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**A STUDY OF
PHILIPPINE FARMER ORGANIZATIONS**

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Consultant**

TABLE OF CONTENTS

	<u>Page</u>
1.0 INTRODUCTION	1
1.1 Study Objective	1
1.2 Study Rationale	2
1.3 Organization Selection Criteria	2
2.0 STUDY APPROACH	3
2.1 Description of Study Flow	3
2.2 For the Reader's Guidance	3
3.0 AN INTRODUCTION TO FARMER ORGANIZATIONS	5
3.1 SAMAHANG NAYON (SN)	
3.1.1 Historical Background of Samahang Nayon	5
3.1.1.1 Organizational History	5
3.1.1.2 Rationale Behind the Creation of SN	5
3.1.1.3 Geographic Distribution of SN	6
3.1.1.4 Past Performances and Current Status	6
3.1.2 Basic Purposes of SN	7
3.1.3 Agencies Responsible for Establishing and Supporting SN	8
3.1.4 Organizational Structure of SN	9
3.1.4.1 SN Leadership	9
3.1.4.2 SN Membership	11
3.1.4.3 Training and Development Programs for SN	14
3.1.5 Impact and Changes Seen as a Result of SN	15
3.1.6 The Relationship of SN with Other Farmer Organizations	16
3.2 FARMERS BARRIO COOPERATIVES (FBC)	17
3.2.1 Historical Background of Farmers Barrio Cooperatives	17
3.2.1.1 Organizational History	17
3.2.1.2 Rationale Behind the Creation of FBC	20
3.2.1.3 Geographic Distribution of FBC	20

TABLE OF CONTENTS

	<u>Page</u>
3.2.1.4 Past Performances and Current Status	18
3.2.2 Basic Purposes of FBCs	20
3.2.3 Agencies Responsible for Establishing and Supporting FBCs	20
3.2.4 Organizational Structure of FBCs	21
3.2.4.1 FBC Leadership	21
3.2.4.2 FBC Membership	22
3.2.4.3 Training and Development Programs for FBCs	24
3.2.5 Impact and Changes Seen as a Result of FBCs	25
3.2.6 The Relationship of FBCs with Other Farmer Organizations	26
3.3 COMPACT FARMS (CF)	27
3.3.1 Historical Background of Compact Farms	27
3.3.1.1 Organizational History	27
3.3.1.2 Rationale Behind the Creation of CF	28
3.3.1.3 Geographic Distribution of CF	28
3.3.1.4 Past Performances and Current Status	29
3.3.2 Basic Purposes of CFs	30
3.3.3 Agencies Responsible for Establishing and Supporting CFs	31
3.3.4 Organizational Structure of CFs	32
3.3.4.1 CF Leadership	32
3.3.4.2 CF Membership	33
3.3.4.3 Training and Development Programs for CFs	36
3.3.5 Impact and Changes Seen as a Result of CFs	37
3.3.6 The Relationship of CFs with Other Farmer Organizations	38
Table 1 - Comparison of the ACA and RB Formulas for Compact Farm Organization	39
3.4 SELDAS (S)	40
3.4.1 Historical Background of Seldas	40
3.4.1.1 Organizational History	40
3.4.1.2 Rationale Behind the Creation of Seldas	41
3.4.1.3 Geographic Distribution of Seldas	41

TABLE OF CONTENTS

	<u>Page</u>
3.4.1.4 Past Performances and Current Status	41
3.4.2 Basic Purposes of Seldas	42
3.4.3 Agencies Responsible for Establishing and Supporting Seldas	42
3.4.4 Organizational Structure of Seldas	43
3.4.4.1 Selda Leadership	43
3.4.4.2 Selda Membership	44
3.4.4.3 Training and Development Programs for Seldas	47
3.4.5 Impact and Changes Seen as a Result of Seldas	47
3.4.6 The Relationship of Seldas with Other Farmer Organizations	48
Chart 1 - Diagramatical Flow Chart of Credit, Input, and Marketing Systems for Selda Organizations Established by Rural Banks	49
3.5 IRRIGATOR GROUPS (IG)	50
3.5.1 Historical Background of Irrigator Groups	50
3.5.1.1 Organizational History	50
3.5.1.2 Rationale Behind the Creation of IGs	51
3.5.1.3 Geographic Distribution of IGs	51
3.5.1.4 Past Performances and Current Status	52
3.5.2 Basic Purposes of IGs	53
3.5.3 Agencies Responsible for Establishing and Supporting IGs	54
3.5.4 Organizational Structure of IGs	55
3.5.4.1 IG Leadership	56
3.5.4.2 IG Membership	57
3.5.4.3 Training and Development Programs for IGs	59
3.5.5 Impact and Changes Seen as a Result of IGs	60
3.5.6 The Relationship of IGs with Other Farmer Organizations	61
Chart 2 - NIA IG Irrigation Model	62
Table 2 - BISA Program - Status of Projects	63
3.6 GEN. RICARTE AGRICULTURAL COOPERATIVE (GRAC)	64

TABLE OF CONTENTS

	<u>Page</u>
3.6.1 Historical Background of the Gen. Ricarte Agricultural Cooperative	64
3.6.1.1 Organizational History	64
3.6.1.2 Rationale Behind the Creation of GRAC	65
3.6.1.3 Geographic Distribution of GRAC	65
3.6.1.4 Past Performances and Current Status	65
3.6.2 Basic Purposes of GRAC	67
3.6.3 Agencies Responsible for Establishing and Supporting GRAC	68
3.6.4 Organizational Structure of GRAC	68
3.6.4.1 GRAC Leadership	69
3.6.4.2 GRAC Membership	70
3.6.4.3 Training and Development Programs for GRAC	71
3.6.5 Impact and Changes Seen as a Result of GRAC	71
3.6.6 The Relationship of GRAC with Other Farmer Organizations	73
 3.7 NUEVA ECJA INTEGRATED LIVESTOCK COOPERATIVE PROGRAM (NEILCoP)	 74
3.7.1 Historical Background of the Nueva Ecija Integrated Livestock Cooperative Program	74
3.7.1.1 Organizational History	74
3.7.1.2 Rationale Behind the Creation of NEILCoP	74
3.7.1.3 Geographic Distribution of Members and Services	75
3.7.1.4 Past Performances and Current Status	75
3.7.2 Basic Purposes of NEILCoP	76
3.7.3 Agencies Responsible for Establishing and Supporting NEILCoP	77
3.7.4 Organizational Structure of NEILCoP	77
3.7.4.1 NEILCoP Leadership	77
3.7.4.1 NEILCoP Membership	78
3.7.5 Impact and Changes Seen as a Result of NEILCoP	79
3.7.6 The Relationship of NEILCoP with Other Farmer Organizations	80
 3.8 FEDERATION OF FREE FARMERS (FFF)	 81

TABLE OF CONTENTS

	<u>Page</u>
3.8.1 Historical Background of the Federation of Free Farmers	81
3.8.1.1 Organizational History	81
3.8.1.2 Rationale Behind the Creation of the FFF	82
3.8.1.3 Geographic Distribution of the FFF	82
3.8.1.4 Past Performances and Current Status	82
3.8.2 Basic Purposes of the FFF	84
3.8.3 Agencies Responsible for Establishing and Supporting the FFF	85
3.8.4 Organizational Structure of the FFF	86
3.8.4.1 FFF Leadership	86
3.8.4.2 FFF Membership	87
3.8.4.3 Training and Development Programs of the FFF	86
3.8.5 Impact and Changes Seen as a Result of the FFF	89
3.8.6 The Relationship of the FFF with Other Farmer Organizations	90
Chart 3 - FFF Organizational Structure	91
3.9 OTHER FARMER ORGANIZATIONS (Government and Non-Government)	92
3.9.1 Filipino Agrarian Reform Movement (FARM) and the Federation of Land Reform Farmers' Associations (FLRF)	92
3.9.2 Philippine Federation of Farmers Associations (PFFA)	93
4.0 THE COMPARATIVE RELATIONSHIPS OF FARMER ORGANIZATIONS	95
4.1 Related Purposes	95
4.2 Basic Structures	95
4.3 Membership Patterns	99
4.4 Support Services (Governmental, Institutional and Internal)	101
4.4.1 Production Inputs	101

TABLE OF CONTENTS

	<u>Page</u>
4.4.2 Marketing Services	102
4.4.3 Production Credit	103
4.4.4 Extension Assistance	106
Table 3 - Basic Comparisons of Various Farmer Organizations	107
5.0 SUMMARY	108
BIBLIOGRAPHY	

LIST OF TABLES AND CHARTS

		<u>Page</u>
<u>TABLES</u>		
Table 1	Comparison of the ACA and RB Formulas for Compact Farm Organization	39
Table 2	BISA Program - Status of Projects	63
Table 3	Basic Comparisons of Various Farmer Organizations	107
<u>CHARTS</u>		
Chart 1	Diagrammatical Flow Chart of Credit, Input, and Marketing Systems for Selda Organizations Established by Rural Banks	49
Chart 2	NIA, IG Irrigation Model	62
Chart 3	FFF Organizational Structure	91

ABBREVIATIONS

ACA	Agricultural Credit Administration
ACCI	Agricultural Credit and Cooperative Institute
ADB	Asian Development Bank
AGLF	Agricultural Guarantee Loan Fund (Precursor to ALF)
ALF	Agricultural Loan Fund
AMC	Area Marketing Cooperative
AMIADP	Angat-Magat Integrated Agricultural Development Project
APC	Agricultural Productivity Commission (now BAE)
ASSA	Archdiocesan Secretariat for Social Action
BA	Barrio Association (Samahang Nayon)
BAE	Bureau of Agricultural Extension
BAI	Bureau of Animal Industry
BCD	Bureau of Cooperative Development
BISA	Barrio Irrigators' Service Association
Bo.	Barrio or Village, recently renamed "Barangay"
BRBC	Bicol River Basin Council
CB(P)	Central Bank of the Philippines
CF	Compact Farm
CLSU	Central Luzon State University
DAP	Development Academy of the Philippines
DAR	Department of Agrarian Reform

ABBREVIATIONS

DBP	Development Bank of the Philippines
DLGCD	Department of Local Government and Community Development
DT	Ditch Tender
FaCoMa	Farmers Cooperative Marketing Association
FARM	Filipino Agrarian Reform Movement
FBC	Farmers Barrio Cooperative
FFF	Federation of Free Farmers
FLRF	Federation of Land Reform Farmers' Associations
GRAC	Gen. Ricarte Agricultural Cooperative
GRAMACOP	Grain Marketing Cooperatives of the Philippines
IBRD	International Bank for Reconstruction and Development
IDP/NE	Integrated Development Program for Nueva Ecija
IG	Irrigator Group
ISA	Irrigators' Service Associations
KB	Kilusang Bayan (full-fledged cooperative)
KC	Knights of Columbus
NEA	National Electrification Administration
NEILCoP	Nueva Ecija Integrated Livestock Cooperative Program
NELRIDP	Nueva Ecija Land Reform Integrated Development Program (currently IDP/NE)
NFAC	National Food and Agriculture Council

ABBREVIATIONS

NGA	National Grains Authority
NIA	National Irrigation Administration
NLRC	National Land Reform Council (now Agrarian Reform Coordinating Council)
P	Peso, equal to approximately US\$.14
PDAP	Provincial Development Assistance Program
PFFA	Philippine Federation of Farmers Associations
PNB	Philippine National Bank
RB	Rural Bank
S	Selda
SALF	Special Agricultural Loan Fund
SEARCA	Southeast Asian Regional Center for Graduate Study and Research in Agriculture
SEC	Securities and Exchange Commission
SN	Samahang Nayon
UPCA	University of the Philippines College of Agriculture
UPRP	Upper Pampanga River Project
USAID	United States Agency for International Development
WMT	Water Management Technician

1.0 INTRODUCTION

1.1 Study Objective

The following study of Philippine farmer organizations was prepared under contract (AID No. 492-748) for the United States Agency for International Development, Philippine Mission, by Mark A. Van Steerwyk, consultant for Philippine agricultural development.

The general objective for which this study was undertaken was to develop guidance which would be used for the planning, organization and development of farmer organizations within the context of agrarian reform. More specifically this study seeks to:

- 1) Assess the potential of farmer organizations for providing leadership in the formation of agricultural policy;
- 2) Provide needed background information regarding the purposes, structures and operations of selected farmer organizations;
- 3) Provide relevant inter-organizational comparative analysis through an assimilation process of the pertinent aspects of such background information;
- 4) Examine the various relationships and roles that both governmental and private institutions have displayed in terms of their promotion, establishment and support of farmer organizations;
- 5) Assess the potential of farmer organizations as effective conduits for the delivery of basic support services to agrarian communities;
- 6) Determine the effect that farmer organizations may have upon such areas as agricultural production, credit repayment, capital formation, and the adoption of new farm technologies; and
- 7) Assess the degree to which farmer organizations may or may not function as effective pressure groups on behalf of farmers.

1.2 Study Rationale

There are numerous farm organizations promoted and created by various Philippine government agencies and private institutions which directly influence the current agrarian reform program. In order to more effectively design and plan the role that these organizations will play in terms of agrarian reform efforts, it is necessary, indeed imperative, to have as thorough an understanding of their basic purposes, structures, interactions and relationships as possible.

This study of farmer organizations is intended solely to provide baseline information and guidance for the policymaker, planner, analyst and other interested parties; as such it does not go to the obvious next step of setting forth specific recommendations, but rather lays the foundation upon which such recommendations may later be freely developed.

1.3 Organization Selection Criteria

The eight farmer organizations discussed in detail within this study were selected on the basis of their known association with agricultural communities and their subsequent potential for influencing agrarian reform efforts. Heavy emphasis was given to pilot organizational efforts underway within the Province of Nueva Ecija.

2.0 STUDY APPROACH

2.1 Description of Study Flow

The following study of Philippine farmer organizations has been divided into two major sections. The first of these, section 3.0, "An Introduction to Farmer Organizations", concerns itself with a detailed analysis of various individual farmer organizations. This section begins with a short historical background sketch, including organizational history, rationale, geographic distribution and current status, and continues with a detailed discussion of organizational purpose, supporting agency, structure, impact and relationship with other groups for each of the eight separate farmer organizations examined within this study.

The last sub-section 3.9. of section 3.0 gives brief mention to three federations of farmer organizations. Because of the question as to their viability these organizations do not merit the indepth analysis characteristic of other farmer groups dealt with in this study. They do, however, deserve brief discussion; hence, the reason for their presence.

The second section of this study, section 4.0, "Comparative Relationships of Farmer Organizations", confronts the various comparative relationships of those organizations examined in section 3.0. The focus of this section seeks to define many of the similarities and differences existing between different farmer organizations and also compares how government agencies and private institutions relate to various farm groups. Topics for comparison include related purposes, basic structures, membership patterns, and support services.

Section 5.0 consists of a summarization of the prior two sections, 3.0 and 4.0. This summary highlights in a concise manner the key aspects of the study.

2.2 For the Reader's Guidance

The following study may be used by the reader for a variety of purposes. It may serve as simply an introduction to farmer organizations; as a resource document for reference purposes; as a basis for conducting

a deeper analysis into individual organizational structures; as a foundation for indepth inter-organizational comparative analysis; or, as a guide for determining future policy decisions, plans and/or actions.

Readers who are new to the study of Philippine farmer organizations are encouraged to review the sub-sections having to do with the historical background of various farm groups before proceeding to the other analytical or comparative sub-sections. This will add continuity and provide a more meaningful basis for further detailed study.

Figures, estimates, and time references stated within this study, if not qualified, are reflective of the date of publication.

3.0 AN INTRODUCTION TO FARMER ORGANIZATIONS

3.1 SAMAHANG NAYON (SN)

3.1.1 Historical Background of Samahang Nayon (SN)

3.1.1.1 Organizational History

Following the creation of the Bureau of Cooperatives Development in November of 1972 President Marcos on April 14, 1973 signed Presidential Decree # 175 entitled "Strengthening the Cooperative Movement" which provided to the Bureau of Cooperative Development authority for the development of a new cooperative system which would embody the formation of barrio level farmer associations. Efforts within Nueva Ecija by NELRIDP, now IDP/NE, provided perhaps the single most important influence upon the development of this new program (see following section 3.1.1.2, Rationale Behind the Creation of Samahang Nayon).

Three months after the signing of P. D. # 175, in July, the President signed the implementing order for the actual strengthening of the cooperative movement. Letter of Implementation # 23 promulgated the regulations governing the organization, administration and supervision of Samahang Nayon (barrio associations) and Kilusang Bayan (cooperatives).

3.1.1.2 Rationale Behind the Creation of Samahang Nayon

With numerous efforts aimed at developing a viable municipal based FaCoMa (Farmers Cooperative Marketing Associations) cooperative program resulting in repeated disappointment (of the 652 FaCoMas organized in the Philippines only 250 were existing as of June 30, 1969 and less than 30 are still active today) the NELRIDP in Nueva Ecija in early 1972 suggested

that cooperative efforts should be shifted in two directions, upward to the multi-municipal level to achieve economics of scale and downwards to the barrio level to develop a localized representation with a sense of participation and belonging for the farmer members. This proposal laid the basis for the establishment of Farmers Barrio Cooperatives (FBC) (see section 3.2.1.1) which served as the initial model. The FBC approach was later modified and applied nationwide as Samahang Nayan.

The Nueva Ecija pilot attempts served as a basis for what President Marcos later termed in reference to the Samahang Nayan as "a strong social and economic organization" which would "ensure that they (the farmers) will enjoy on a lasting basis the benefits of agrarian reform." Herein one of the principal reasons for the formation of Samahang Nayan is manifested, namely, the creation of an organization which will serve as a conduit through which agrarian reform for the Filipino farmer may be successfully effected.

3.1.1.3 Geographic Distribution of Samahang Nayan

Samahang Nayan are barrio-based organizations formed usually within the geographical confines of one or in some cases more than one barrio.

As of November 30, 1974 Samahang Nayan had either been organized, or were in the process of being organized in 22,108 barrios, representing 71 provinces and sub-provinces and all of the eleven existing regions within the country.

3.1.1.4 Past Performances and Current Status

Initially the program concentrated its efforts on a pilot basis in six priority provinces, one of which was Nueva Ecija, but later efforts were made to expand

the program countrywide. (Today Nueva Ecija clearly reflects the results of this early concentration with over 487 SN currently organized within the province having a combined total general funds of ₱2, 167, 172).¹

The Samahang Nayan program in general has had an enthusiastic and very impressive growth pattern in its relatively short history. For the period ending November 30, 1974 which marks the program's first 19 months of operation, 15, 451 SN were organized (an average of slightly over 813 SN per month) representing 95. 7% of the 16, 000 SN target with 663, 489 farmer members or 66. 3% of the 1, 000, 000 member target. Registration of the SN organizations and their membership for this same period stood in relationship to the targets at 72. 8% and 52. 4% respectively.

Samahang Nayan had for this period saved ₱8. 9 million in General Funds, ₱6. 3 million in Barrio Savings Funds, and ₱7. 0 million in Barrio Guarantee Funds for a total fund of ₱22. 2 million. This amounted to an average contribution of ₱2. 49 per member and an average collection per Samahang Nayan of ₱, 931. 01.²

In addition to this impressive performance some 9, 077 Samahang Nayan have invested ₱58, 834 in the new Cooperative Insurance System of the Philippines (CISP).³

3.1.2 Basic Purposes of the Samahang Nayan (Barrio Association)

The organization of farmers into Samahang Nayan or Barrio Associations, is an integral aspect of the Department of Local

¹ Figures represent period ending December 31, 1974.

² Samahang Nayan: Report to the President - No. 20th; DLGCD, Manila; November 30, 1974.

³ Figures represent period ending October 31, 1974.

Government and Community Development's new cooperatives program. These organizations are intended to serve as the foundation for the entire cooperative system.⁴

In broad terms the objective of the barrio-based organization is to improve the quality of life for barrio people both socially and economically by encouraging them to work together in an atmosphere of joint cooperation. More specifically the Samahang Nayan seeks to:

- 1) Serve as a means of facilitating land transfer under the Land Reform Program;
- 2) Serve as a channel for essential services provided to farmers;
- 3) Serve as a means of capital build-up and savings (see preceding section 3.1.1.4, Past Performances and Current Status of SN);
- 4) Serve as a means of undertaking effective and continuous cooperative education among its members;
- 5) Serve as a training in formal organization and self-government; and
- 6) Serve as a transition step towards a more formal economic institution.

3.1.3 Agencies Responsible for Establishing and Supporting Samahang Nayan

Primary responsibility for the establishment and support of Samahang Nayan organizations falls upon the Department of Local Government and Community Development (DLGCD) under its Bureau of Cooperatives Development.

⁴"Cooperative Development Strategy for Rural Development"; DLGCD, Manila; 1973

The nature of this support includes extensive leadership and membership training, organizational assistance, registration, and technical extension assistance both in cooperative management and in agricultural development.

Other agencies and institutions such as the Department of Agrarian Reform (DAR), Agricultural Credit and Cooperatives Institute (ACCI), Philippine Rural Reconstruction Movement (PRRM), National Food and Agriculture Council (NFAC), and the Integrated Development Program for Nueva Ecija (IDP/NE) are also supporting the development of Samahang Nayon by offering technical assistance in such areas as training, training and management evaluation, research and extension.

3.1.4 Organization Structure of Samahang Nayon

Samahang Nayon are non-stock associations registered as pre-cooperatives with the DLGCD's Bureau of Cooperatives Development. As such they are not allowed to engage in any business ventures other than small income-producing projects on a pilot basis.⁵ They may however serve as delivery and assembly points for the supply of input and marketing services along with providing other services associated with objectives mentioned specifically earlier in Section 3.1.2.

3.1.4.1 Samahang Nayon Leadership

- 1) Board of Directors
 - A) Manner of Selection - Five directors are elected by the General Assembly to serve on the Board for a period of two years. This number may be increased according to need. Persons elected to government positions or those engaged in any business connected with agricultural products or persons who own but do not actually till their land are disqualified from serving on the Board.

⁵ibid.: "Cooperative Development Strategy for Rural Development".

B) Functions - The Samahang Nayan Board of Directors is responsible for formulating all policies and determining the manner of operations for the association. Directors also approve proposed projects, act upon applications for membership, and actively engage in the initial phase of membership training and development.

2) Officers and Committees

A) Manner of Selection - Samahang Nayan have five officers, namely: President; Vice-President; Business Manager; Secretary-Treasurer; and Auditor, along with three committees: the Education and Training Committee; the Finance and Development Committee; and the Audit and Inventory Committee. Officers are elected from and by the Board of Directors with the Vice-President, Business Manager, and Auditor serving as respective chairmen of the committees mentioned.

B) Functions - Officers and committees of Samahang Nayan follow those functions and duties as prescribed under normal cooperative principles and practices (for additional information consult "Cooperative Development Strategy for Rural Development"; DLGCD; 1973). In addition to their normal duties, the president accompanied occasionally by the secretary-treasurer attends monthly meetings of the Samahang Nayan Municipal Council of which he is a member. Here presidents from various SN within a given municipality meet to discuss problems or topics of interest to all. The SN Municipal Council further provides a means by which activities and the various stages of SN development may be centrally coordinated and controlled.

3) Agricultural Councilors

The Board of Directors may also appoint Agricultural Councilors. (barrio extension agents) from among the organization's membership. These individuals generally undergo extensive training and development prior to assuming their roles of offering agricultural extension assistance to fellow members.

3.1.4.2 Samahang Nayon Membership

1) Composition of Membership

At least 25 but not more than 200 barrio people, primarily farmers, may join together to form a Samahang Nayon (studies within Nueva Ecija dated December 31, 1974 showed the average Samahang Nayon in that province to have an average of 66.2 members⁶ as compared with a national average of 42.9 members as of November 30, 1974⁷). In the case of farmer members, they must be the actual tillers of their land whether full owners, amortizing owners, or lessees. Farmer members must also be at least fifteen years of age or the heads of households residing and/or farming within the geographic boundaries of the barrio for which the Samahang Nayon is organized.

2) Geographic Relationship of Members

Most often Samahang Nayon are organized around the boundaries of one barrio, however, on occasion the organization may include two or

⁶ Study taken from "Cumulative Report on Samahang Nayon for Nueva Ecija"; DLGCD, Nueva Ecija; December 31, 1974.

⁷ op. cit.: "Samahang Nayon: Report to the President - No. 20"

more barrios depending on the size and farming capabilities of the areas under consideration.

Membership within the Samahang Nayan, as mentioned earlier, is geographically limited to those people either residing and/or farming within the area boundaries, usually one barrio, of the Samahang Nayan.

3) Membership Obligations and Benefits

Members of Samahang Nayan are obligated to pay a one-time membership fee of ₱10.00 and an annual fee of ₱5.00 which is kept in the SN General Fund and used for the association's operational expenses. Since SN are non-stock organizations, members do not purchase stock within their respective associations. They are, however, obligated to comply with two separate savings funds. The first of these funds is called the Barrio Savings Fund (BSF). This fund receives from the lending institution (e.g. rural bank, Philippine National Bank) 5 percent of any production loan approved for a SN member. Non-borrowing SN members contribute ₱5.00 monthly to this fund. Accumulated funds from the BSF are deposited in a special account in the nearest bank in the name of the Samahang Nayan. The Barrio Savings Fund is intended to be used by the SN to purchase shares in an existing rural bank or to be pooled with BSF funds of other SN to organize cooperative banks.

The second fund, known as the Barrio Guarantee Fund (BGF), requires farmer members to contribute one cavan of palay for each hectare cultivated or its equivalent in cash (for non-farmer members a minimum of at least one cavan or cash equivalent). per year to the SN. Funds collected from the BGF are also deposited, in-like-manner, in an account for the Samahang

Nayon. The Barrio Guarantee Fund is used to:
(a) guarantee land amortization payments of members; (b) pay premiums for group life insurance coverage for each member; (c) capitalize a Kilusang Bayan (full-fledged cooperative); (d) capitalize a Cooperative Rural Bank; (e) advance operating expenses for cultivation of farms whose management has been taken over by the SN; and (f) suit any other purpose authorized by DLGCD.⁸

In addition to these obligations members of Samahang Nayon must further pledge to attend membership meetings (usually held monthly), adopt improved farming practices and undergo an intensive membership training course (see section 3.1.4.3) Training and Development Program for SN).

As the Samahang Nayon program develops members will gain valuable social and economic benefits from their efforts. Perhaps one of the greatest single benefits originating from the program is that of the individual identity and support given the farmer member in the attempts to bring about a just and fair rural agrarian reform. The Samahang Nayon substituting for services once rendered through landlordism provides the farmer member with a package of support services and benefits including training and continued education and technical assistance from the Cooperative Education and Training Fund (CETF) and other agencies, a group life insurance coverage program for each member from the Cooperative Insurance System of the Philippines (CISP), production credit assistance from either private rural banks, PNB, ACA, or the Cooperative Rural Bank, greater economic independence through funds generated by the Barrio Savings Fund and the Barrio Guarantee Fund,

⁸ A. F. Gamble: "The New Cooperative System in the Philippines,"; USAID, Manila; January 1974.

and a potential for economy of scale savings advantages through improved input supply and marketing systems. These as well as other services and benefits offer the SN member the potential for a well rounded and complete agrarian reform (for further discussion of benefits consult "The New Cooperatives System in the Philippines": A. F. Gamble; 1-10-74).

3.1.4.3 Training and Development Programs for Samahang Nayan

The organizational stage of Samahang Nayan, referred to as Phase I of the program, included an expansive training program in which the DLGCD selected and trained trainers who then returned to their respective provinces to in turn train DLGCD field workers each of whom were to be responsible for organizing 10 Samahang Nayan and training 5 volunteer barrio workers (school teachers). This multiplier approach effecting some 200 trainers, 2,500 field workers, and 12,000 volunteer barrio workers was carried out according to a precisely scheduled timetable over a period of 10 weeks beginning in March of 1973. Pre-membership training was given by DLGCD field workers and volunteer barrio workers to prospective SN members in 8 lessons covering topics of land reform, nature of Samahang Nayan, and cooperative philosophy and principles.

Phase II of the program, known as the Development Stage of Samahang Nayan, comprises a 55 week schedule of management, technical agricultural, and technical cooperative training for officers and members. Following the organization of the SN the Board of Directors or other progressive farmer members are given an intensive 20 lesson course ranging from technical agriculture to management and accounting. They in turn are responsible for conducting 8 to 12 technical training lessons for the general membership. In addition to these lessons farmers are grouped to listen to radio educational broadcasts

held daily nationwide.⁹

A newly organized Samahang Nayon has a Class C grading. This rating is replaced by Class B after the SN has successfully completed all of the Phase II activities and later graduates to Class A after faithful compliance with the Barrio Guarantee Fund and the Barrio Savings Fund requirements. For this reason during the 55 week training period heavy emphasis is placed upon the importance of these two funds, for only Class A SN are allowed to utilize these funds and to organize into Kilusang Bayan (full fledged cooperatives)¹⁰

3.1.5 Impact and Changes Seen as a Result of Samahang Nayon

The significance or impact of the Samahang Nayon program is as yet still largely concealed within the future potentials of its membership. Although undoubtedly there have been important social changes through SN efforts, as demonstrated attitudinally in terms of increased cooperation and a spirit of "working" togetherness among farmer members, it has been difficult to measure the extent of this change. For example, members of SN organizations in Nueva Ecija tend to be more responsive in terms of meeting their credit obligations than they were before the SN organizations existed, however, the extent of their changed attitude in this area is not yet fully known.

Economic change resulting from the Samahang Nayon, although a bit premature to measure at this point, shows a great potential for future manifestation when one considers the tremendous achievements so far realized in the areas of forced savings (refer to section 3.1.1.4 Past Performances and Current Status of SN).

⁹For Further Reference See "Phase II - Development of Samahang Nayon: Management Training Manual"; DLGCD, Manila; May 1973.

¹⁰op. cit.: "The New Cooperatives System in the Philippines".

Perhaps the greatest and most obvious impact of the Samahang Nasyon has been the growth of individual farmer members' personal sense of identity as he seeks to relate to and address the issues which influence his existence. The Samahang Nasyon has provided the necessary link which has tied the services of cooperative structure for the first time to the farmer, the intended recipient of such efforts.

Although it is as yet premature to measure, the Samahang Nasyon is likely to play an instrumental role in the future phases of effective land transitions from the land owning oligarchy to the tenanted farming populace. (To date, however, Samahang Nasyon membership has only accounted for a relatively small percentage of the more than 189, 000 Certificates of Land Transfer issued by the Department of Agrarian Reform for Filipino farmers¹¹).

3.1.6 The Relationship of Samahang Nasyon with Other Farmer Organizations

The Samahang Nasyon being the largest barrio-based farmers organization within the Philippines affords an excellent foundation point from which communication, coordination, integration, and support can be channeled to all other existing farmers organizations. Already SN have acted to collect irrigation fees, organized farmers into joint production and liability groups, served as nuclei for the organization of barrio-based farmer training programs, and become conduits for supply of agricultural production inputs and marketing of agricultural products for farmers. But the potentiality for inter-relationships between Samahang Nasyon and other farmer organizations has not as yet been fully realized as little energy has been devoted to exploring or to more accurately defining the parameters of such relationships.

It would appear that the Samahang Nasyon organization possesses the necessary credentials and abilities needed to hold the umbrella underwhich other farmers organizations may find a solid foothold, however, first these other organizations must decide whether or not they wish to share the same umbrella.

¹¹ C.I.T. figure represents that given in the "Progress Report on Operation Land Transfer"; DAR, Manila; December 1974.

3.2 FARMERS BARRIO COOPERATIVES (FBC)

3.2.1 Historical Background of Farmers Barrio Cooperatives (FBC)

3.2.1.1 Organizational History

In May of 1971 the Nueva Ecija Land Reform Integrated Development Program (NELRIDP) began an Agricultural Credit and Cooperatives Program in the Province of Nueva Ecija which sought to develop and test new institutional support services for leasehold and small owner operator farmers. Emphasis in this new program centered on production credit. Efforts to provide such credit through existing FaCoMas proved highly disappointing the first year and NELRIDP decided to develop a new system in order to attain its objective.

In April of 1972 an interagency task force was formed to devise a pilot cooperatives program which was to show solutions to many of the inherent problems and bottlenecks existing in the old FaCoMa program. Four municipalities in Southern Nueva Ecija, to be known as Area I, were picked as the target area where Farmers Barrio Cooperatives (FBC) were to be organized as basic units through which farmers would receive extension assistance, production credit, and input supply and marketing services. Credit assistance was to be provided to the project by ACA (Agricultural Credit Administration) with 5% of the saving from each production loan being retained as equity capital for the FBC (much of this money was to be used later in the establishment of a Farmers Cooperative Bank). Initially 11 FBCs were organized in Area I becoming the first cooperatives to register with the then new Bureau of Cooperatives Development.¹²

¹² A. F. Gamble: "Status Report - Agricultural Credit and Cooperatives Program of NELRIDP"; USAID, Manila; June 1973.

3.2.1.2 Rationale Behind the Creation of Farmers Barrio Cooperatives

With inequities arising from the FaCoMa program in late 1971 it became exceedingly clear that this structure was not providing farmers with the proper representation, identity, and support characteristic of efficient cooperative organizations. The necessary support systems to the Agrarian Reform program had not at this time effectively reached the rural farming communities through existing institutional channels. It was with these needs in mind that NEIRIDP suggested that cooperative efforts should be shifted both upward to the multi-municipal level to achieve economies of scale and downward to the barrio level to develop a localized representation for farmers. This downward focus led to the development of Farmers Barrio Cooperatives in Southern Nueva Ecija which later served as a model for the development of the national Samahang Nayon Program (see sections 3.1.1.1 and 3.1.1.2, Historical Background of Samahang Nayon).

3.2.1.3 Geographic Distribution of Farmers Barrio Cooperatives

Farmers Barrio Cooperatives are barrio-based farmer organizations formed usually within the geographic confines of one or two barrios, however, in the case of small barrios, three or more may be included in one FBC. As of January 1975, 28 Farmers Barrio Cooperatives had been organized in the four Southern Nueva Ecija municipalities (Gapan, San Isidro, Cabiao and Penaranda) comprising Area I.

3.2.1.4 Past Performances and Current Status

The 11 FBCs originally organized in April 1972 demonstrated an impressive ability to meet production credit obligations, an area which had formerly been a major bottleneck to ACA's FaCoMa credit lending system (for the 1971-72 and 1972-73 loaning years ACA retrieved only

22.9% and 33.4%, respectively of its production credit loaned through FaCoMas in Nueva Ecija), with 8 out of 11 FBCs attaining virtual 100% loan repayments on their first cropping. A total of ₱.43 million was released to 530 FBC members for this first 1972-73 wet season crop production as compared to a total of ₱1.83 million to 1,295 FBC members for the 1974-75 wet season crop production. During their first year FBCs were able to generate some ₱32,000 in savings through the 5% retention program.

As of June 30, 1973, 19 FBCs had been organized with 1,429 members with a total paid up capital of ₱29,400. Barely six months later, on December 31, 1973, the number of FBCs had grown to 21 with 2,215 members and ₱46,315 in paid up capital.¹³ Currently (as of January 1975) 28 FBCs have been organized and are operational with a combined membership of 3,004 and a total capitalization of ₱78,000.¹⁴

On April 12, 1973, 15 FBCs federated to formally organize the Area I (South) Area Marketing Cooperative (AMC), registered on May 18, 1973. This service cooperative offers production input supply as well as rice milling and marketing services for its FBC membership. For the six month period ending June 30, 1974 the South AMC showed a net savings of ₱135,000 on a business volume of ₱2.3 million. (for further information regarding the AMC development approach in Nueva Ecija, consult the paper "Agricultural Credit and Cooperative Development in Nueva Ecija"; NELRIDP; April 1972, or A. F. Gamble: "Status Report: Agricultural Credit & Coop. Program of the NELRIDP"; USAID, Manila; July 1973).¹⁵

¹³ A. F. Gamble: "Year End Report - Nueva Ecija Pilot Program and GRAMACOP"; USAID, Manila; December 1973; p. 4.

¹⁴ A. F. Gamble: "Year End Report - Nueva Ecija Pilot Program and GRAMACOP"; USAID, Manila; January 1975.

¹⁵ A. F. Gamble: "Progress Report - Nueva Ecija Pilot Program and GRAMACOP"; October 1974.

3.2.2 Basic Purposes of Farmers Barrio Cooperatives

The basic purposes upon which Farmers Barrio Cooperatives (FBCs) have been founded are:

- 1) To encourage increased agricultural production and thereby stabilize former tenant farmers in their new status as lessees, amortizing owners and eventually as owner-cultivators;
- 2) To serve as a channel for the dissemination of essential services such as agricultural extension and farm credit, and also serve as a center for input supply distribution and crop assembly in preparation to marketing;
- 3) To encourage savings and generate capital so as to encourage barrio residents to place greater reliance upon their own pooled resources in meeting their community needs; and
- 4) To serve as a forum for airing and resolving problems which affect the barrio.

In broad terms these purposes may be summed up to reflect FBCs as socio-economic organizations which seek to offer farmer members the necessary support systems and services needed to effectively achieve successful agrarian reform.

3.2.3 Agencies Responsible for Establishing and Supporting Farmers Barrio Cooperatives

Farmers Barrio Cooperatives receive joint inter-agency support through the Integrated Development Program for Nueva Ecija (IDP/NE), formerly NELRIDP, which was responsible for the establishment of the program (refer to preceding sections 3.2.1.1 and 3.2.1.2, Historical Background of FBC).

Primary supporting agencies of FBCs through IDP/NE and their respective roles include: the Department of Local Government and Community Development (DLGCD) which offers technical

assistance in the form of training, organization, and registration of FBCs; the Department of Agrarian Reform (DAR) which offers technical field assistance in areas of extension, credit and land reform; the Agricultural Credit Administration (ACA) which provides production credit assistance to FBCs; and USAID which offers technical advisory services to the program.

3.2.4 Organizational Structure of Farmers Barrio Cooperatives

Farmers Barrio Cooperatives are barrio-based stock cooperatives registered as such with the DLGCD's Bureau of Cooperatives Development. As stock cooperatives FBCs may engage in business ventures unlike the Samahang Nayan. Business operations of FBCs revolve mainly around three areas; supply distribution, a credit forced savings program, and marketing collection activities.¹⁶

FBCs have an authorized capitalization of ₱ 25, 000 and must have a minimum paid up capital of ₱ 1, 000 along with 50 members in order to be registered.¹⁷

3.2.4.1 Farmers Barrio Cooperative Leadership

1) Board of Directors

- A) Manner of Selection - In most cases either five or seven directors are elected (usually one director is elected for every fifteen members of the FBC) by the General Assembly. Directors must not be engaged in any businesses which seek to compete with those of the cooperative.

¹⁶ "Agricultural Credit and Cooperative Program for Nueva Ecija"; NELEIDP; 1972; pp. 12-16.

¹⁷ O. J. Sacay "Organizing the Barrio Cooperative"; Agr. Executives, Inc., Manila; 1972; p. 35.

B) Functions - In addition to formulating cooperative policy and acting on new member applications, FBC directors are actively engaged in policyming rice collections, supervising credit releases, and seeking extension support in behalf of members when needed.

2) Officers and Committees

A) Manner of Selection - Four officers; president, vice-president, secretary-treasurer, and manager are selected by the Board of Directors of the FBC and three committees designated; the Credit and Collection Committee, the Audit and Inventory Committee, and the Education and Development Committee. The manager, an elected committee member, and the president serve as respective chairmen of these committees.

B) Functions - Functions of officers and committees follow the prescribed cooperative pattern. Additional efforts are given to distribution of inputs, collection of outputs, and supervising credit efforts (for additional information consult O. J. Sacay: "Organizing the Barrio Cooperative" Agr. Executives, Inc., Manila; March 1972; pp. 8-12).

3.2.4.2 Farmers Barrio Cooperative Membership

1) Composition of Membership

A minimum of at least 50 but ideally not over 200 farmer heads of households who are natural born Filipino citizens and the actual tillers of their land, either lessees, amortizing or full owners may form a Farmers Barrio Cooperative

(as of January 1, 1975 the average FBC in Nueva Ecija had an average of 107.3 members - see section 3.2.1.4, Historical Background of FBCs).

2) Geographic Relationship of Members

Membership within a FBC is restricted to those people either residing and/or farming within the area boundaries, usually one or more barrios, of the organization.

3) Member Obligations and Benefits

Members of FBCs are obligated to pay an initial membership fee and subsequent annual dues. In addition to this members are required to purchase two shares of stock, at ₱ 10 per share, for an initial paid-up capital of ₱ 20 each and also pledge to purchase a total of ten shares for a total individual subscribed capital of ₱ 100.

FBC members must further comply with the Barrio Guarantee Fund (BGF) and the Barrio Savings Fund (BSF) as outlined in detail in section 3.1.4.2 (3) of Samahang Nayan. ¹⁸

In addition to these requirements FBC members must attend pre-membership training courses prescribed by the cooperative (see section 3.2.4.3, Training and Development Programs for FBCs), attend regularly held membership meeting (usually one or two meetings per month), pledge to use improved farm technology, enter into a marketing and pledged procurement

¹⁸ Prior to the formation of the SN Program FBCs had a fund of their own similar in nature to the BSF. This fund, however, was renamed "Barrio Savings Fund" following the introduction of Samahang Nayan.

agreement for farm inputs and outputs, and reinvest within the cooperative interest on shares as well as patronage dividends for a period of at least five years or until all subscribed shares are fully paid whichever is sooner.¹⁹

Members of Farmers Barrio Cooperatives are receiving valuable social and economic benefits from their organizations much the same as those being enjoyed by Samahang Nasyon members. In addition to the savings they are generating from controlling the supply of inputs and marketing channels through their federated cooperative efforts, FBC members are accumulating substantial economic savings through both the Barrio Guarantee Fund and the Barrio Savings Fund. As of December 31, 1974 this savings (representing 23 FBCs) amounted to ₱17,499 and ₱309,426 for the BGF and the BSF respectively.²⁰ FBC members have further benefited in a social sense from the individualized representation now afforded them by their organization including a host of services such as technical training and continued education, technical extension assistance, production credit assistance, and life insurance benefits from the newly organized CSP program.

3.2.4.3 Training and Development Programs for FBCs

Before a Farmers Barrio Cooperative is to be organized, potential members must undergo a pre-membership training which lasts for nine days and outlines basic cooperative concepts such as: background and rationale

¹⁹ op.cit.: "Organizing the Barrio Cooperative"; p.7.

²⁰ op.cit.: A. F. Gamble: "Year End Report - Nueva Ecija Pilot Program and GRAMACOP"; USAID, Manila; January 1975; Appendix I.

for the cooperative movement; benefits of joining cooperatives; cooperative principles; and duties and rights of members. This training also includes a section on the organization and general operations of the FBC.²¹

Following the pre-membership training potential officers and committee members receive leadership training along with continued courses on general cooperative operations, credit and collection systems, farm supply distribution systems, marketing systems, cooperative education and development, and auditing and inventory procedures.²²

Following FBC organization the Education and Development Committee takes the responsibility for continued education in such areas as cooperative education among members and non-members, land reform, agricultural production, and credit services and obligations.

3.2.5 Impact and Changes Seen as a Result of Farmers Barrio Cooperatives

The impact of Farmers Barrio Cooperatives has not as yet fully manifested itself, although, there have been significant results to date. Says Alton F. Gamble, USAID Cooperative Systems Advisor, in his May 1974 progress report on Farmers Barrio Cooperatives in Southern Nueva Ecija, "After two years of operation, the Area I pilot program has clearly demonstrated the crucial role of the barrio level organization in carrying out a viable production credit program. The generally high degree of responsible performance by FBC members in utilization of loan proceeds and loan repayment is convincing evidence that effective leadership is being developed at the barrio level."

FBCs in Nueva Ecija are currently offering farmer-members a package of support services which were never realized under

^{21 & 22}

op. cit.: "Organizing the Barrio Cooperative"; Annex A.

previous institutional cooperative structures. The FBC has become a strong economic and social rural force as well as a viable mechanism for effecting land transfer under the government's current Agrarian Reform program. The future significance of this farmers organization will most certainly be reflected in the continued socio-economic development of those whom it currently seeks to serve.

3.2.6 The Relationship of FBCs with Other Farmers Organizations

Farmers Barrio Cooperatives are much the same as Samahang Nayan, being large barrio-based farmer organizations they provide a foundation upon which smaller organizations may channel a host of support services to farmer members. Although many of the potential relationships between FBCs and these other organizations have not at this time been adequately explored, it does appear highly probable that eventually such groups as Seldas, Compact Farms, and Irrigator Groups may well be established as permanent substructures within existing FBC organizations. However, such a complementary effort will require intensive discussions, planning and coordination on the part of all those supporting agencies concerned.

Farmers Barrio Cooperatives also, as do Samahang Nayan, serve the functions of farmers' cooperatives as outlined in Presidential Decree No. 27 (refer to bibliography no. 51), dealing with the emancipation of tenants under the current Philippine agrarian reform program.

3.3 COMPACT FARMS (CF)

3.3.1 Historical Background of Compact Farms (CF)

3.3.1.1 Organizational History

The first attempts to organize Compact Farms began in Cotabato in 1964 with the direction of the Agricultural Credit Administration (ACA) in its efforts to help blunt the threat of insurgency and bring dissident farmers back to the government fold.²³ ACA branch managers who observed the first pilot attempts in Cotabato later in 1965 applied the new concept in other areas such as Iloilo and Pangasinan Provinces. The Compact Farms (CF) organized in these areas sought to strengthen the existing base of the Farmers' Cooperative Marketing Associations (FaCoMas) and also to improve production credit collections from among farmers.

In 1969 Compact Farms were introduced to Camarines Sur by, firstly, the ACA whose focus was primarily production oriented and, secondly, by the Archdiocesan Secretariat for Social Action (ASSA) whose principal stress was social solidarity. Although these two programs, known as ACA Compact Farms and ASSA (Later Rural Bank) Compact Farms, were complementary to each other there were basic differences in their respective organizational structures (refer to Table 1, Comparison of ACA & RB Formulas for the Compact Farm Organization).²⁴

Early in 1972 Compact Farming was further introduced to Nueva Ecija by the Knights of Columbus (KC) who maintained the central theme of social action as held earlier in Camarines Sur by the ASSA. Shortly after

23 & 24

J. V. Barrameda, Jr.: "Compact Farming in Camarines Sur"; SSRU; January 1974.

the KC had organized its first Compact Farm within Nueva Ecija the ACA also began establishing CF organizations, again with a production emphasis, on a pilot scale within the province.

3.3.1.2 Rationale Behind the Creation of Compact Farms

As briefly highlighted in the previous section the reasons for which Compact Farms have been organized vary according to specific organizational and geographical needs. Initially the ACA sought to use CFs as instruments to blunt insurgency and maintain status quo among farmers. Later the groups were envisioned as tools for strengthening the FaCoMas and enforcing credit collection through joint liability and contiguity requirements. Organizations such as the Camarines Sur Archdiocesan Secretariat for Social Action and the Nueva Ecija Knights of Columbus saw Compact Farms as vehicles for the promotion of social development within the rural areas.

This consortium of needs combined with others more recently added has provided the basis upon which the concept of Compact Farm Organizations has over the past eleven years evolved within the Philippines.

3.3.1.3 Geographic Distribution of Compact Farms

Although there is no cumulative data which reflects numerically or geographically the scope of the Compact Farming program within the country it is known that the organization has up to this time been generally limited to a relatively few areas throughout the country. Pangasinan, Nueva Ecija, Camarines Sur, and Iloilo Provinces continue to be the areas having the highest concentration of Compact Farms. As of September 1972 there were 240 Compact Farms organized within Camarines Sur and, as of March 1973, 11 CF organizations existed within Nueva Ecija. Compact Farms are also being established in several resettlement areas such as those in Palawan and Lanao del Sur.

3.3.1.4 Past Performances and Current Status

During the past eleven years hundreds of what can be termed "Compact Farms" have been organized in several provinces of the country by a host of supporting agencies and organizations for a rather widespread variety of reasons. As such there has not been at any time a commonly agreed upon definition of what a Compact Farm either is or is not but, rather, there has been a gradual evolutionary process which has produced today a farmers organization which, although still far from being commonly defined, most knowledgeable would agree has some basic characteristics of its own. Compact Farms are today generally seen as production units, much smaller in nature than either the Samahang Nayon or the Farmers Barrio Cooperatives (although larger than Seldas or Damayans), which serve as joint liability groups for production credit as well as units for rural socio-economic development.

Currently the concept of Compact Farming is rapidly expanding within the Philippines. The ACA has plans for an accelerated CF program during 1975 including expanded efforts in both Iloilo and Nueva Ecija as well as other target areas.

The Bicol River Basin Council (BRBC) expects to organize 350 pilot Compact Farms which will combine the best features of the old ACA and RB forms of CFs in the area during 1975. Already training has been completed for some 160 government technicians and is currently going on for 350 farm coordinators who will participate in the program.²⁵

A newly created program of the Angat-Magat Integrated Agricultural Development Project (AMIADP) financed by a P 9.6 million joint loan from the National Irrigation Administration (NIA) and the Asian Development Bank (ADB) seeks to establish many new Compact Farms within Central Luzon during 1975. Already AMIADP has established 42 Compact Farms in Bulacan and Isabela.

²⁵ "Training Manual: Compact Farms and Cooperative Development"; BRBC; 1974.

An increasing number of civic organizations are also supporting the expansion of Compact Farms in many new areas within the country.

3.3.2 Basic Purposes of Compact Farms

Although it is difficult to find common agreement as to the basic purposes of Compact Farms from among the various agencies responsible for establishing and/or supporting the organizations, it does appear that the new Compact Farming program in the Province of Camarines Sur best reflects the various purposes expressed by many of these other groups.

The Bicol Program states the following three general purposes with corresponding specific purposes for Compact Farms:

- 1) To serve as farm level units of production:
 - a) to increase agricultural production;
 - b) to make efficient use of farming technology.
- 2) To serve as channels for production inputs, marketing services, technical services, and financial assistance:
 - a) to facilitate distribution of farm inputs;
 - b) to facilitate collection of farm products for marketing;
 - c) to support effective extension and management services;
 - d) to support effective credit assistance (as a joint-liability group);
 - e) to improve loaning capacity and attitudes of farmers;
 - f) to encourage farmers to engage in other productive farming ventures.

- 3) To serve as social bases for group action:
- a) to facilitate effective coordination of individual farm operations under one management;²⁶
 - b) to provide better opportunities for participating agencies to coordinate efforts for services and assistance;
 - c) to facilitate the decision-making process within a rural group;
 - d) to improve communication systems for a more functional education process;
 - e) to organize farmers cooperatives or pre-cooperative groups or function within existing cooperative structures.

3.3.3 Agencies Responsible for Establishing and Supporting Compact Farms

As has been mentioned several different organizations and agencies have been responsible for establishing and/or supporting Compact Farms. Among these the Agricultural Credit Administration (ACA), the Bicol River Basin Council (BRBC), various Rural Banks (RB), the Knights of Columbus (KC), the Catholic Church through its Social Action Program, and more recently joint efforts by the National Irrigation Administration (NIA) and the Asean Development Bank (ADB) have been perhaps the most active. Numerous other government agencies have further added some form of supplemental support to Compact Farms. The Department of Agrarian Reform for example has been quite active in terms of supporting CF development in resettlement areas.

The nature of support given by these various agencies and

²⁶ Several Compact Farm programs do not stress single management; e.g. Rural Bank Type CF in Bicol, Knights of Columbus Type CF in Nueva Ecija.

organizations consists primarily of organizational and technical training, rural social education, and extension and credit production assistance.

3.3.4 Organizational Structure of Compact Farms

Compact Farms are organized units of small farmers with contiguous farm holdings. They may or may not be organized according to existing irrigation systems. Although they may often vary in size and operating details, Compact Farms have certain basic principles in common. They serve as joint liability groups for production credit assistance. They also control the movements of production inputs and outputs to allow for increased profits to producers. And, generally, they are operated under a single management by one democratically elected farmer member (although members individually cultivate their own land).

Compact Farms are non-stock farmer organizations which many times serve as sub-units within other existing cooperative structure. An example of this is seen in the role Compact Farms have played in the past in term of supporting the old FaCoMa structure and more recently as substructure within the Samahang Nayan organization.

3.3.4.1 Compact Farm Leadership

- 1) Farm Coordinator or Manager
 - A) Manner of Selection - The Farm Coordinator or Manager is usually selected through a democratic election process by members within a given Compact Farm in coordination with a screening process aided by a field technician from the agency supporting the organization.
 - B) Functions - The Farm Manager functions to: (a) represent the group in all business transactions; (b) help CF members formulate farm plans and budgets; (c) coordinate with govern-

ment or private field technicians in the management and supervision of CF activities; (d) initiate development projects within the CF; (e) initiate adoption of new production technologies; and (f) institute discipline within the group.²⁷

2) Other Officers and/or Committees

Generally speaking most Compact Farms as sub-units of Samahang Nayan or other cooperative structures do not have officers of their own outside of the farm manager position, however, in some cases CF do in fact have presidents, secretary-treasurers, and/or assistant managers of their own, or, committees for various subject areas; e.g. credit, management, etc.

3.3.4.2 Compact Farm Membership

1) Composition of Membership

Compact Farms are composed primarily of small-scale farmer/tillers either leaseholders, amortizing owners, or owner-operators who are farming lands contiguous to one another. Depending on the type of Compact Farm, farmers either may or may not select their fellow members. Generally CF members are also members of Samahang Nayan. Most often between 10 and 20 farmer members will join together to form one CF (in Camarines Sur the average existing CF in September 1972 had 11.0 members while in Nueva Ecija 19.9 members composed the average sized

²⁷ op. cit.: "Training Manual: Compact Farms and Cooperative Development"; p. 52.

CF as of March 1973²⁸). In a report prepared April 2, 1973 in Nueva Ecija by the Knights of Columbus it was stated that "big membership of Compact Farms is hard to handle (and) the convenient number of farmers should not exceed 20" The new Bicol CF program estimates 15 members per group as an ideal size (actually stated 15 members or 50 hectares, whichever is less).

2) Geographic Relationship of Members

Members of Compact Farms farm contiguous plots of land (planted to the same crop) usually between 20 to 50 hectares per CF (in Camarines Sur as of September 1972 the average size of a CF was 17.6 hectares, although, the new Bicol program calls for 50 hectare per CF. Nueva Ecija CFs as of March 1973 averaged 52.0 hectares each, although, those CF organized by the Knights of Columbus averaged 42.8 hectares each²⁹).

Compact Farms on occasion are organized geographically according to existing or proposed irrigation systems. In these situations, where one CF is organized for say one irrigation turn out, barrio boundaries are occasionally crossed and sometimes membership within a given CF will be

²⁸ A) "Report on the Province of Camarines Sur and the Lower Bicol River Basin"; Cam. Sur Interagency Survey Team; September 1972; p. 11.

B) "NELRIDP Status Report"; NELRIDP; March 1973; p. 2.

²⁹ A) *ibid.*: "Report on the Province of Camarines Sur and the Lower Bicol River Basin"; p. 11.

B) *ibid.*: "NELRIDP Status Report"; p. 2.

divided among two barrios resulting in a split Samahang Nayon membership for the CF farmers concerned.

3) Member Obligations and Benefits

Generally speaking members of Compact Farms are not required to make any financial investments in their organizations, however, they must agree to certain conditions. The following conditions and obligations are among the more common:

- a) Members shall be required to join a Samahang Nayon;
- b) Members shall be required to sign a Compact Farming Agreement;
- c) Members shall be required to sign a statement of joint and several liability for all production loans;
- d) Members shall be required to sign a joint marketing agreement;
- e) Prospective members shall be required to undergo pre-membership and subsequent training courses;
- f) Members shall agree to attend group meetings (usually combined with Samahang Nayon meetings); and,
- g) Members must follow a uniform farm plan and budget and agree to obey the supervision and management efforts of the farm manager.

Compact Farms offer farmers a package of benefits including:

- a) Higher agricultural production due to improved efficiencies and economies of scale;
- b) Improved irrigation water control and supply;
- c) Increased opportunity for technical and financial assistance;
- d) Improved and coordinated delivery systems for agricultural input and output flow; and,
- e) Improved social relationships within the community.

3.3.4.3 Training and Development Programs for Compact Farms

Perhaps the best example of a training and development program can be observed in the Bicol River Basin Council's (BRBC) new Compact Farms program. Although this example may reflect a more controlled and ideal approach and therefore present a less objective view of Compact Farm training and development in general, it does improve upon many past approaches and thereby merits further examination at this point.

The BRBC's approach to training and development for the organization and operation of Compact Farms is both diversified and intensified. Initially 160 government technicians were selected from six agencies - DAR, DLGCD, BAE, BPI, NIA, and BAI - and divided into four separate groups to undergo an intensive three-week training seminar. These technicians studied such areas as: the mechanics of organizing Compact Farms; CF principles; leadership development; group dynamics; and a host of technical subjects addressing farm credit, irrigation management, crop and livestock production,

farm mechanization, farm management, and extension approaches and techniques. Following the training of these technicians 350 Farmer Coordinators were selected (many of whom were either Samahang Nasyon or barrio leaders) by barrio farmers in coordination with a screening process conducted by the newly trained technicians to undergo similar training, but in this case, for one week only. These seminars currently going on will provide the nucleus for the formation of 350 new Compact Farms during 1975. Once technicians and coordinators have completed their respective training programs focus then shifts to pre-membership and post-membership development after which period CF leaders again undergo a continued educational phase.³⁰

Although a number of agencies supporting CFs over the past few years have proposed a variety of approaches to training and development, it appears that none can compare in terms of magnitude and scope with that which is offered currently by the Bicol program.

3.3.5 Impact and Changes Seen as a Result of Compact Farms

Statistical data has clearly shown the Compact Farm to be a socio-economic force for rural development. In a report prepared by the Camarines Sur Interagency Survey Team in September 1972 it was stated, "Significant improvements in productivity and the high percentage of repayment by farmers testify to the exceptionally satisfactory performance of compact farms to date. Palay yields have (averaged) 85 cavans for compact farms, compared with the basin-wide average of 60 cavans per hectare for irrigated rice lands. An average repayment rate of 90 - 95% has been achieved over the past three crop seasons" ³¹ In January 1974 the Social Survey Research Unit supported the above cited report by finding that in Camarines Sur members of Compact Farms had significantly higher yields (particularly in rainfed areas) and had

³⁰ op. cit.: "Training Manual: Compact Farms and Cooperative Development".

³¹ op. cit.: "Report on the Province of Camarines Sur and the Lower Bicol River Basin"; p.12.

adopted better farming practices than other farmers who were not members.³² In Nueva Ecija also production credit repayments of Compact Farms have averaged almost a consistent 100% during recent cropping seasons.³³

3.3.6 The Relationship of Compact Farms with Other Farmer Organizations

Various Compact Farm projects throughout the country have in the past from time to time sought to coordinate or integrate with other existing farmers organizations. This was perhaps initially observed in the support role given to FaCoMas by CFs during the mid-1960s. More recently CFs have continued this support to cooperative structure by becoming defined sub-units within newly organized Samahang Nayan. Compact Farms have further functioned to supply many of the services offered by Irrigator Groups in terms of improved water management and control, maintenance of dikes, and collection of irrigation fees.

It must be noted, however, that additional investigation and research is needed in this area in order to more accurately define the future of this most promising farmers organization.

³² F. Lynch, S. J. : "Rice-Farm Harvests and Practices in Camarines Sur: Do Compact Farms, Masagana 99, and Samahang Nayan Make a Difference?"; SSRU, R. R. Series, No. 2; January 1974; pp. 28-32.

³³ A. F. Gamble: "Report - Nueva Ecija Pilot Project and GRAMACOP"; USAID, Manila; May 1974; Appendix I.

TABLE 1
COMPARISON OF THE ACA AND RB FORMULAS FOR THE
COMPACT FARM ORGANIZATION*

Feature	ACA	RB
A. <u>Membership qualifications</u>		
1. Contiguity of members' farms	Required	Not required
2. Irrigation (gravity or pump)	Required	Required
3. Equal productivity of members' farms	Required	Not required
4. Acceptability of members to all others in group	Required	Not required as such (see A. 5)
5. Kinship (blood or marriage) with other members; residence near others	Not required	Required
6. Premembership training	Required	Not required
7. Acceptability of program package esp. modern farming techniques	Required	Required
8. Lessee or ownership status	Required	Required
B. <u>Membership size</u>		
9. Number of members	Dependent on requirements 15-20 members for efficient and effective supervision	
10. Number of hectares	Dependent on requirements 40-50 hectares for efficient and effective supervision	
C. <u>Operation</u>		
11. Members jointly and severally responsible for loans	Required	Required
12. Supervised credit	Required	Required
13. Farm operations	Consolidated, following one overall plan	Individual, following individual plans
4. Marketing	Pooled, with first proceeds used to repay loans	Individual, with individual repayment of loan

*Taken from F. Lynch, S. J.: "Rice-Farm Harvests and Practices in Camarines Sur: Do Compact Farms, Masaganas 99, and Samahang Nasyon Make a Difference?"; SSRU, R. R. Series, No. 2; January 1974; Table 1.

3.4 SELDAS (S)

3.4.1 Historical Background of Seldas (S)

3.4.1.1 Organizational History

Seldas, similar organizations in many respects to Compact Farms, were introduced officially within the country only in 1970. Envisioned as a new scheme to supervise production credit, two rural banks sought to establish the first of these small-scale joint liability groups in that year. The Rural Bank of Mexico in Pampanga Province and the Rural Bank of Sultan sa Barongis in North Cotabato Province simultaneously reinforced their supervised credit operations under the then active Agricultural Guarantee Loan Fund (AGLF) by establishing these credit-based farmer organizations. Later the term "Damayan" was to be associated with these organizations in Luzon while in Mindanao they were to be known as "Selda". Other expressions also such as "Tulungan" and "Saranay" were later attached, all communicating the same theme of "helping one another."³⁴

By 1971 Selda organizations were greatly expanded in the Province of Nueva Ecija through the efforts of the then newly organized Nueva Ecija Land Reform Integrated Development Program (NELRIDP), currently IDP/NE. NELRIDP in an effort to develop viable production credit delivery systems promoted the organization of Seldas within the then prominent FaCoMas. By the end of 1971, 1,355 Seldas had been organized for credit functions by the Agricultural Credit Administration (ACA) through existing FaCoMas within Nueva Ecija. NELRIDP also promoted the organization of Seldas within Nueva Ecija rural banks. Membership within a Selda was a pre-requisite to borrowing any funds from a rural bank under

³⁴ F. Salvador: "Integrated Agricultural Financing"; Central Bank, Manila; October 1973; Annex 2.

the then newly created Special Agricultural Loan Fund (SALF) in October 1971. When three months later the SALF was adopted nationwide under the Agricultural Loan Fund (ALF), Selda organizations were introduced throughout the country.

3.4.1.2 Rationale Behind the Creation of Seldas

With various loaning institutions experiencing ~~poor~~ credit repayment during the late 1960's - the ACA through its poorly organized FaCoMa credit channels and the Central Bank supported rural banks through inept AGLF credit policies - the need for new and improved schemes for safeguarding agricultural credit systems by reducing risk factors was of paramount importance. In addition to the supervision provided by loaning institutions there was a need for an internal policing system at the ~~farmer~~ level to supervise loan application and collection. The Filipino spirit of "Bayanihan" or damayan, farmers voluntarily helping one another, was to become the cornerstone of just such a system. It was felt that with small groups of farmers jointly and severally liable for each others loans that the social pressure exerted by the damayan spirit would insure improved credit delivery and repayment systems.

3.4.1.3 Geographic Distribution of Seldas

Seldas have been established in practically every area of the country where either rural banks or ACA have extended production credit. Unlike Compact Farms, Seldas are today a much more widespread farmers organization having been organized in over 60% of the nation's rice and corn producing areas.

3.4.1.4 Past Performances and Current Status

In just five short years the concept of Seldas has

blossomed into a viable and ongoing national-scale farmers organization. Formed initially to serve as joint liability groups to channel institutional credit to the rural agricultural sector, these small-scale farmer organizations are currently estimated to number more than 40,000 (under the Agricultural Loan Fund (ALF), all supervised credit financing is channeled through Selda organizations).

3.4.2 Basic Purposes of Seldas

Seldas, the smallest units of farmer organizations, exhibit close similarity in terms of purpose to Compact Farms. Seldas have been organized to:

- 1) Serve as the basic production units at the farm level;
- 2) Act as joint liability groups for credit application and collection;
- 3) Serve as channels for facilitating distribution of farm inputs;
- 4) Serve as collection and assembly points for agricultural marketing;
- 5) Act as rural nuclei for concentrated technical training and extension assistance; and,
- 6) Serve as sub-units for social development within the barrio structure.

3.4.3 Agencies Responsible for Establishing and Supporting Seldas

Primary responsibility for the establishment and support of Seldas rests with the over 650 rural banks (RB) within the country along with the efforts of the Agricultural Credit Administration (ACA) and, more recently, the Philippine National Bank (PNB). Of these three credit institutions, the

rural banks continue to play the dominant role with respect to Selda formation.

While the RB, ACA and PNB are engaged in the extension of production credit to these farmer organizations other government agencies are also offering their support in such areas as technical training, supervision and extension. Samahang Nayon and Farmers Barrio Cooperatives are also encouraging the formation of Seldas as substructures within their own respective organizations. Both SN and FBCs offer Selda members economy of scale advantages in such areas as input supply and marketing as well as other socio-economic benefits.

3.4.4 Organizational Structure of Seldas

Seldas are small-scale production units formed at the barrio level. Anywhere from 5-10 farmers may form a Selda and within any given barrio a multitude of these organizations may exist. Seldas may or may not be organized according to contiguous land holdings. Unlike Compact Farms they generally do not exceed 30 hectares and are not operated under a single management system. They do, however, as do Compact Farms, serve as joint liability groups for production credit assistance and as input/output distribution and assembly points (see Chart 1).

Seldas are non-stock farmer organization which like Compact Farms generally serve as sub-units within other existing cooperative structure (e.g. Samahang Nayon, Farmers Barrio Cooperatives, etc.).

3.4.4.1 Selda Leadership

1) Group Leader

- A) Manner of Selection - One group leader is elected from and by the members within a given Selda or "Damayan". As a means of guaranteeing his performance, the Selda assumes the name of its leader (because of his oriental outlook the group

leader would never want the name of the Selda blemished as it would reflect upon him and his abilities).³⁵

- B) Functions - The group leader functions to act on behalf of the members in transactions with credit institutions and other agencies or organizations as well as supervise implementation of credit and other ongoing programs within the Selda.

2) Other Officers

- A) Manner of Selection - The group leader may optionally choose to designate a secretary-treasurer and an information officer. Selection criteria are educational background and experience.
- B) Functions - The secretary-treasurer records inputs for all members within the Selda. He also keeps records for all projects receiving financing from a credit institution. The information officer, in coordination with government field technicians, disseminate new technologies and farm know-how to Selda members.

3.4.4.2 Selda Membership

1) Composition of Membership

Selda membership is composed primarily of small-scale farmers, lessees, amortizing owners, or full owner, living in close proximity to one another and many times related to one another by bonds of either blood or marriage.

³⁵ *ibid.*: Annex 2

Within Seldas, farmers are free to select their fellow members. Generally Selda members are also members of Samahang Nayon. Membership within a given Selda usually ranges between 5 and 10 farmer members (of the 1,355 Seldas organized in Nueva Ecija by the ACA as of December 1971 the average number of members per group was 6.4 while the Gen. Ricarte Agricultural Cooperative (GRAC) in Llanera, N. E. averaged 5.1 members per group.³⁶ As of September 1971, 121 Seldas organized within 12 existing Farmers Barrio Cooperatives (FBCs) in Southern N. E. averaged 8.0 farmers per group³⁷).

2) Geographic Relationship of Members

As a rule, members within a given Selda live within close proximity to one another. They may or may not farm contiguous plots of land. In some cases individual farmers may be members of two or more Seldas within a barrio (Seldas are typically "single purpose" in terms of agricultural activities. To cite an example, a farmer receiving rural bank financing for both rice and swine production may be required to joint two Seldas, one organized for rice production and the other for swine production). Generally, Seldas do not exceed 30 hectares, in fact some can not even be measured in terms of land area at all as is the case with Seldas organized exclusively for swine or poultry production.

3) Member Obligations and Benefits

As a rule members of Seldas are not obligated

³⁶ "Semi-Annual Report: July-December 1971"; NELRIDP; December 1971; Exhibit "H" & "I".

³⁷ "Status of Pilot Project Implementation - Area I Gapan, N. E."; NELRIDP; September 15, 1972.

to make any financial investments within their organizations. They must, however, agree to certain basic conditions. Among the more common of these are:

- a) Members shall be required to join a Samahang Nayan;
- b) Members shall be required to sign a promissory note thereby stating joint and several liability for all production loans;
- c) Members shall be required to sign a joint marketing agreement;
- d) Members must follow individual farm plan and budgets prepared by credit technicians and also agree to follow the supervision of the group leader;
- e) (OPTIONAL) Members shall undergo training prior to credit releases from the loaning institution.

Seldas offer the following benefits to farmer members:

- a) Improved individual credit representation and assistance from agricultural loaning institutions;
- b) Increased opportunities for technical assistance;
- c) Improved and coordinated delivery systems for agricultural input and output flow; and
- d) Improved social relationships within the community.

3.4.4.3 Training and Development Programs for Seldas

Training and development programs for Seldas are often optional. Occasionally rural banks will require a newly formed Selda to undergo some technical production training in the area of the crop or activity being financed. This training may or may not be intensive in nature.

Various civic groups along with trained government technicians on occasion will conduct seminars for groups of Seldas engaged in the same or similar form of agricultural production, however, for the most part training and development activities are carried out at the barrio or Samahang Nasyon level. As the Samahang Nasyon Educational and Training Committees develop, they will most certainly play a more active role in the continued education of various Selda groups.

3.4.5 Impact and Changes Seen as a Result of Seldas

Seldas have largely contributed to improved production credit collection systems within the country. To illustrate, the Central Bank (CB) recently reported a collection rate of 72.7% for the first two phases of its Masagana Rice Production Program, almost all of which was channeled through Selda organizations.³⁸ Although such a percentage may seem quite low by Western standards, it does represent a substantial increase over the pre-1970 (prior to the use of Selda liability groups) loan recovery rates. While indeed there may be several other contributing factors to such improved repayment patterns, many agree that Seldas have played a significant role.

In addition to aiding improved credit repayment, Seldas have further shown themselves to be viable production units which

³⁸ "Third Monthly Progress Report on Masagana 99 Rice Production Program - Phase III - as of July 31, 1974"; Central Bank, Manila; September 31, 1974.

have improved input supply distribution and also aided production assembly for marketing. Although there is no known data which directly correlates increased production at the farmer level with the formation of Selda groups, it would be logical to assume that here too Seldas have made their contribution.

Seldas have also increased social relationships within the rural setting through closer day to day contact between group members. Currently research efforts are underway to better examine the extent of this sociological change.

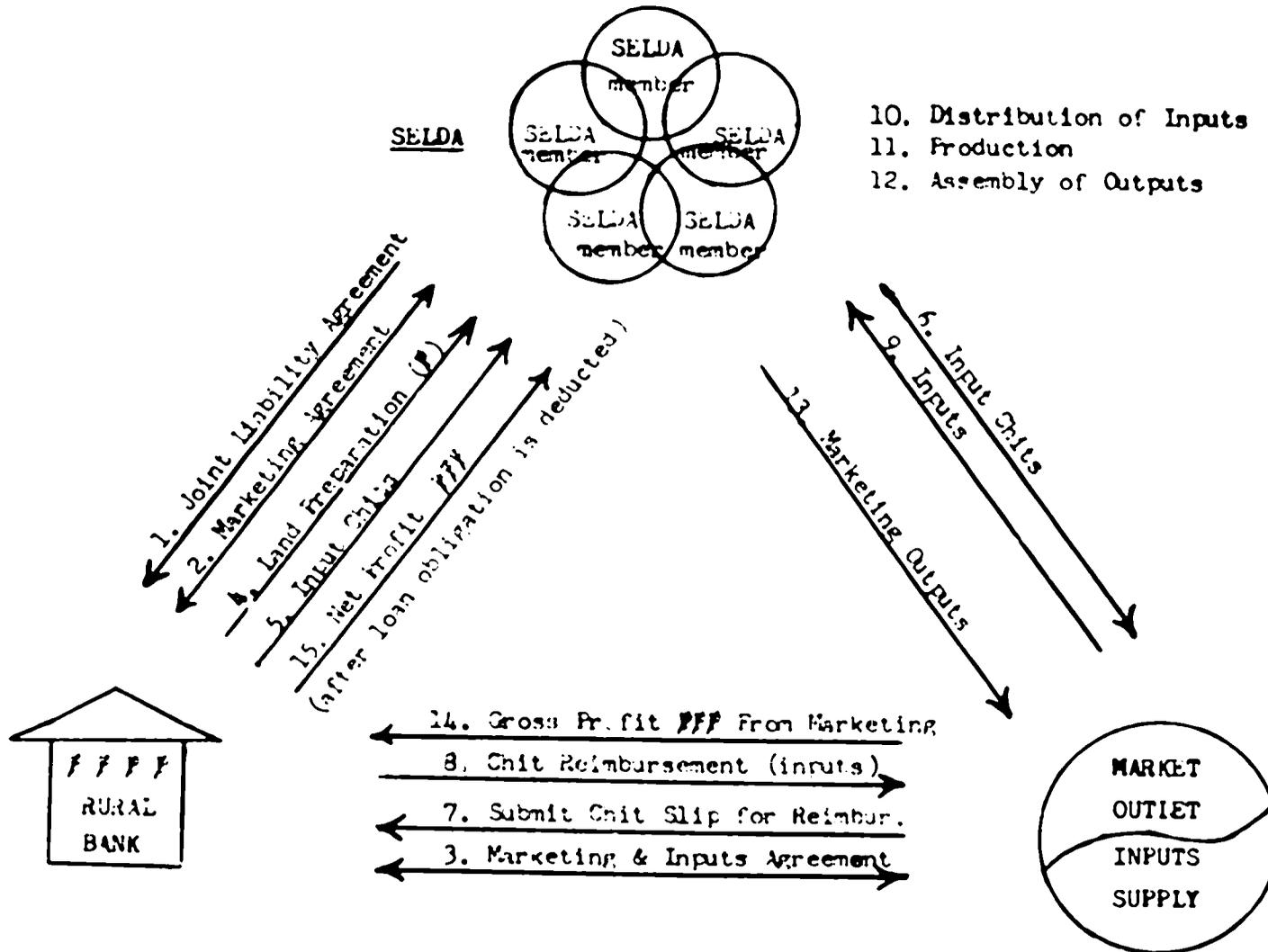
3.4.6 The Relationship of Seldas with Other Farmer Organizations

It has been mentioned that generally Seldas function as sub-units within such other organizations as Samahang Nayan and Farmers Barrio Cooperatives. Being the smallest functional units within the barrio, Seldas offer valuable support services in areas such as program implementation and supervision to these other larger organizations.

Seldas also serve many of the same or similar functions as do Compact Farms or Irrigator Groups, becoming involved with production economies of scale and irrigation support services.

To date there has been all too little evaluative research as to the extent and results of such relationships. It would seem proper at this point to focus more attention in the future towards addressing such research efforts.

CHART 1
 DIAGRAMATICAL FLOW CHART OF CREDIT, INPUT, AND MARKETING
 SYSTEMS FOR SELDA ORGANIZATIONS ESTABLISHED BY RURAL BANKS



3.5 IRRIGATOR GROUPS (IG)

3.5.1 Historical Background of Irrigator Groups (IG)

3.5.1.1 Organizational History

Irrigator Groups may for the most part be divided into two categories, Communal Irrigation Associations and government owned and operated systems. For the sake of our study on farmer organizations, we will focus attention primarily on the former alluding to the latter whenever applicable.

Communal Irrigation Associations are perhaps the oldest of any of the farmer organizations dating well back into the 1800's when farmers out of necessity formed themselves into loose-knit groups in order to develop and control water systems for their lands. Generally these groups were quite small servicing only a few farmers in a given locality.

More recently, during the 1960's, greater emphasis was placed upon the formation of Communal Irrigation Associations by both government and private institutions. As a result of these accelerated efforts, several hundred communal groups were organized throughout the country. These groups were generally organized at the barrio level and served as a rule areas less than 1,000 hectares (a recent World Bank Report made in 1973 defines all systems in the Philippines serving less than 3,000 hectares as communal systems).³⁹

The National Irrigation Administration (NIA), while having developed an expansive set of irrigation systems

39

"Water Management Team Report for the Bicol River Basin, Luzon Island, Philippines"; USAID, Manila; September 1973; p.19.

of its own during this period, began actively organizing Irrigator Groups in target areas during 1970 and 1971 in order to encourage farmers to take a more active role in the management and supervision of NIA sponsored irrigation systems. Perhaps the most significant of these attempts was the more than 1,000 Irrigator Groups formed by NIA in Nueva Ecija during 1971. These organizations, however, did little to solve the problems for which they were created, for generally they were organized on the barrio level with as many as 200 or more members per group and almost no regular technical field support or organizational training being supplied by NIA.

In 1974 with but a handful of the original 1,000 IGs still functional, NIA began a new reorganizational effort (described in section 3.5.1.4) in Nueva Ecija as well as other target areas to coincide with other NIA supported infrastructural development programs such as the Upper Pampanga River Project servicing 78,000 hectares in Central Luzon.

3.5.1.2 Rationale Behind the Creation of Irrigator Groups

Irrigator Groups whether organized through private initiative or government supported efforts have sought since their inception to develop more just and equitable systems for water distribution and delivery. In such a scarce commodity as irrigation water, upon which rests the very existence of man, policy dictates a management system which guarantees wise and proper water use. Upon this basic necessity the establishment of Irrigator Groups has been initiated.

3.5.1.3 Geographic Distribution of Irrigator Groups

Irrigator Groups are organized not according to politically determined land boundaries but rather to the

geographic patterns that the various irrigation systems follow.

To date Communal Irrigation Associations have been established in almost all provinces within the country. NIA sponsored programs are particularly strong in Isabela, Nueva Ecija, and Bulacan Provinces. The Barrio Irrigators' Service Association (BISA) (discussed later) a new inter-agency program is actively engaged in the establishment of Irrigator Groups in eleven provinces with greatest efforts to date centered in Capiz, Camarines Sur, Lanao del Norte, and La Union. Pampanga also is the center of a well organized program for IGs sponsored by the provincial government.

3.5.1.4 Past Performances and Current Status

The past performances of Irrigator Groups have been highlighted in section 3.5.1.1. Today, these various associations are rapidly expanding throughout the country due to the efforts of various government and non-government programs. Two of the more significant of these are herein discussed in more detail:

The National Irrigation Administration (NIA) has a new program within the geographical scope of the Upper Pampanga River Project (UPRP) that calls for the establishment and reorganization over the next two years of more than 1,500 Irrigator Groups. This program makes significant improvements in approach over the initial NIA attempts in the UPRP area. The program calls the establishment of approximately 50 hectare IGs with 20-30 members each, formed around the geographical confines of one irrigation turn out.⁴⁰ Each IG is to be divided into near-equal parcels (e.g. five parcels, ten hectares each) which will receive

⁴⁰ "Working Paper on the Formation of Irrigator Groups within a Turn-Out Service Area of the Upper Pampanga River Project"; NIA, Nueva Ecija; 1974.

irrigation on a rotational basis (see Chart 2). Currently NIA has 80 Water Management Technicians (with a June 1975 projection of 160) to help implement this wide scale program.

A recently formed inter-government agency program known as Barrio Irrigators' Service Association (BISA) is also promoting wide scale development of Irrigator Groups or 'Irrigators' Service Associations (ISA).⁴¹ Supported by joint efforts from the NIA, National Electrification Administration (NEA), Provincial Development Assistance Program (PDAP), and Development Academy of the Philippines (DAP) in coordination with the various local governments this program seeks to establish ISA groups in 155 pilot barrios within an initial eleven provinces covering 16,870 hectares and some 13,850 farmers (see Table 2.)⁴¹ Currently 90 ISAs have been registered with the Securities and Exchange Commission (SEC) as the first phase of the program (organization and pump installation) is nearing completion. The BISA program in addition to encouraging improved water management and production technology (phase II) will engage in the extension of financial and commodity loans to farmer members for the construction and improvement of irrigation systems.⁴²

3.5.2 Basic Purposes of Irrigator Groups

There has been a wide range of purposes for which Irrigator Groups have in the past been organized. Several of these having common significance may herein be cited. Generally speaking, most Irrigator Groups serve to:

⁴¹ "BISA Program Progress Report, September-October"; DAP, Tagaytay City; October 1974; p. 41, Annex "B".

⁴² "BISA PROGRAM"; BISA INFO-DAP; 1974

- 1) **Manage irrigation systems:**
 - a) **rehabilitate and maintain dikes and ditches;**
 - b) **develop drainage systems;**
 - c) **coordinate and regulate water delivery systems;**
 - d) **collect fees for irrigation use;**
- 2) **Coordinate other support systems to aid production:**
 - a) **provide channels for credit delivery systems (occasionally serving as joint liability groups);**
 - b) **coordinate production input and output delivery systems;**
 - c) **promote new technologies for increased production;**
 - d) **coordinate training and extension assistance;**
 - e) **introduce business management principles to members;**
- 3) **Promote rural social development:**
 - a) **improve interpersonal working relationships between members;**
 - b) **provide structures for improved relationships with various civic and government organizations offering assistance.**

3.5.3 Agencies Responsible for Establishing and Supporting Irrigator Groups

The National Irrigation Administration (NIA) has been the primary agency responsible for the establishment and support of Irrigator Groups. The Bureau of Agricultural Extension (BAE), although quite active in past years, currently offers supplemental support to NIA as well as other IG projects.

More recently other agencies have become involved with the formation and support of Irrigator Groups. Under the Barrio Irrigators' Service Association (BISA) program (see section 3.5.1.4) several agencies including NIA, the National Electrification Administration (NEA), the Provincial Development Assistance Program (PDAP), and the Development Academy of the Philippines (DAP), are sponsoring the organization of Irrigator's Service Associations (ISA). Various provincial governments and civic organizations have also from time to time become involved with IG organization and support.

Primary support given by these agencies includes organizational assistance, technical training and extension support, financial and commodity loans for irrigation equipment and construction, and major infrastructural irrigation development to complement IG efforts.

3.5.4 Organizational Structure of Irrigator Groups

Irrigator Groups are generally non-stock associations registered as such with the Securities and Exchange Commission (SEC). They may or may not be organized according to contiguous land holdings although invariably they follow the geographic boundaries of the actual existing irrigation systems not those politically determined.

Irrigator Groups vary widely according to size of area and membership, ranging from small groups encompassing as few as 15 hectares and a dozen members to multi-barrio scale organizations representing thousands of hectares and hundreds of members.

Irrigator Groups may manage entirely their own activities and operations or share some of these responsibilities with government technicians. ⁴³

⁴³ NIA's current IG program in the UPRP proposes to have Water Management Technicians (WMT) aiding IG leadership in irrigation management. "View from the Paddy" Empirical Studies of Philippine Rice Farming & Tenancy"; IPC, Manila; PSR 20 (1-2) Jan-Apr 1972; p. 174, "Irrigation & Organization: Research in Progress"; E. V. Coward, Jr.

3.5.4.1 Irrigator Group Leadership

1) Board of Directors

Many privately organized Communal Irrigation Associations elect a Board of Directors usually ranging between five and eleven in number which serve anywhere from one to two years. However, most government sponsored IGs (e.g. NIA's UPRP program) do not elect directors but rather a single group leader.

2) Officers and Committees

Again, privately organized associations, especially those covering one or more barrios may elect a complete set of officers and establish committees much the same as would a registered cooperative. More often, however, in smaller IG structures, like the NIA's new UPRP program with generally not more than 50 hectares or 30 members per group, one chairman or group leader is elected by the membership to officially represent the association. Other officers such as vice-chairman, secretary-treasurer and/or unit leader may also be elected by the group to support the chairman. In these smaller organizations committees are generally not formed.

3) Functions of IG Leadership

Leaders whether in large communal or small-scale Irrigator Groups serve to represent their organizations in such areas as: monitoring and acting upon needs and concerns expressed by members; developing, implementing, and supervising water policy; and negotiating with various government and credit institutions for necessary support services.

3.5.4.2 Irrigator Group Membership

1) Composition of Membership

Membership within Irrigator Groups is composed primarily of farmers, lessees, amortizing owners, or owner operators, who live in relatively close proximity to one another and farm their contiguous or near-contiguous lands under a single irrigation system. Depending on the particular association and supporting agency, membership within the group may or may not be compulsory. In most cases members of various IGs are also members of Samahang Nayan.

The number of members per Irrigator Group varies widely. The NIA for example is currently planning for IGs established within the Upper Pampanga River Project to have an average estimated 20 to 30 membership size, while the BISA program (section 3.5.1.4) in its initial 155 pilot projects has averaged 89.4 members per Irrigator's Service Association.⁴⁴

2) Geographic Relationship of Members

Out of the necessity of water service, members within Irrigator Groups are living and/or farming in areas covered by a single irrigation system. Geographically this may represent land area anywhere from the 50 hectare single turnout NIA sized IG (see Chart 2) to the 108.8 hectare average of the BISA program.⁴⁵ Larger privately organized Communal Irrigation Associations may have members living and/or farming within an area of several hundred or thousand hectares.

⁴⁴ op. cit.: "BISA Program Progress Report, September-October"; p. 41, Annex "B".

⁴⁵ ibid.: p. 41, Annex "B".

3) Member Obligations and Benefits

In the case of some large and privately organized Communal Irrigation Associations members are obligated to purchase shares of stock. However, these are exceptions to the rule as most Irrigator Groups are non-stock organizations. Many IG organizations do, however, require their members to pay membership fees and annual dues.

Fees are also collected from members through IGs for irrigation services provided farmer members by either the association itself or other government institutions. Generally these fees are determined on a percentage basis of the members crop production (in the case of services provided by a government institution, e.g., NIA, irrigation fees collected by the association are remitted to that institution).⁴⁶

Depending on the IG, members either may or may not be required to attend group meetings or training seminars.

Members of Irrigator Groups benefit in terms of increased production due in large part to improved irrigation delivery systems. To cite an example of this, the Pinagbayanan Irrigation Association, a joint UPCA and SEARCA research project located in Pila, Laguna, was able during the 1971-72 crop year to increase rice yields 75% for wet season and 61% for dry season over the previous existing production levels prior to

⁴⁶ Although NIA still charges a flat rate fee for irrigation services rendered farmers (P 25 first crop, P 35 second crop) a new system is being developed which will relate to actual farm production (2 1/2 and 3 1/2 cavans or peso equivalent for the first and second crops respectively).

the association's establishment.⁴⁷ Other Irrigator Groups have as much as doubled production in their respective areas.

Besides improved irrigation systems and subsequent increased yields, Irrigator Groups offer their members better representation in terms of input supply, marketing, and credit services as well as social reform in terms of improved farmer working relationships and developed rural cooperative attitudes.

3.5.4.3 Training and Development Programs for Irrigator Groups

Perhaps the most significant training and development program for IGs currently underway is the NIA program for the Upper Pampanga River Project (UPRP). Three field training areas each having some 1,000 hectares have been designated in Nueva Ecija with Central Luzon State University (CLSU) serving as training headquarters.

Under this program five groups of NIA Water Management Technicians (WMT) and rural Ditch Tenders (DT), each group numbering 65, undergo an intensive one year training program covering rice (and other crops) production, water management, and Irrigator Group organization. This training, currently going on, is scheduled to be completed in June 1975 which is the target date for the beginning of the organization of over 1,500 Irrigator Groups in the UPRP area. Water Management Technicians with the support given by Ditch Tenders will be responsible for organizing

⁴⁷ "Water Management in Philippine Irrigation Systems: Research & Operations"; IRRI, Los Banos; 1973; pp. 243-257, "Pinagbayanan Farmers' Assn. and its Operation"; F. A. Cruz.

these Irrigator Groups and subsequently offering supervisory and management assistance to them. Under this approach each WMT will be responsible for 500 hectares or approximately ten IGs while each DT will cover 100 hectares or two IGs.

3.5.5 Impact and Changes Seen as a Result of Irrigator Groups

As has been mentioned, farmer members have experienced significant yield increases after having formed themselves into Irrigator Groups. These increases although largely due to the expansion and rehabilitation of existing irrigation systems complemented with improved management services are also directly attributable to changes in member attitudes regarding on-farm cultural practices. Again in the Pinagbayanan pilot research project it was found that of eight identified improved farm practices not widely adopted prior to the establishment of the association significant adoption had occurred (an average 92.6% increase) in all eight areas within the first year after the organization of the association.⁴⁸

In addition to both yield increases and changed production practices loan repayments among members of active IGs appears significantly improved.⁴⁹ IGs have further brought about sociological development in terms of improved interpersonal relationships among farmer members, changed attitudes resulting in an increased member willingness to pay irrigation fees, and membership demands for better services and continued development of irrigation systems.⁵⁰

⁴⁸ *ibid.*: Table 5

⁴⁹ Members of the Pinagbayanan Irrigation Association showed 100% repayment on all production loans granted during the research period. See - *ibid.*; p. 253.

ibid., p. 270 "Making an Irrigation Association a Vehicle for Development"; D. M. Robinson.

⁵⁰ G. Wickham: "Sociological Aspects of Irrigation"; M. S. Thesis, U. P. C. A., Los Banos; 1970.

3.5.6 The Relationship of Irrigator Groups with Other Farmer Organizations

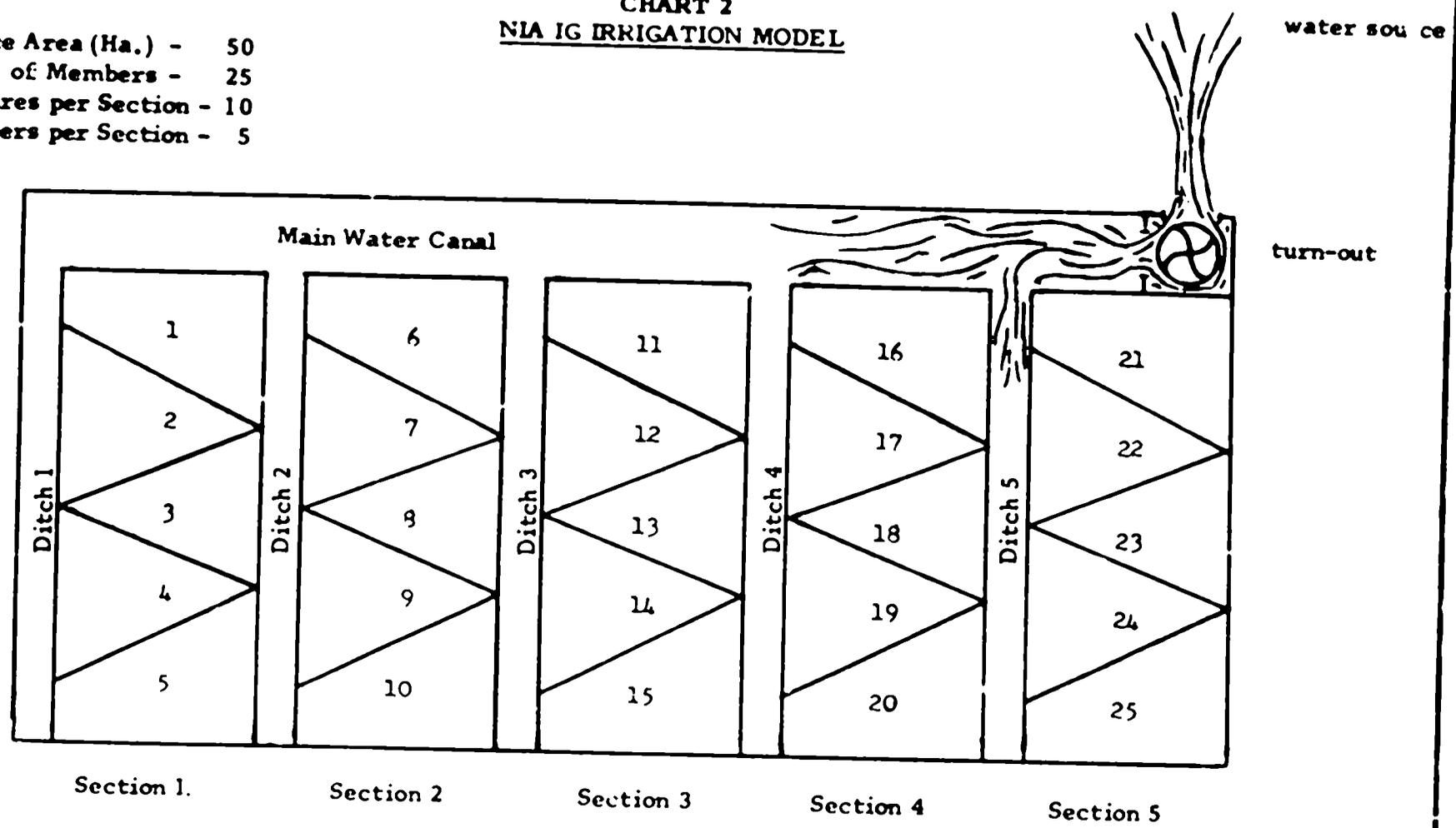
Irrigator Groups while offering many valid services to farmer members do in some instances compete with other farmer organizations. Such is the case between Irrigator Groups and Samahang Nayan. IGs are, however, much more limited in their scope of services than are SN which focus on a much broader spectrum of services for farmer members. Being a larger organizational structure, SN also provide a somewhat better foundation point for the representation and coordination of water (as well as other) service policy than do the smaller IG organizations. On the other hand, SN are largely dependent upon smaller units or substructure for effective policy application, supervision and management. It would appear that a system for the coordination of efforts between these two organizations could well be devised at this point if IGs were to provide this needed role of SN substructure. This would maximize existing resources, minimize undue repetition, and complement the efforts of both organizations.⁵¹ In order for this arrangement to function, however, IGs must first be willing to widen the base of their currently limited activities and functions. Attention must also be directed towards the problem of varying and overlapping geographic boundaries, a problem which occurs often between IGs and SN organization.

Smaller Irrigator Groups such as those proposed under the new NIA approach are in many ways similar in organizational structure, size and purpose to the Compact Farm organizations currently being established in Camarines Sur. Larger communal-style Irrigator Associations on the other hand resemble both Samahang Nayan and Farmers Barrio Cooperatives in terms of size, however, they vary widely according to structure and are clearly more limited in purpose.

⁵¹ D. Christenson: "Irrigation Policy in the Agrarian Reform Context"; USAID, Manila; January 1974.

CHART 2
NIA IG IRRIGATION MODEL

Total Service Area (Ha.) - 50
 Approx. No. of Members - 25
 No. of Hectares per Section - 10
 No. of Members per Section - 5



Under the new NIA irrigation scheme for Irrigator Groups (IG), water is provided on a daily rotational basis for each of the sections (eq. five) serviced by the area turn-out unit. Unit leaders are selected to supervise each section with overall supervision provided by the group leader.

*Taken From "BISA Program Progress Report, September-October"; DAP, Tagaytay City; October 1974; Annex "B"

BISA PROGRAM

STATUS OF PROJECTS

INSTITUTIONAL ACTIVITIES

TABLE 2

PROVINCE FIRST 11 PROVINCES

AS OF 31 October 1974

NO	PROJECT		AREA (HAS)	NO. OF FARMERS	PROJECT COST (P)	STAGE OF COMPLETION								
	MUNICIPALITY	BARRIO (S)				1	2	3	4	5	6	7		
1	AIRA		2,035	4,188										
2	CAPIZ		3,321	2,234										
3	CAMARINES SUR		1,480	987										
4	ILOCOS NORTE		602	721										
5	ILOILO		2,015	1,343										
6	LAGUNA		325	198										
7	CAVITE		210	99										
8	PAMPANGA		2,872	1,568										
9	LANAO DEL SUR		1,032	678										
10	ISABELA		1,488	770										
11	LA UNION		1,490	1,075										
12														
13	TOTAL		16,870	13,851										
14														
15														
16														
17														
18														
19														
20														

LEGEND:

1. TRAINING OF PITs
2. BRIEFING / WORKSHOP OF MUNICIPAL OFFICIALS
3. ORGANIZATION OF MITs

4. TRAIN MITs
5. BARRIO ASSEMBLY MEETINGS
6. PRE-ORGANIZATIONAL MEETING
7. REGISTRATION OF ASSOCIATION WITH SEC

3.6 GEN. RICARTE AGRICULTURAL COOPERATIVE (GRAC)

3.6.1 Historical Background of the Gen. Ricarte Agricultural Cooperative (GRAC)

3.6.1.1 Organizational History

In July of 1970 the State of Israel entered into a joint project agreement with the Republic of the Philippines to develop a pilot cooperative project to be patterned after the "MOSHAV" cooperative of Israel.⁵² The site of the proposed project was Bo. Gen. Ricarte, Llanera, Nueva Ecija. The coordinating Philippine agencies, the National Food and Agriculture Council (NFAC) and the Department of Agrarian Reform (DAR), then NLRC, were to be represented by the then newly created NELRIDP (currently IDP/NE) located in Cabanatuan City. Under this agreement the Israeli Government promised to provide technical manpower assistance to the project.

During the last half of 1970 two Israeli technical cooperatives specialists were assigned to work in Bo. Gen. Ricarte. During this period efforts focused on pre-organizational activities. After seven months of preparation, in February of 1971, the cooperative, to be known as the "Gen. Ricarte Multi-Purpose Cooperative, Inc." (later changed to "Gen. Ricarte Agricultural Cooperative, Inc.") was officially organized. Two months later on April 26 the cooperative was registered with the Securities and Exchange Commission (SEC) and affiliated with the Agricultural Credit Administration (ACA).⁵³

⁵² For more information refer to: Z. Unger: "On the Establishment of a Multi-Purpose Cooperative at Bo. Ricarte, Llanera, Nueva Ecija, Philippines"; Jerusalem; October 1970.

⁵³ "Nueva Ecija Land Reform Integrated Development Program - Annual Report: 1970-1971"; NELRIDP; 1971; pp. 35-36.

3.6.1.2 Rationale Behind the Creation of the Gen. Ricarte Agricultural Cooperative

At the time of the creation of this special project the existing Philippine FaCoMa cooperatives program was experiencing significant difficulties in servicing its farmer clientele. As no farmer organizations were at that time coordinating with the FaCoMa effort, it was decided to develop a pilot research and experimentation project to examine how a barrio-based farmers organization might better coordinate with the cooperatives program by offering farmer members a more efficient package of support services. The need was also present to pilot test alternative approaches for simultaneously accelerating land tenure transition and agricultural productivity at the barrio level. It was these issues that the Gen. Ricarte Agricultural Cooperative in February of 1971 sought to address.

3.6.1.3 Geographic Distribution of the Gen. Ricarte Agricultural Cooperative

The Israeli moshav project covers some 370 hectares, 298 of which are currently irrigated, located in Bo. Gen. Ricarte, Llanera, Nueva Ecija. Of this area the barrio town site encompasses 8 hectares.

3.6.1.4 Past Performances and Current Status

Initially the Gen. Ricarte Agricultural Cooperative started with 90 cooperative members and a paid-up capital of ₱ 5,000. Production credit was supplied by ACA and was largely restricted to rice; however, in later months corn, sorghum, and vegetable projects were also introduced. Credit repayments on loans made to the cooperative have consistently remained among the highest received by ACA for any of its loaning operations within Nueva Ecija.

Today the Israeli moshav project has a total of 106 members with a paid-up capital of ₱ 11, 084 and a total capitalization of ₱ 21, 836. The cooperative also owns its own warehouse (which is bonded) with a storage capacity of 5, 000 cavans as well as a rice drier with a 40 cavan capacity.

In addition to a continued rice production program the Ricarte cooperative has currently undertaken an expansive poultry project involving the construction of twelve large pens to be used for broiler production. The total cost of this program, which is to be financed by ACA, is currently estimated at ₱ 90, 000. 54

The three Israeli technicians currently supporting the Gen. Ricarte program have introduced a new cooperative accounting system similar to the one used in Israel. The system features a series of cross files containing records of daily transactions and accounts for each individual cooperative member along with cumulative production, credit, and financial records for the entire cooperative.

The Gen. Ricarte Agricultural Cooperative has current plans for a land consolidation program which will encompass the entire Barrio of Gen. Ricarte. This program calls for the establishment of a new community settlement or town site which will be government owned and leased by the cooperative for a period of 99 years with automatic renewal thereafter. The 30 hectare town site will include 2, 500 square meter homelots for lease to each farmer member.

The Land Bank which shall purchase the lands for this town site will also purchase all other existing agricultural lands within the barrio. These lands shall be divided into economically sized farm lots (proposed three

54 "Project Study of Broiler Units in Gen. Ricarte Agricultural Cooperative";
November 1974.

hectares each) and then allocated to cooperative members.

The guidelines for this land consolidation project were approved by DAR, DLGCD, and IDP/NE on November 29, 1974.⁵⁵

3.6.2 Basic Purposes of the Gen. Ricarte Agricultural Cooperative

The Gen. Ricarte Agricultural Cooperative (GRAC) was organized in February of 1971 for the following general purposes:

- 1) To serve as a pilot research and experimentation project to examine how a barrio-based farmers organization would integrate and relate to larger cooperative structures;
- 2) To serve as a pilot project for testing alternative approaches for simultaneously accelerating land tenure transition and agricultural productivity.

More specifically this "moshav" style cooperative seeks to:

- 1) Serve as the official body representing farmer members;
- 2) Handle the receipts of loans and credit, supply production needs, market farm produce, and manage all cooperative bookkeeping;
- 3) Coordinate central services such as water supply, agricultural machinery, transport, etc.; and
- 4) Develop new community services in such areas as education, cultural activities, health care, road construction, and public water (drinking) systems.

⁵⁵ See "The R.P. - Israeli Project in Llanera, Nueva Ecija"; April 1974.

3.6.3 Agencies Responsible for Establishing and Supporting the Gen. Ricarte Agricultural Cooperative

The Gen. Ricarte Agricultural Cooperative receives joint support from the State of Israel and the Republic of the Philippines represented by the National Food and Agriculture Council (NFAC), the Department of Agrarian Reform (DAR), and more recently the Department of Local Government and Community Development (DLGCD). These agencies are coordinating their support efforts through the Integrated Development Program for Nueva Ecija (IDP/NE).⁵⁶

The nature of support offered by these agencies consists of technical manpower assistance supplied by the State of Israel, technical field support in the form of extension, training, and logistics by NFAC, DAR, and DLGCD, and credit production assistance being supplied by the Agricultural Credit Administration (ACA) with overall project coordination and representation coming from the IDP/NE.

3.6.4 Organizational Structure of GRAC

The Gen. Ricarte Agricultural Cooperative is a barrio-based stock service cooperative located in Bo. Gen. Ricarte, Llanera, Nueva Ecija and registered with the Securities and Exchange Commission (SEC). GRAC has an authorized capitalization of ₱ 100,000 of which ₱ 29,143 has been subscribed and over ₱ 11,000 paid-up by cooperative members (see section 3.6.1.4, Historical Background of GRAC).⁵⁷

The cooperative's current business operations involve input supply distribution, agricultural marketing services, water supply, and local cottage industry.

⁵⁶ op. cit.: "Nueva Ecija Land Reform Integrated Development Program - Annual Report: 1970-1971"; p. 35.

⁵⁷ "Status Report: R.P. - Israel Project"; IDP/NE; March 1974.

GRAC is patterned after the Israeli "moshav" style cooperative. As such the cooperative itself is the official governing body within the barrio and all farmers living and/or farming therein are automatically considered members. 58

3.6.4.1 Gen. Ricarte Agricultural Cooperative Leadership

1) Board of Directors

- A) Manner of Selection - GRAC currently has seven directors elected by the General Assembly from members within the cooperative. All potential directors of GPAC must pass a rigid set of criteria as a screening process for their position.
- B) Functions - GRAC's Board of Directors meet weekly to discuss proposals and make policy decisions for the cooperative. They also serve as a membership committee.

2) Officers and Committees

- A) Manner of Selection - A president, farm manager, secretary-treasurer, bookkeeper, and warehouseman are selected by the Board of Directors along with committee leaders for the supply and marketing committee, agricultural and irrigation committee, loan committee, livestock committee, and education committee. 59

58 op. cit.: Z. Unger: "On the Establishment of a Multi-Purpose Cooperative at Bo. Ricarte, Llanera, Nueva Ecija, Philippines".

"Brief on the NELRIDP with Special Emphasis on the Gen. Ricarte Multi-Purpose Cooperative"; NELRIDP; December 1971.

59 *ibid.*: "Brief on the NELRIDP with Special Emphasis on GRAC"; p. 25.

- B) Functions - Each officer follows prescribed cooperative duties and responsibilities respective of his or her position while the numerous committee groups serve to handle all cooperative related activities in the various related areas of their respective titles.

3.6.4.2 Gen. Ricarte Agricultural Cooperative Membership

1) Composition of Membership

Membership within GRAC is composed primarily of leasehold farmers in Bo. Gen. Ricarte, Llanera, Nueva Ecija. All farmers within Gen. Ricarte are members within the cooperative as well as are many of the 35 percent non-farmers within the barrio. The cooperative currently has 106 members of which 98 are farmers and 8 are non-farmers engaged in agricultural support activities, e.g. marketing, farm labor, etc.

There are 150 families living within the barrio with an average family size of 5.3 persons each.

2) Geographic Relationships of Members

All members within the Gen. Ricarte Agricultural Cooperative are living and/or farming within the area boundaries of Barrio Gen. Ricarte.

3) Member Obligations and Benefits

Members within the Gen. Ricarte cooperative must pay an initial membership fee of ₱ 60 each. Each member is further required to subscribe to purchase 30 shares of stock at a rate of ₱ 10 per share for a total investment of ₱ 300 each. To date members have invested an average capital amount of ₱206 each within their cooperative.

In addition to these obligations members must agree to let their cooperative manage all business affairs, agricultural and otherwise, within their barrio. Members must also attend cooperative meetings and training seminars whenever held.

Members of GRAC receive traditional economy of scale benefits from input supply and marketing services handled by their cooperative. In addition to this they are benefitting both socially and economically from intensified technical assistance afforded by three Israeli technicians and other Philippine Government technicians who are currently working to help develop and introduce new and better forms of infrastructural services within their barrio. The cooperative is also offering member farmers production credit assistance and representation, as loans provided by ACA pass directly through the cooperative to the individual coop members.

3.6.4.3 Training and Development Programs for GRAC

Initial training and development for the organization of the Gen. Ricarte Agricultural Cooperative was conducted by two Israeli technicians in conjunction with DAR field personnel between July of 1970 and April of 1971.

Subsequent training seminars for cooperative members have been sponsored by NFAC and DLGCD in coordination with Israeli technical assistance.

3.6.5 Impact and Changes Seen as a Result of the Gen. Ricarte Agricultural Cooperative

After four years of efforts in Gen. Ricarte and substantial financial investments by the State of Israel in terms of technical

manpower assistance few large scale impacts have resulted from the program. However, several changes can at this time be cited.

Improved support systems for production credit supply and distribution to farmers have been developed in Gen. Ricarte largely due to the efforts of GRAC. Credit repayment patterns are also markedly higher now than they were prior to the cooperative's organization in February of 1971. From 1971 through 1974 the cooperative maintained an average 79 percent repayment pattern on all production loans received by ACA.⁶⁰

The Israeli moshav project has also supplied the barrio with a wealth of new technology much of which having already been applied has resulted in increased production and subsequent economic benefits for many farmer members.

The Gen. Ricarte Agricultural Cooperative has been to a degree successful in its attempts to establish interlinkages with larger cooperative structures. An example of this is seen in terms of marketing arrangements on the part of GRAC through the Cabanatuan City FaCoMa; however, efficient input supply linkages between these two cooperative organizations has yet to be established.

Furthermore, the Gen. Ricarte program as a pilot attempt has accomplished a great deal in terms of demonstrating the comparative advantages and benefits resulting from an integrated approach to agricultural production.

The implications of the newly launched land consolidation project of GRAC could well be significant. Efforts should be taken to closely monitor the development of this project so as to identify more thoroughly the potentials for the future application of this pattern in other areas.

⁶⁰ op. cit.: "Status Report: R.P. - Israel Project".

3.6.6 The Relationship of GRAC with Other Farmers Organizations

The marketing relationship between GRAC and Cabanatuan City FaCoMa, now the Central Area Marketing Cooperative for Nueva Ecija, has already been alluded to. In addition to this functional relationship the Gen. Ricarte cooperative is also currently receiving livestock feed inputs for its new poultry production program from the Nueva Ecija Integrated Livestock Cooperative Program. (NEILCoP).⁶¹

The Gen. Ricarte cooperative is also currently using the "Selda" approach in organizing barrio liability groups for production credit financing. These groups are patterned after the model being used by various rural banks in the area.

⁶¹ NEILCoP is discussed in section 3.7 of this report.

3.7 NUEVA ECIIJA INTEGRATED LIVESTOCK COOPERATIVE PROGRAM (NEILCoP)

3.7.1 Historical Background of the Nueva Ecija Integrated Livestock Cooperative Program (NEILCoP)

3.7.1.1 Organizational History

The Nueva Ecija Integrated Livestock Cooperative Program, commonly referred as NEILCoP, Inc., was formally organized in July of 1972 culminating an eighteen month development effort which began in January of 1971 when the Archdiocese Chairman for Social Action in Nueva Ecija, Msgr. Pacifico B. Araullo, proposed the development of a provincial livestock cooperative program to be known as Kaunlaran, Inc. which would seek to solve existing production problems for livestock producers within the province. Months later the program appeared to have bogged down because of certain inherent organizational weaknesses. In December of that year a task force was created by the NELRIDP, now IDP for Nueva Ecija, to re-examine and restructure the cooperative program. Seven months later in July of 1972 the cooperative was organized and a feedmill service was inaugurated the following May.⁶²

The cooperative has not yet received registration under current Philippine Cooperative Law.

3.7.1.2 Rationale Behind the Creation of NEILCoP

The livestock industry within the Province of Nueva Ecija has in recent years suffered from a rather slow rate of expansion due primarily to livestock raisers'

⁶² M. Van Steenwyk: "Current Status of NEILCoP"; August 1972

M. Van Steenwyk: "10-Year Feasibility Study on Cooperative Feed Fixing"; January 1973.

individual inabilities in solving basic production bottlenecks such as low cost, accessible feed supplies and established channels for the efficient marketing of their animals. Although various small groups of individuals have in the past from time to time taken action, their efforts have been for the most part of little significance due to their limited resource capabilities.⁶³

In a 1971 proposal for the development of the organization now known as NEILCoP, Inc. it was stated that the primary objective and focus of the program should be to "establish a cooperative of a larger dimension with the necessary credentials to satisfy the basic production needs of the livestock raiser."

3.7.1.3 Geographic Distribution of Members and Services

As of January 1, 1975 NEILCoP had eighty-three (83) members located in nine of Nueva Ecija's thirty-two municipalities. The cooperative is currently servicing the members in these areas with forty-one (41) percent of the monthly feeds production from its feedmill operation, while fifty-nine (59) percent of the production is being marketed to non-member organization in Nueva Ecija, Tarlac and Isabela.

3.7.1.4 Past Performances and Current Status

In its first year of operation the cooperative's feed-mill services produced and sold over 320 metric tons of livestock feed, generating P 22, 000 in net profits with an annual return on investment of 77.1 percent,

⁶³ M. Van Steenwyk: "Livestock Cooperative Development in the Philippines, New Directions in an Expanding Industry"; Animal Husbandry & Agricultural Journal; Paencor, Manila; November 1973.

and a profit margin of 8.65 percent.

From the beginning of milling operations in May of 1973 the monthly production of the feedmill has increased almost fourfold from an initial 17 metric tons per month to a current 65 metric tons per month.

NEILCoP members have currently invested ₱ 22,035 in the form of stock within their organization. The cooperative owns ₱ 25,500 in equipments and fixed assets (not including a Ford truck donated through a USAID-SAWS agreement) and has over ₱50,000 worth of revolving operational capital with no outstanding loans or liabilities.

3.7.2 Basic Purposes of the Nueva Ecija Integrated Livestock Cooperative Program

The Nueva Ecija Integrated Livestock Cooperative Program (NEILCoP) organized in July of 1972 was created to meet the basic production needs of livestock producers, engaged in either swine, poultry, or cattle production, within the Province of Nueva Ecija. Specifically, the organization seeks to offer its members:⁶⁴

- 1) A constant supply of low cost high quality animal feed;
- 2) More efficient systems and facilities for the marketing of livestock;
- 3) Discounts on drugs, medicines, and vitamin-mineral supplements;
- 4) Credit representation through existing credit institutions; and,
- 5) Technical education and extension services.

⁶⁴ "Information About: NEILCoP, Inc."; NEILCoP; July 1973.

3.7.3 Agencies Responsible for Establishing and Supporting NEILCoP

The establishment of NEILCoP was a joint venture between the Bureau of Animal Industry and the Nueva Ecija Archdiocese for Social Action. The Integrated Development Program for Nueva Ecija (IDP/NE) was responsible for coordinating the efforts of these two agencies in the pre-organizational phase.

Currently, the Msgr. Pacifico B. Araullo, Social Action Chairman for the province, is serving as the cooperative's president. The Bureau of Animal Industry continues to support NEILCoP by offering technical extension assistance to the cooperative and its membership while at the same time promoting the organization throughout Nueva Ecija.

3.7.4 Organizational Structure of NEILCoP

NEILCoP has been organized as a stock cooperative with an authorized capitalization of ₱ 125, 000. The association is currently seeking registration as a "pre-cooperative" with the Bureau of Cooperatives Development in an effort to align its activities more closely with those of the government's current cooperative efforts.

3.7.4.1 NEILCoP Leadership

1) Board of Directors

- A) Manner of Selection - NEILCoP currently has seven directors who are elected by the general assembly to serve in their positions for a period of two consecutive years. They must be actively engaged in the process of raising livestock, but they cannot be involved with any business which seeks to compete with those services offered by the cooperative itself.

B) Functions - NEILCoP's Board of Directors formulate cooperative policy, act on member applications, and approve project proposals of the organization.

2) Officers

A) Manner of Selection - NEILCoP has currently four officer positions: President; Vice-President; Secretary-Treasurer; and Business Manager. The president and vice-president are elected from and by the Board of Directors, while the secretary-treasurer and business manager are appointed by the Board of Directors.

B) Functions - The cooperative's officers follow those functions and duties as prescribed under normal cooperative principles and practices.

3.7.4.2 NEILCoP Membership

1) Composition of Membership

Membership within NEILCoP is composed of farmers producing livestock both on a backyard and a semi-commercial scale of production. The former group for the most part are farmers who raise rice as their principal income on tenanted rice land, while the latter group for the most part is composed of landowners of small to medium sized tenanted and non-tenanted estates (usually from five to twenty-four hectares in size) or persons in private business engaging in livestock production as a form of secondary income. The current 83 member body of NEILCoP reflects about an equal mixture of each of these two categories, although according to Mr. Ricardo S. Santos, the cooperative's

Business Manager, the ultimate objective of the organization is to reach the backyard-scale farmer located in the barrios. In order to more effectively achieve this objective, NEILCoP is now trying to service barrio farmers through existing farmers organizations such as Samahang Nayan.

2) Geographic Relationship of Members

NEILCoP members are currently distributed over nine of Nueva Ecija's thirty-two municipalities with the highest concentration of membership in the Cabanatuan City area (sixty-two percent). About one half of the membership, those farmers living in rural barrio settings, are concurrently members of Samahang Nayan.

3) Member Obligations and Benefits

Members of the cooperative are obligated to pay a membership fee of ₱ 2.00, an annual fee of ₱ 2.00, and purchase at least one but not more than five hundred shares of stock at a fixed price per share of ₱ 10.00. In addition to this, members must also attend at least one members meeting per year.

Members are entitled to purchase livestock feeds and drugs at a cooperatively reduced price as well as attend periodically scheduled educational seminars hosted by the cooperative. Patronage refunds are also annually distributed to members from profits generated from the cooperative's feedmill.

3.7.5 Impact and Changes Seen as a Result of NEILCoP

One of the most obvious impacts of the NEILCoP program, financially speaking, has been the cooperative's ability to retain

and recycle agricultural production capital within the Province of Nueva Ecija, and, more specifically, within the livestock industry. In the first eighteen months of its milling operation the organization was able to generate over ₱ 117, 000 in total membership savings while at the same time providing its members with a substantially higher quality product than they had previously received.

Comparative attitudes between member and non-member producers towards the future of their animal operations also suggests a higher degree of certainty among cooperative membership than non-membership as exhibited by significant expansion efforts on the part of many members as opposed to either maintenance or reduction in size of many livestock enterprises owned by non-members.

Furthermore, improved management practices observed among farmer members over the past 2 years tends to substantiate the contention that cooperative education and extension efforts have, in fact, affected farmer development.

3.7.6 The Relationship of NEILCoP with Other Farmer Organizations

Although NEILCoP is not an organization representative of one limited geographic area, it is an organization which seeks to meet marketing and input production needs of small scale farmers in general. As previously mentioned NEILCoP is currently trying, and would prefer, to offer those services to farmers through existing organizations such as Samahang Nayon and Selda joint liability groups financed by local rural banks. However, at this time, efforts have been restricted to pilot attempts as no effective system for a wide scale inter-organizational linkup has yet been defined.

NEILCoP is currently supplying poultry feeds to the Gen. Ricarte Agricultural Cooperative's (GRAC) new poultry production project in Llanera, Nueva Ecija.

3.8 FEDERATION OF FREE FARMERS (FFF)

3.8.1 Historical Background of the Federation of Free Farmers (FFF)

3.8.1.1 Organizational History

The Federation of Free Farmers (FFF) was formally organized in October 1973 by a group of Catholic laymen following the break up of the communist-led revolutionary movement in the Philippines. The FFF was to have reorganized the old communistic led peasant base into an organization "with a truly Christian and democratic leadership".⁶⁵ The fresh reminders of the communistic inspired program, however, led many people to become apprehensive towards organizing future organizations, viewing them as structures ultimately leading to violent revolution and not peaceful reform. Because of these prevailing attitudes the FFF met only marginal success in terms of expansion and growth during the late 1950's and early 1960's. By the mid-1960's attitudes began to change in support of utilizing farmer organizations towards effecting agrarian reform. And with this change support for the Federation of Free Farmers began to increase allowing the organization to greatly expand. In the early 1970's, however, communist infiltration threatened the organization.

Following the declaration of martial law in 1972 these elements were removed costing the FFF over 30% of its membership. The organization rebounded well, however, from this experience and is today the largest non-government mass base farmers organization in the country.⁶⁶

⁶⁵ "The Federation of Free Farmers." History and Present Status"; FFF, Manila; May 1974; p. 5.

⁶⁶ For a more thorough discussion of FFF organizational history please consult: Huizer, G. T.: "Historical Background of Peasant Organizations in the Philippines"; NLRC, Quezon City; 1971; pp. 4-16.

3.8.1.2 Rationale Behind the Creation of FFF

Government structures in themselves have time and again demonstrated their inabilities and limitations in providing solutions to basic problems affecting national development. Land reform efforts in the Philippines attests to this fact. With the land problem taking precedence over all other issues today as it did in 1953 the need for strong farmer based pressure groups to initiate agrarian reform efforts is ever present. Although the Federation of Free Farmers has demonstrated over the past ~~twenty one~~ years only limited success in this area, it is an organization which was founded upon the principle of self-help generated through self-organization.

3.8.1.3 Geographic Distribution of FFF

The Federation of Free Farmers currently has branches or footholds in 60⁶⁷ provinces and sub-provinces and has made preliminary contact in all others except for Batanes. This compares with a 43⁶⁸ province coverage in 1972 and a 37⁶⁹ province coverage for 1970.

3.8.1.4 Past Performances and Current Status

Membership within FFF has dramatically increased from the 1970 level of 77,754 members (14,179 of which are due-paying) and the 1972 membership of 162,612 to a recent 200,000 (approximate) level in 1974. In 1972 alone FFF collections from farmer members (not

⁶⁷ op. cit.: "The Federation of Free Farmers: History and Present Stature; p. 6.

⁶⁸ "FFF Progress Report - 1972"; FFF, Manila; January 1973; p. 8.

⁶⁹ "Progress Report of the FFF Movement - 1970"; FFF, Manila; December 1970; p. 3.

counting contributions from foundations and other organizations) amounted to ₱ 331, 540, up significantly from the 1970 figure of ₱ 47, 425.⁷⁰

The FFF currently devotes heavy emphasis to the education and organization of farmers through its national and regional training centers (discussed in section 3.8.4.3), placing priorities on leadership development.

The principal service offered by FFF remains in the area of legal action. As of December 1972, 1, 639 reported court case were handled by thirty lawyers then servicing FFF farmer members. This compares with the 1971 figure of 1, 202 cases, approximately a 33% increase. Of the 1972 figure one half, or 818 cases, were agrarian in nature. Currently thirty-four lawyers, 12 of whom are assigned in the national office, are serving FFF.⁷¹

Another activity in which FFF concerns itself is the area of socio-political action. Between 1970 and 1972 over 40 demonstrations were held by FFF members around the country. Following the declaration of martial law in late 1972, however, the FFF cooperated with the government in setting up liaison offices to voice farmer grievances and problems.

The FFF places major emphasis on the moral foundation of its leaders. Because of this the FFF has always maintained close affinity to religious organizations and efforts, sponsoring from time to time various special retreats and spiritual exercises for farmer members. This moral emphasis has in large manner enhanced membership faith in and support for the FFF and has contributed to the rapid development of the organization as a whole in recent years.

⁷⁰ *ibid.*: p. 3.

op. cit.: "FFF Progress Report - 1972"; p. 8 & 10.

⁷¹ *ibid.*: p. 12.

Social development and understanding continues to be a prime focus for the FFF. In 1972 alone 49 social awareness seminars were held for some 3,500 attendees most of whom were DAR personnel who were assigned to rural areas.⁷²

The Federation of Free Farmers in July 1966 organized the "Free Farmer Cooperative, Inc." (FFCI), under a separate juridical personality, to improve the economic position of farmer members. This organization with approximately 13,000 members located in 35 different provinces has the majority of its capitalization invested in agricultural machineries and equipments which are being used in the various economic development activities of the cooperative; some of which are: irrigation projects, heavy tractor projects, fertilizer projects, rice mill project, hollow block projects, etc.⁷³

Other areas in which the Federation of Free Farmers are currently engaged in are: youth participation, under the Junior Free Farmers; relief and rehabilitation; social welfare; international relations; women's activities; and research and planning.

3.8.2 Basic Purpose of the Federation of Free Farmers

The Federation of Free Farmers (FFF) was organized to "promote the material and moral welfare of the farmers and to strengthen the cause of freedom, peace and prosperity in the Philippines."⁷⁴ More specifically the FFF seeks to correct social injustice to farmers primarily in the area of physical maldistribution of lands by offering farmers an organized representation which:

⁷² *ibid.*: p.20.

⁷³ "The Free Farmers Cooperative, Inc."; FFF, Manila; May 1974.

⁷⁴ *op. cit.*: "The Federation of Free Farmers: History and Present Stature"; p. 5.

- 1) Promotes the organization of cooperative structure;
- 2) Provides legal services and promotes socio-political action;
- 3) Supplies continued education and training activities;
- 4) Sponsors cultural development and understanding;
- 5) Develops rural economics;
- 6) Encourages youth participation;
- 7) Supports social welfare;
- 8) Promotes religious activities; and,
- 9) Conducts research and planning.

3.8.3 Agencies Responsible for Establishing and Supporting the Federation of Free Farmers

The Federation of Free Farmers was organized independently in October 1953 by civic and religious leaders as a farmers mass base organization. Today, primary support for this self-help organization comes from within the FFF itself. Although from time to time government agencies offer technical manpower extension assistance to various FFF chapters, more often than not it is the FFF who aids government institutions by providing them with pertinent information regarding farmer attitudes and grievances along with various training seminars on such topics as rural social awareness.

The Catholic Church and civic organizations such as the Asian Foundation support the FFF through financial gifts and contributions. Parish priests further aid in the promotion of religious as well as social ideals. They provide significant participation in such areas as chapter organization along with membership recruitment and education. Parish priests also serve as go betweens in helping settle land disputes between tenant farmers and landowners.⁷⁵

⁷⁵ op. cit.: Huizer, G. J. : "Historical Background of Peasant Organizations in the Philippines"; pp. 5, 10, 11.

3.8.4 Organizational Structure of FFF

The Federation of Free Farmers, the largest non-government farmers organization, within the country is an independent and private, lay, non-political organization duly registered with the Department of Labor. The structure of the FFF starts first at the smallest organizational unit known as a Barrio Local (chapter). Three Barrio Locals may then federate to form a Municipal Chapter which in turn federate to form Provincial Associations. Various provincial associations compose the National Executive Office.

3.8.4.1 FFF Leadership⁷⁶

- 1) Barrio Policy Board (BPB) and Barrio Executive Office (BEXO) - The Barrio Policy Board (BPB) is elected by the general membership of the respective Barrio Local. The BPB serves to determine policy within the local chapter and also elects from among its own members those who will compose the Barrio Executive Office (BEXO). The BEXO consists of a president, vice-president, secretary and treasurer.
- 2) Municipal Policy Board (MPB) and Municipal Executive Office (MEXO) - The Municipal Policy Board (MPB) is composed of one representative from each of the Barrio Locals within the municipality. Its functions are the same as the Barrio Policy board, only focusing on the level of the Municipal Chapter. The MPB also elects from among its own members a Municipal Executive Office (MEXO) with corresponding officers.

⁷⁶ op. cit.: "The Federation of Free Farmers: History and Present Stature"; pp. 10-11.

- 3) Provincial Policy Board (PPB) and Provincial Executive Office (PEXO) - The Provincial Policy Board (PPB) is formed from representatives from the Municipal Chapter and seeks to determine FFF policy for the Provincial Association. A Provincial Executive Office (PEXO) is formed by the PPB and has corresponding officers.
- 4) National Policy Board (NPB) and National Executive Office (NEXO) - Delegates from all accredited Provincial Associations meet at the Annual National Convention to elect the members of the National Policy Board (NPB) which is the highest policy-making body of the FFF. The NPB is composed of thirty-seven (37) members, of which two-thirds by policy are farmers.

The NPB members elect from among themselves the officers and members of the National Executive Office (NEXO), including president, executive vice-president, five other vice-presidents, secretary, treasurer, and five members (total of 14 persons). The NPB has also created sixteen administrative departments to assist the NEXO in program implementation (see Chart 3).

3.8.4.2 FFF Membership

1) Composition of Membership

The membership of FFF is composed of three general groups: agricultural tenants or sharecroppers (including lessees), farm workers on a wage basis, and agricultural settlers and small landowners.⁷⁷ A minimum of at least fifteen

⁷⁷ "Constitution of the Federation of Free Farmers"; FFF, Manila; Mimeogr., March 1970.

Small landowners in this case refer to those who are actually tilling the land and generally owning less than seven hectares.

such individuals are required in order to form one Barrio Local.

2) Geographic Relationship of Members

Members within a given Barrio Local are defined as those people residing within the geographic boundaries of the barrio for which the chapter has been created to serve. FFF members are many times also members of Samahang Nayon which are organized geographically much the same as FFF Barrio Locals covering at times the same area.

3) Member Obligations and Benefits

Members are obligated to pay annual dues to their respective Barrio Local (only about 20% are actually doing this, however) and attend group meetings and training seminars when held. Members are also required to purchase membership cards within their respective organizations. Furthermore, FFF members are encouraged to make contributions, both financial as well as donated time and energy, to their chapters whenever possible.

Basic membership benefits are derived from improved farmer representation combined with other benefits resulting from the various services provided members by the FFF. Such benefits include: rural education, legal and socio-political representation, cultural and religious advancement, youth development, and economic upliftment (see section 3.8.1.4).

3.8.4.3 Training and Development Programs for FFF

The Federation of Free Farmers has taken an active role in membership education and development.

Currently the FFF has a national training center located in Cabuyao, Laguna and two regional training centers, one in Tagum, Davao del Norte and the other in Calapan, Oriental Mindoro.

Among the more significant courses held in these various training centers are: the Leadership Formation Course, a five-week course designed to instruct and train farmers who have evidenced leadership potential; the Administrative Course, a two-week course designed to develop FFF leaders and officers in areas of administration; and the Basic Organizational Seminar, a two to three-day seminar (conducted at the training centers or in the field) designed to orient potential candidates for membership while at the same time encouraging membership quality improvement. Other various seminars and courses have from time to time been held for specialized technical training when the needs for such have arisen.⁷⁸

3.8.5 Impact and Changes Seen as a Result of the FFF

The Federation of Free Farmers has over the past twenty-plus years demonstrated its potential role as a dynamic force for socio-economic reform. Specific examples could be cited to illustrate the dimensions and variety of such reform efforts, however, suffice it to say that the FFF has either directly or indirectly been responsible for substantial portions of legislative enactments in both agrarian reform from the Agricultural Tenancy Act (R. A. No. 1199), enacted in 1954, to the amended Code of Agrarian Reforms (R. A. No. 6389), enacted in 1971 as well as other constitutional provisions for socio-economic improvement.

In addition to these effective lobbying efforts expansive rural education together with rural legal assistance have been two of

⁷⁸ *op. cit.*: "The Federation of Free Farmers: History and Present Stature"; pp. 6-7.

the foremost FFF sponsored activities which have prompted significant advancement in terms of realized agrarian development for the Filipino farmer.

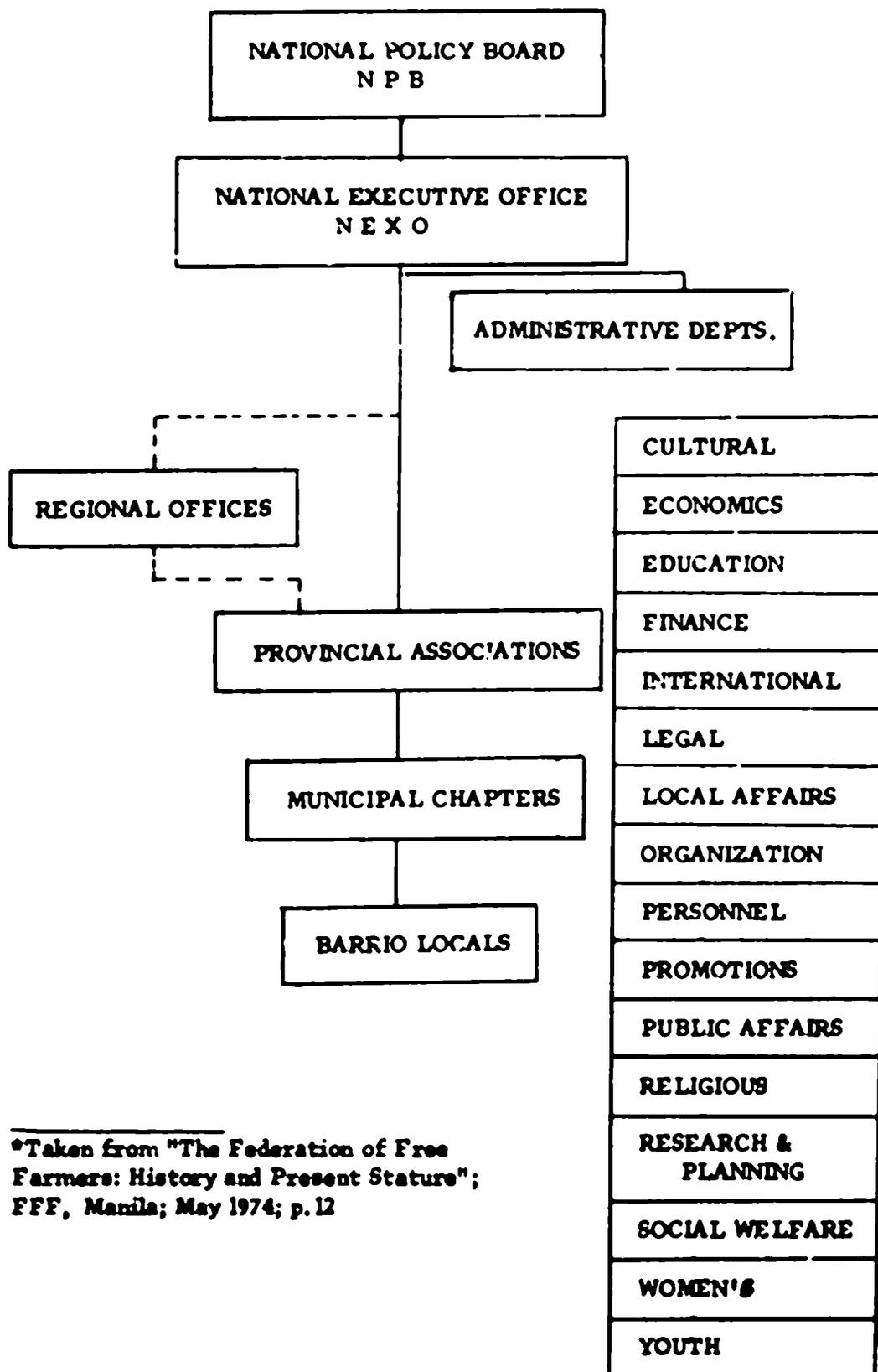
3.8.6 The Relationship of the FFF with Other Farmer Organizations

The Federation of Free Farmers has in recent months been active in assisting the Department of Local Government and Community Development (DLGCD) in cooperative education and training while at the same time involving itself in the promotion and support of Samahang Nayon. This relationship is particularly noteworthy as FFF and DLGCD have not been supportive of one another in past years.

Being the largest non-government sponsored farmers organization within the country (with almost 200,000 members) the FFF has the potential to become a voice for sounding off various needs and problems of many smaller farmer organizations which, in themselves, lack the necessary size and/or capabilities for being effectively heard. To date, however, this potential has been restricted to only a handful of isolated cases. Although the FFF suggests its interest in such representation, history has shown the organization to be at times highly skeptical and nonsupportive of many other farmer groups. Greater inter-organizational coordination and support is indeed needed if the FFF is to become the truly effective voice that it envisions itself in representing the needs and attitudes of the Filipino farmer.

CHART 3

FFF ORGANIZATIONAL STRUCTURE °



°Taken from "The Federation of Free Farmers: History and Present Stature"; FFF, Manila; May 1974; p. 12

3.9 OTHER FARMER ORGANIZATIONS (Government and Non-Government)

3.9.1 Filipino Agrarian Reform Movement (FARM) and the Federation of Land Reform Farmers' Associations (FLRF)

The Filipino Agrarian Reform Movement (FARM) and the Federation of Land Reform Farmers' Associations (FLRF) are herein discussed together for in several respects they are inseparable from one another.

FARM as a movement dates back to 1959 when a group of intellectuals, newspapermen, and professionals banded together through their common interest of land reform to serve as a pressure group in favor of that cause.

In January of 1969 FARM began to expand as an umbrella federation of various farmer cooperatives and organizations within the country.⁷⁹ Basically a non-government, apolitical and private organization, FARM follows similar purposes and organizational framework as does the Federation of Free Farmers (FFF) discussed in section 3.8.

A year and a half following the expansion of FARM efforts FLRF was created in May 1970 to assist FARM development. FLRF which is similar in purpose to both FARM and FFF is a federation of "smaller" and somewhat more localized farmer organizations (many of which are located in Pampanga Province) not originally included in the membership of FARM. FLRF in turn later became a federated member of FARM.

The significance of these two closely linked mass base organizations is far from what one might expect from such a seemingly impressive structure. The leadership for both FARM and FLRF are one in the same. In actuality neither of these programs have due-paying membership.⁸⁰ In fact,

⁷⁹ In actuality FARM membership has been limited to Central and Southern Luzon.

⁸⁰ Although FLRF does claim that those associated to it hold membership cards.

several of the various organizational members composing both FARM and FLRF are defunct and no longer in existence today. The only operating funds that either FARM or FLRF have are generated through contributions from sources other than membership, and these appear to be meager. Because of this neither organization has logistical field support to implement its respective program activities.

Unlike the Federation of Free Farmers the Filipino Agrarian Reform Movement and the Federation of Land Reform Farmers' Associations remain for the most part "paper" organizations, their names being used from time to time to support the activities of various individuals and special interest groups.

3.9.2 Philippine Federation of Farmers Associations (PFFA)

The Philippine Federation of Farmers Associations (PFFA) is a federation organized by the Agricultural Productivity Commission (APC), now the Bureau of Agricultural Extension (BAE), during the 1960's when the APC was engaged in the active training, establishment and support of thousands of farmers cooperative associations throughout the country. These various farmers associations organized by the APC were either single or multiple purpose in service and stock or non-stock in structure. They (associations) were obligated to pay annual dues of P 10 to PFFA for the right to belong to the federation.

In late 1972 the mandate for cooperative development was taken away from the APC and given to the new Bureau of Cooperatives Development (BCD). Subsequent decrees in 1973 provided for all farmers associations organized by the APC to be placed under the provisional status as "pre-cooperatives" (providing that these associations individually requested such status) until they were able to align their various organizational structures with the structure of the government's new cooperative program.

Today over 3,000 of these farmer associations are recorded with the Bureau of Agricultural Extension. Large numbers of these organizations are either inactive or defunct, however, many others registered as pre-cooperatives with the Bureau of Cooperatives Development are indeed still very active. In September 1974 detailed implementing guidelines were worked out between BAE and BCD allowing for these ongoing associations to eventually merge with the Samahang Nayon and Kilusang Bayan organizations. It is likely that if this effort to merge the two programs proves effective time will begin to mark the gradual disappearance of the already weakening Philippine Federation of Farmers Associations.

4.0 THE COMPARATIVE RELATIONSHIPS OF FARMER ORGANIZATIONS

4.1 RELATED PURPOSES

It is true that there is some variance according to purpose among various farmer organizations. However, this should not be falsely interpreted as an inherent sign of weakness in existing organizational structures but rather viewed as a situational relationship which is both healthy and complementary. There appears to be little if any conflict among the various farmer organizations according to their respective purposes, indeed, many have either the same or similar objectives.

All organizations exhibit common similarities of purpose in terms of promoting effective agrarian reform through social and economic rural development for the small-scale Filipino farmer. Moreover, each organization tends to focus its primary attention on one or more specific areas necessary in bringing about this change. The Irrigator Groups for example stress water development and management, the Seldas credit delivery systems. Compact Farms encourage production management, the FFF social reform, while the Samahang Nayan combines a number of these.

Occasionally different farmer organizations operating in the same geographical area may overlap each other in terms of purposes and/or services. This generally does not cause conflicts, however, as long as the activities of the organizations concerned are well coordinated and attitudes of support rather than competition prevail.

4.2 BASIC STRUCTURES

Farmer organizations exhibit a wide range of similarities and differences in relation to their respective organizational structures. FBC's, GRAC and NEILCoP have for example been organized as stock cooperatives while other organizations discussed within this study maintain the structure of non-stock associations. In accordance with government policy SN and FBCs are registered with the Department of Local Government and Community Development⁸¹, while IG's

⁸¹ NEILCoP also will soon be registered with DLGCD.

and GRAC register with the Securities and Exchange Commission and the FFF with the Department of Labor. Selda and CF organizations as loose-knit production and liability groups generally are not required to formally register with any government agency, however, they may be affiliated with one or more government or non-government institutions.

In terms of geographical coverage SN, FBCs, GRAC, and the FFF all organize groups on the barrio or multi-barrio level. CFs, IGs and Seldas on the other hand are organized for the most part as sub-barrio structures.⁸² NEILCoP varies from these two patterns by operating on a provincial basis (however, some NEILCoP members are either barrio or sub-barrio associations or groups).

FBCs, GRAC, NEILCoP, and the FFF through its Free Farmers Cooperative, Inc. are allowed to engage in profit making enterprises and business activities associated with agricultural development and upliftment. Other organizations, although technically not allowed to engage in business, may generate economic returns for their respective memberships through economy of scale saving or from other small-scale projects, such as local cottage industry, as long as the primary focus of such projects is not profit oriented.

Another topic area which deserves some discussion relating to the comparisons of basic organizational structure is the area of leadership. Virtually all farmer organizations have systems of leadership, however, their structures and respective functions often times vary. SN and FBCs for example exhibit well defined leadership networks with the responsibility for various organizational functions divided among several leadership positions. Seldas, CFs and many times IGs do not show this degree of leadership diversification, often preferring to delegate all responsibilities to a single group leader. While it may be true that in some cases smaller farmer organizations, because of limited functions, do not require the leadership structure characteristic of larger institutions, it may also be true that their impact and effectiveness as organizations might in some cases be reduced due

⁸² However, some Communal Irrigation Associations may be organized on the multi-barrio level.

to unrealistic expectations in work load capacities placed upon their respective individual leaders.

Generally where there is adequate leadership structure to handle the various activities and responsibilities of a farmer organization, progressive group development has resulted. For example in Nueva Ecija where efforts have been concentrated in the area of leadership development, Samahang Nayon have made significant progress in terms of membership growth and capital savings. In both these areas Nueva Ecija Samahang Nayon dramatically lead the national averages. While other factors are sure to have contributed to this progressiveness leadership has played a dominant role.

Farmer organizational structures also exhibit diversity in their styles of farm management. While most organizations allow farmer members to manage their own respective farm plots, at least two do not. Various Compact Farms require that all farm activities be managed jointly under a single management system. The manager may decide such issues as the crops to be planted, the technologies to be followed, the inputs to be used, and the times for planting, harvesting and marketing. Another example may be seen in the case of the Gen. Ricarte Agricultural Cooperative. While allowing its farmer members some degree of individual management freedom, GRAC does require them to rely upon the cooperative for the supply of all agricultural support services such as input supply, marketing, credit and extension assistance. The cooperative itself manages these services and officially represents the farmer members in all other matters.

While centralized management may do much to systematize agricultural activities and bring about a desired uniformity in production the limitation of such an approach should be clearly recognized, for if abused such a management style may subvert the very purposes for which the organization was originally created. Extreme care should be taken in such efforts to insure that democratic channels exist whereby members are guaranteed their freedom of expression and rights of individual representation.

Variations in the structure of farmer organizations are not as a rule causes in themselves for inter-group conflict. Well developed systems for communication and support can and do exist between various institutions exhibiting different organizational structures. Functional

inter-group relationships in terms of support systems have for example been evidenced in many parts of the country where two or more farmer organizations may coexist. Often times, however, these all important relationships are not given proper emphasis and in many instances left to mere chance. When this occurs communication breakdown and resulting conflict is inevitable. To cite a case in point let us examine the relationship of Irrigator Groups with Samahang Nasyon in terms of geographic boundaries and functions. Because IGs are organized geographically according to the irrigational lay of the land while SN follow politically determined demarcations, many times autonomous relationships develop wherein one or both of the organizations refuse to either recognize or support one another. Such situations may be further compounded when for example Samahang Nasyon would insist upon setting up their own systems for irrigation control and supervision independent of other existing systems in the area being implemented by Irrigator Groups. When events such as these transpire both organizations may suffer irreparable damage.

The relationship of the Federation of Free Farmers with Samahang Nasyon is but another example. Due to the absence of well defined channels of communication between the FFF and the DLGCD a lack of trust and confidence exhibited by the two organizations toward one another has resulted. This situation has significantly hindered the development of supportive SN-FFF relationships at the rural level. Although recent measures have been initiated to establish harmonious relationships between these organizations the air of competition rather than cooperation still exists in many areas of the country today.

Conflicts such as the ones herein outlined may indeed arise when sufficient emphasis has not been placed upon well developed inter-organizational communication and support systems. However, this need not be the case. There is always room for institutions of similar purpose, despite variations in organizational structure, to share a productive and harmonious coexistence providing they respect and honor their responsibilities to one another.

4.3 MEMBERSHIP PATTERNS

Farmer organizations without exception seek to serve as their primary target small-scale farmers or non-farming families of low income living in agricultural areas. Most often these members are classified either as lessees, amortizing owners, or owner operators of the lands upon which they live and/or till.

Since various farmer organizations serve primarily the same people it is logical to assume that often times membership overlap may result. The nature of this cross-membership may take several forms. The most common perhaps is in the case of geographically overlapping organizations. In this situation a particular person may be a member of several different groups. An example of this is seen where either a Samahang Nasyon or Farmers Barrio Cooperative member also becomes a member of either a Compact Farm, Irrigator Group, or Selda which may be organized and functioning within the same geographic area. Such a member may also belong to an FFF chapter if present. Another situation illustrating membership overlap may be seen when a person is a member of more than one of the same type of organization within the same geographic area. To cite a case, a farmer who may join one Selda for a feedgrain production loan may also become a member of another Selda with different members organized for the purpose of financing a livestock project. This particular type of overlap usually occurs only in Selda organizations. One other form of cross-membership should at this point be mentioned which combines aspects of the two examples already described. A farmer who is a member of one or more organizations located in a particular geographic area may also be a member of a different or similar organization located in another geographic area. To illustrate, a farmer living in one barrio and farming in another may belong to a Samahang Nasyon in the first barrio and at the same time be required to join an Irrigator Group located in the second. He may even be listed as a member also of the Samahang Nasyon located in the second barrio.

The examples given here are just that, examples. Although they may or may not reflect accurately the totality of such relationships, they are included here to give the reader a better understanding of the various forms that membership overlap may take. Membership overlap does not as a rule detract from the efforts of the various farmer organizations except in examples wherein an individual may

belong to, say, two Samahang Nayan at the same time, thereby causing unnecessary repetition in accounting procedures and unjust duplication of benefits. More often such overlap serves to strengthen farmer organizations by encouraging integration and cooperation rather than spawning dissension and competition.

Another aspect of membership patterns which warrants some comparative examination is in the area of member obligations and benefits. Of the farmer organizations listed within this study, SN, FBCs, GRAC, NEILCoP, and FFF all require their members to make financial investments in the form of membership fees and/or annual dues to their respective organizations. In addition, FBCs, GRAC, and NEILCoP require their respective memberships to purchase shares of stock, while SN and FBC members must contribute to two special funds, the Barrio Guarantee Fund and the Barrio Savings Fund. IGs on the other hand may or may not require financial investments from their members, while CFs and Seldas generally do not require such obligations.

In addition to financial investments all farmer organizations except for Seldas and Irrigator Groups require their members to undergo some form of membership training and attend group meetings. CFs and Seldas both require members to sign joint liability agreements for agricultural loans. Both of these memberships in combination with FBC members are also required to sign marketing agreements. Members of GRAC and certain CFs must agree further to let their respective organizations manage their agricultural activities.

Members in areas serviced by more than one farmer organization many times complain that their combined obligations to these various groups often becomes excessive. If allowed to go unchecked these problems may undermine the success and very purpose for which the respective organizations were originally created. Care should be taken in such cases to maintain a proper coordination of efforts between various farmer organizations in order to reduce unfair expectations and financial burdens unintentionally brought upon farmer members.

In relation to benefits all farmer organizations offer valuable social and/or economic contributions to their memberships. The degree of such benefits may vary from one organization to another, however, all organizations appear to be providing farmer members with a unique form of individualized representation not present in the absence of

such structure. This representation has allowed members of various farmer organizations to benefit both socially and economically from a host of improved support services including credit delivery, extension support, input supply, marketing systems and rural education. These services have increased the financial returns of members through improved yields and economy of scale savings as well as enhanced social awareness and communication in the rural areas.

More specifically, FBCs and SN offer members additional benefits in the form of retained savings from the Barrio Guarantee Fund and the Barrio Savings Fund as well as paid life insurance premiums. GRAC, NEILCoP and FBCs are also offering members patronage dividends on funds generated from cooperative profits. FFF activities have resulted in significant rural social advancement, while CF, IG and Selda groups have in many cases strengthened the overall performance of the larger SN and FBC organizations by providing them with a necessary and effective substructure which in itself has resulted in increased membership benefits due to improved efficiency and coordination.

4.4 SUPPORT SERVICES (Governmental, Institutional, and Internal)

4.4.1 Production Inputs

Virtually all of the farmers organizations, with the lone exception perhaps being the FFF⁸³, have developed some system for the supply and distribution of agricultural production inputs to their respective memberships. While some organizations such as the Farmers Barrio Cooperatives have developed elaborate cooperative structures to procure and funnel these input supplies to farmer members other organizations like Seldas maintain only a loose-knit distribution channel for such supplies relying heavily on outside sources, either rural banks

⁸³ The FFF while supporting economic rural development places heavy emphasis upon social reform, not agricultural production. The FFF does, however, support the agricultural production activities of its sister organization, the Free Farmers Cooperative, Inc.

or private dealers, for input procurement. This has upon occasion caused a conflict of interests where members of Seldas or Compact Farms located as sub-organizations within FBCs or Samahang Nasyon have been required by a credit source (e. g. rural bank) to purchase production inputs from a source other than that provided by the larger organizational structure as a pre-condition to credit assistance. It becomes imperative that in order to avoid such conflicts credit institutions such as rural banks must not only coordinate closely with Seldas but become closely attached to the production needs and services of larger organizations such as Samahang Nasyon which may also exist in a given area.

Where effective and complementary systems for input supply and distribution have been established between various farmer organizations occupying the same or overlapping areas, greater economic benefits and stronger organizational structures have resulted. Where such systems have not been established middlemen and inter-organizational strife and competition continue to weaken farmer groups both in terms of membership confidence as well as the potential for economic growth and expansion.

4.4.2 Marketing Services

In terms of marketing services, again most farmer organizations have devised some system for support to marketing activities. Exceptions to this, however, are Irrigator Groups which normally focus solely on water delivery systems, the Nueva Ecija Integrated Livestock Cooperative Program which has focused up to now on input supply and not yet implemented its marketing scheme, and the Federation of Free Farmers which again focuses on social reform rather than agricultural production.

The degree to which a farmer organization may become involved with marketing activities varies. Farmers Barrio Cooperatives in Nueva Ecija, for example, process and market substantial portions of membership crop produce through their jointly federated Area Marketing Cooperative. This is also a similar system to that of Samahang Nasyon which are beginning to develop

their own federated grain processing and marketing facilities (Kilusang Bayan) in limited target areas within the country. However, smaller farmer organizations such as Seldas and Compact Farms generally serve only as assembly or collection points for marketing. Actual marketing may be done either through other larger organizational structures such as FBCs or SN when they are present, or through private marketing channels.

As in the case of production inputs, credit sources such as rural banks may require farmers to market their produce through either their own channels or other designated outlets such as the National Grains Authority or private buyers. Again, this may weaken an organization which seeks to offer its members economy of scale marketing advantages. Every effort should be made to design better systems for improved coordination between credit institutions and farmer organizations engaged in agricultural marketing in order to insure greater economic returns for the farmer member while at the same time minimizing unnecessary duplication of efforts and unwarranted competition in service.

4.4.3 Production Credit

Currently members within farmer organizations are receiving institutional production credit from three basic sources, rural banks, the Agricultural Credit Administration (ACA), and the Philippine National Bank (PNB).

Practically all outside financial assistance to members of Farmers Barrio Cooperatives is coming from the ACA while rural banks are lending some support. The Gen. Ricarte Agricultural Cooperative receives exclusive credit support from ACA, while on the other hand, Samahang Nayan and Selda membership is financed primarily by rural banks and by PNB in areas where feedgrains are being grown.⁸⁴ Compact Farms

⁸⁴ The PNB under its current supervised agricultural credit program is financing only feedgrain production.

may receive financial assistance from either rural banks or ACA depending on their location and supporting institution.

In many cases these various loaning institutions are trying to coordinate their credit efforts with the activities of farmer organizations. ACA for example is utilizing the Gen. Ricarte Agricultural Cooperative and to some degree Farmers Barrio Cooperatives for screening loan applicants and supervising credit application and collection. Many Compact Farms function as joint liability groups for ACA loaning operations. The Development Bank of the Philippines (DBP) along with some rural banks are channeling long term credit assistance for the purchase of irrigation pumps and motors through organized Irrigator Groups. And, rural banks utilize Seldas as joint liability groups for supervising production credit assistance to farmers.

In various sections of this study it has been noted that when efforts have been made to utilize farmer organizations as mechanisms for supervising and safeguarding credit assistance, generally, repayment patterns have been improved (e. g. FBCs, GRAC, CFs, and Seldas). This would indicate the need as earlier cited in the case of inputs supply and marketing services for financial institutions to coordinate more closely their loaning and collection procedures with the existing farmer organizational structure.

In at least one significant case little attempt has been made to develop such coordination. Rural banks the primary production credit source for Samahang Nayon membership have not to date tried to utilize the organizational structure of Samahang Nayon to increase the efficiency of their credit delivery systems.⁸⁵ This case is particularly noteworthy for 85% of the production credit currently available for Filipino farmers from institutional sources is coming from the more than 650 rural banks within the country. By the same token two-thirds of the over 1,000,000

⁸⁵ This statement refers to rural banks in general although it should be noted that a few progressive banks have made attempts to develop such coordination.

farmers currently targeted under the agrarian reform program, most of which depend on some form of financial production assistance, are members of Samahang Nayon. While there has been little if any research done which would indicate a direct correlation linking the lack of rural bank-SN coordination with poorer repayment patterns (although such a correlation seems indeed logical, available repayment data is partially skewed due to the fact that credit repayments have been high in some areas where Samahang Nayon have not been organized but where well organized Selda groups have previously existed) it can be said that credit systems most certainly have not benefited from the lack of any such exchange. This situation in itself has in part given rise to the establishment of the new Cooperative Rural Bank in Nueva Ecija which will seek to provide production credit assistance for Samahang Nayon (and FBC) membership by utilizing the SN organization itself as a vehicle for the selection and screening of potential loan recipients as well as a mechanism for supervising actual credit releases, applications and collections.

Many members of farmer organizations receive credit from sources other than those institutional in nature. Private money lenders and users continue to provide substantial portions of the credit requirements of farmers belonging to various farm organizations. However, increasing evidence suggests that farmers who are members of particular farm organizations are less likely to become dependent on private, non-institutional credit sources than are farmers who are not members of such organizations. Moreover, members of farmer organizations tend to utilize credit from institutional sources more often and to greater degrees than do non-member farmers.⁸⁶

⁸⁶ "Small Farmer Credit Summary Papers"; USAID Spring Review, Volume XX; June 1973.

4.4.4 Extension Assistance

Almost all farmer organizations receive some extension assistance from external sources. The nature and degree of this support may often vary and in some cases may not adequately meet the specific needs of the organization. To cite two examples, Farmers Barrio Cooperatives in the southern part of Nueva Ecija were for several months receiving government technical extension assistance from Department of Agrarian Reform technicians. While these technicians were well schooled in land reform policy they grossly lacked education and experience having to do with the technical production aspects of agriculture and consequently their extension services in the area proved almost totally ineffective. Irrigator Groups have also experienced this problem. While the National Irrigation Administration (NIA) has assigned technicians to assist IG members in agricultural extension, these technicians often exhibit only minimal knowledge of agricultural production in areas outside of their water management backgrounds. Fortunately NIA has identified this problems and is currently subjecting all water management technicians in pilot areas to intensive agricultural training. However, not all agencies are as concerned with matching the proper extension skills with the particular needs of farmer organizations as is NIA. Indeed, many agencies do not coordinate their extension efforts with farmer organizations at all but rather with credit institutions. As mentioned earlier these institutions may or may not coordinate with farmer activities on the organizational level, leaving to chance in many cases proper extension and credit assistance to farmers in a particular organization.

Ties with government agencies offering extension assistance are many times distant and undependable. Although such assistance is important and should not be discouraged, many times farmer organizations may find it more advantageous to organize their own extension services to aid that which is already being supplied by either government or private organizations. Samahang Nayon, Farmers Barrio Cooperatives, and many Compact Farms have plans for such internal extension support. While members and committees within some of these organizations have already been designated to perform this role much time and energy in the way of educational development appears still to be needed before these intra-organizational extension agents become functional mediums for change and development.

* Estimated

**Represents first groups organized with government support

TABLE 3
BASIC COMPARISONS OF VARIOUS
FARMER ORGANIZATIONS

NOTE: Figures and info herein quoted are general and not absolute in nature; meant for observational comparison only

#	CATEGORY	SN	FBC	CF	S	IG	GRAC	NEILCoP	FFF
1	Total No. of Organizations	15,451	28	3-500*	40,000*	2-3,000*	1	1	—
2	Total No. of Members	663,489	3,004	5-8,000*	300,000*	75-125,000*	106	83	200,000
3	Average Membership per Organization	National	—	10-20	5-10	20-80	—	—	—
		Nueva Eclija	66.2	107.3	19.9	Same	20-30	106	83
4	First Groups Organized	1973	1972	1964	1970	Mid-1960s**	1971	1972	1953
5	Primary Supporting Agencies	DLGCD	IDP/NE, DAR, ACA, DLGCD	ACA, BRBC, RB, KC, Church Org	RB, ACA, PNB	NIA, RISA	S. of Israel, NFAC, DAN, DLGCD, IDP	BAI, Church Org.	Religious & Civic Org.
6	Primary Credit Source	RB	ACA	ACA or RB	RB	RB	ACA	RB or DBP	—
7	Structure Classification	Non-Stock Assn.	Stock Coop.	Non-Stock Assn. Prod. Unit	Non-Stock Assn. Prod. Unit	Non-Stock Assn. (Prod. Unit)	Stock Coop.	Stock Coop.	Non-Stock Assn.
8	Ave. Geographical Level of Organization	Barrio Level	Barrio Level	Sub-Barrio Level	Sub-Barrio Level	Sub-Barrio or Multi-Barrio Level	Barrio Level	Provincial Level	Sub-Barrio & National Level
9	Total Capitalization (P)	22,200,000	78,000	—	—	—	21,836	96,000	—
10	System of Management	Individual Central	X	X	X	X	X	X	X
11	Contiguity of Members' Farms	Not Required	Not Required	Required	May or May Not Be Required	Required	Not Required	Not Required	Not Required
12	Equal Member Productivity Considered			Usually	Sometimes	Sometimes	Usually		
13	Stock Purchase Required		X			"	X	X	
14	Membership Fee Required	X	X			"	X	X	X
15	Annual Dues Required	X	X			"		X	X
16	Pre-Membership Training Req.	X	X	X	Optional	Optional	X	X	Optional
17	Joint Liability Function			X	X				
18	Input Distribution Function	X	X	X	X	X	X	X	
19	Marketing Assembly Function	X	X	X	X	X	X		

5.0 SUMMARY

The wide-scale development of farmer organizations within the Philippines has only recently become a reality. While indeed the philosophy and need for their establishment have been ever present, most ongoing organizations in existence today are products only of the present decade.

Farmer organizations have been established in practically every province, municipality and barrio within the country. While some are reflective of only pilot or localized efforts others display a broader scope functioning as national farmer organizations.

The organizations reviewed within this study exhibit close similarity to one another both in terms of the purposes for which they were established, varying only slightly in areas of emphasis and focus, and in relation to the principal targets that they wish to serve, namely, small-scale farmers or non-farming families of low income living and working in agricultural areas.⁸⁷

While demonstrating similarity in both purposes and target recipients, farmer institutions often exhibit diversity in terms of their respective organizational structures. In situations where two or more organizations may geographically overlap one another, there may or may not be inter-organizational conflicts depending on the degree of cooperation and support that the respective farmer groups show towards one another. The various government agencies and private institutions responsible for establishing and supporting farmer organizations can play an important role at this point in promoting inter-group unity. Too often, however, they do not appear to place significant value on the importance of cultivating such inter-organizational relationships.

Farmer organizations have become effective mediums for supplying a host of necessary support services to rural agrarian communities. Systems for input supply, marketing channels, credit delivery, cooperative extension and rural education have been significantly improved through organizational efforts. Some farmer organizations have also done much to develop

⁸⁷The Philippine Government's current agrarian reform program is almost entirely encompassed in these agricultural areas.

integrated approaches to agricultural production while others have shown themselves to be viable mediums for publicly voicing member grievances and concerns.

Increasing evidence suggests that farmer organizations have effected substantial sociological and attitudinal change among farmer members in such areas as increased credit repayment patterns and in the adoption of improved farming technologies. Similarly, many farmer organizations have contributed significantly to increased agricultural production and functioned effectively as mechanisms for capital formation and retention.

The rapid development and expansion of farmer organizations today in the Philippines assures the reality of increased inter-group contact and the subsequent potential for future tensions, conflicts and misunderstandings. Whether or not these organizations will be able to avoid such problematic relationships by effectively coordinating, integrating and cooperating with each other during the difficult months ahead remains a question of paramount importance. It would appear that in order for such a question to be answered in a positive sense policy decisions need first be made and subsequent programs revised and implemented which will assure the utmost integration and support between these various organizations. But such actions immediately pose new questions: Who will initiate such efforts; which organizations will be under consideration; what types of information will be used in making policy decisions; how will organizations of different structure relate to one another; what roles will government and private institutions play; and what criteria will be used to measure the success or failure of such attempts? It is these and other questions which must first be addressed if farmer organizations are to continue providing the rural Filipino with the socio-economic reform characteristic of their past endeavors. Hopefully this study has laid the foundation from which to begin.

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