer as well as to see how much of the new inputs and what combinations are profitable

with Philippine response coefficients. Work by the research division on another study concerning the optimum size farm in relation to land reform is being integrated with the work at ADAM.

Optimum Size Farm.--This is a normative analysis of the optimum size farm under varying conditions again using linear programming. Originally, the farm firm was assumed to use family labor only but had year-round irrigation, with varying planting season for rice and more than a dozen other crops. Labor was the only constraint. The results were that 27 activities came into the solution, some with minute area (e.g., .05 ha.); the farm size that maximized farm income was found to be 3 to 4 hectares of cropland.

The analysis is now being made for a palay farm under conditions of good year-around water control for a one-year crop plan. A total of 24 planting periods are considered, with short-, long- and medium maturing varieties. Upper and lower levels of family labor supply are considered. A land constraint is also introduced and varied parametrically from 0.5 to 7.0 hectares. Other variations are introduced: (1) hiring of transplanting and harvesting labor, and (2) hiring additional animal power. Successive modifications consider varying combinations of animal and machine power for land preparation. The first computer runs on this were arriving in late April. Some results should be available in the next few weeks.

The final step will be to extend the analysis to include the concept of a compact-farm and the "food-bowl" and perhaps compare these with a landlord operated group of tenants on the same size of farm (100 ha.).

These are either variations on the land reform plan (the compact farm) or alternatives ("food bowl" and the landlord operated farm). The compact farm is a semi-cooperative, composed of 6 to 25 farmers, with 10 to 50 hectares of rice paddy, not necessarily all contiguous. A critical ingredient is that the farmers do not have title to the land--they may be tenants or leasees--but they jointly sign and guarantee each other's loan to a rural commercial bank which furnishes them their full credit needs at a low institutional rate (partially subsidized by discounting from the Central Bank) and provides supervision. AID/Manila and the Philippine Government are trying out the compact farm concept as a method of providing workable credit for tenants or former tenants who had previously borrowed from non-institutions, usually the landlord, and also as a way to speed up modernization. Additional extension and supervision is now provided by the regular extension agency (APC) and the Department of Agriculture (NFAC) on farms in Bicol. (Fuller description in notes from a visit). The farmers buy their fertilizer together, and get a discount and delivery, and possibly cooperate in marketing. In the area we visited, the bank was only interested in farms with adequate irrigation for 2 crops, and the farms we saw had full water control with diesel well pumps. The farmers were following advanced technology, and getting very high yields (4 tons paddy/ha.).

The old government program for small farmer credit (ACA) which has been under trial since 1951 is being phased out, as repayment of loans has been too poor. The program was not effective in stimulating the adoption of improved practices. Since the farmers are being "liberated"

from the landlord under the land reform proposal, this usual credit source may also phase out. So the credit problem is a critical one for the new "owners" who do not have title, and hence no collateral for bank loans.

The "food bowl" concept is quite different--basically an alternative to land reform. Large farms, of say 100 hectares, would be farmed by laborers, plantation style, but with no farmer having a designated area or crop of his own. This is about all the specifications that we have heard, but we have been urged by the central planning agency (NEDA) to explore this concept.

Farm Simulation Model.--One of the important influences to be considered is the variation in income due to changes in prices and yields of the various enterprises. This is a way of looking at uncertainty problems facing farmers due to variations in yields and in prices in a non-optimizing situation. A farm simulation model has been developed in the United States that seems applicable here as a complement to the equilibrium optimizing analysis. This approach based upon a given situation, calculates income and use of resources. It can be repeated for a number of periods under varying circumstances so that comparisons can be made between conditions of certainty and uncertainty.

The analysis is now in the testing stage for a farm producing one crop of rice and some upland crops during the dry season with two levels of technology. Comparisons will be made of the differences in income for each level of technology for both certainty and uncertainty conditions. From this, both gross and incremental benefit ratios can be

compared with rates of return for each situation. If the test provides useful information, it will be used to tackle additional problems.

Analysis of Integrated Agricultural Survey.--The analysis here is being done along the same lines as that done in working paper No. 2 <sup>1/</sup> except that all samples used in the January 1972 round in which detailed information was gathered on inputs will be utilized for the analysis. One complicating factor, however, was the significant occurrence of tungro in 1971-72. If those farms which had the disease can be isolated, then additional information might be gained about how much yield had decreased as a result of tungro.

Since there are 18,000 farm records in the sample, we are expecting that we can do analysis by principal regions of fertilizer-yield response. Also an idea can be obtained about the distribution of yields; these were shown in working paper No. 2 to be skewed, i.e., that arithmetic means are an inadequate measure of what farmers are actually obtaining. Thus, the mode or median may be more relevant measures for this purpose.

Demand-Price Agricultural Sector Analysis (Proposed).--An extension of a brief, informal treatment to an extended semiformal analysis directed by special consultants. The semiformal model will be a more explicit analysis of the agricultural sector and its interrelationship with the rest of the economy. A special computer program will combine the various price and output series available in the Philippines to calculate price

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<sup>1/</sup> Some explorations on the nature of the green revolution in the Philippines. Agricultural Diversification and Markets in the Philippines, Working Paper No. 2, January 1973.

**indexes** and value-aggregates of crops and livestock by principal categories and for the agricultural-food sector. Filipino participation throughout the development of the model and its application to agricultural planning will serve to institutionalize the series and the method of analysis consistent with the more integrated agricultural planning aims of the Philippine Government. This intersector regression approach is complementary to the activity analysis of the production-distribution linear programming model. The approach is an adaptation of one used in Vietnam by Rex Daly, Bob Hoffman, et.al., and members of this team would be logical nominees to direct the analysis in the Philippines.

### Personnel and Activities

There was no change in ERS personnel assigned to ADAM, during the fiscal year with Atkinson and Kunkel on full-time assignments. Kunkel took up residence in the Philippines in December 1972. A short TDY visit was made by William Faught, and Richard Foote was a TDY consultant from Saigon for 3 weeks on a demand-price analysis for the principal agricultural products of the Philippines. For the year ahead, in addition to the proposed participation of Daly and Hoffman referred to above, arrangements are being completed for Fred Cook to help with the delineation of homogeneous agricultural areas and with Bill Bolton to assist in getting the programming model operational. Both will be drawing upon their recent experience with a similar model in Vietnam.

Among the Filipinos, there was little change in the 15 junior economists and clerical staff. For the intermediate level economists, who had some graduate level training and experience, the 3 employed at the beginning of the year left the project during the year. Two replacements were secured, and one of these became administrative officer, replacing the officer who was promoted to a position in other work of the BAECON. The BAECON economist who had been working on the linear programming analysis of the optimum size farm is now working in the ADAM group.

Of the senior staff directors and advisers, Professor Pedro Sandoval took a position abroad and was replaced by Professor Aida Librero.

A planning conference held in Davao City, Mindanao in December 1972 was very helpful. Some of the best informed Filipino economists attended, gave us searching criticism and suggestions, and have been engaged as consultants for the project.

A broader conference is scheduled during the next year to be held with the North Carolina State directed portion of the research being conducted in Latin America. Six or 8 participants from the Philippines and an equal number of Latins will attend perhaps in Washington, D.C. In addition to presenting results, attention will be focused on other approaches to agricultural sector analysis or agricultural development with participation from other agencies.