

4920259 (6)

I. PROJECT IDENTIFICATION

PROJECT TITLE: **Small Farmer Income and Production**
492-55-130-259

APPENDIX ATTACHED: YES NO

2. PROJECT NO. (M.O. 1095.2)

3. RECIPIENT (specify): **Philippines**

4. LIFE OF PROJECT: BEGINS FY **1975**, ENDS FY **1978**

5. SUBMISSION DATE: **Dec. '73**

6. ORIGINAL: ORIGINAL, REV. NO. **4**, DATE **Apr. 1976**

7. CONTR./PASA NO. **27**

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

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US (U.S. OWNED)	
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY
PRIOR THRU ACTUAL FY	535	322	66	133	128	80		236	42		
OPRN FY 76	800	559	104	151	84	90		136	42	500	557
BUDGET FY 77	775	495	100	180	128	100		345	64	620	640
BUDGET #1 FY 78	660	490	100	100	76	70		325	64	750	742
BUDGET #2 FY											
BUDGET #3 FY											
ALL SUBQ. FY											
GRAND TOTAL	2770	1866	370	564	416	340		1142	212	2745	2869

OTHER DONOR CONTRIBUTIONS

A) NAME OF DONOR	B) KIND OF GOODS/SERVICES	C) AMOUNT
Mission earlier requested 3,767		

III. ORIGINATING OFFICE CLEARANCE

DRAFTER	TITLE	DATE
Donald Melville Norman Olsaker	Program Analyst Project Manager	4-8-76 4-8-76
CLEARANCE Robert Halligan Garnett A. Zimmerly	Actg. Program Officer Director	4-8-76 4-8-76

John P. Hummon, Deputy Director IV. PROJECT AUTHORIZATION

CONDITIONS OF APPROVAL

NOTE: This version was withdrawn by Mission team (Mulcahy/Hummon) during visit to AID/W, April 1976. Shortened version excluding KSU & SSI was approved.

Handwritten signature/initials

CLEARANCES

BUR/OFF.	SIGNATURE	DATE	BUR/OFF	SIGNATURE	DATE

APPROVAL AAs OR OFFICE DIRECTORS: SIGNATURE _____ DATE _____

4. APPROVAL A/AID (See M.O. 1025.1 VI C): SIGNATURE _____ DATE _____

TITLE: _____ ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

SMALL FARMER INCOME AND PRODUCTION PROJECGoal and Purpose

The goal and purpose of the Small Farmer Income and Production Project remain basically unchanged. The project provides technical assistance to the Government of the Philippines in support of its efforts to achieve and maintain self-sufficiency in rice and corn production by increasing the productivity of small farmers who produce these crops.

Project Cost Increases

The overall project cost is increased \$1.2 million by this revision. This breaks down to \$345,000 in FY 76, \$425,000 in FY 77, and \$510,000 in FY 78. The FY 76 increase is accounted for mainly by the addition of technical assistance in small scale irrigation, and project design and development of an agricultural marketing project, while the higher levels in FY 77 and 78 are attributable to changes in project emphasis and direction based on progress and the current situation.

	<u>PROJECT COSTS</u>					
	<u>Revision #3</u>		<u>Revision #4</u>		<u>Difference between Revision #3 & Revision #4</u>	
	<u>FY 76</u>	<u>Total Project</u>	<u>FY 76</u>	<u>Total Project</u>	<u>FY 76</u>	<u>Total Project</u>
Personnel						
Direct Hire	80	250	323	724	+ 243	+ 474
Contract/PASA	215	795	236	1142	+ 21	+ 347
Participants	110	335	151	564	+ 41	+ 229
Commodities	50	165	90	340	+ 40	+ 175
Total	455	1545	800	2770	+ 345	+1225

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Small Scale Irrigation

The addition of small-scale irrigation technical assistance to the project accounts for \$239, 000 of the proposed FY 76 funding increase. This amendment provides \$159, 000 for 28 man-months of direct-hire services, \$18, 000 for consultancies, \$25, 000 for a baseline survey, \$32, 000 for participant training, and \$5, 000 for commodities. This grant funding was added to the Small Farmer Income and Production Project to provide technical assistance support for the Small Scale Irrigation loan authorized in FY 75. The Project paper for the Small Scale Irrigation loan included a proposal for a grant input of \$800, 000 over a three-year period (FY76-78). This funding was intended to cover primarily specialized technical assistance (direct-hire) in the fields of pump engineering, agricultural engineering, earth dam, and ground water development engineering. The Farm Systems Development Corporation, responsible for implementation of the program is newly established and must have this kind of help in order to develop as an institution. Moreover the technical assistance has always been regarded as integral and vital to satisfactory implementation of the project and monitoring of loan disbursements.

The Small Scale Irrigation technical assistance is shown in the FY 77 CP as a separate project. Since the grant component of the loan proposal covering the technical assistance element of the project was not included in the FY 76 CP, these essential activities necessarily had to be funded under existing project activities. Given the similarity between the overall objectives of the Small Farmer Income and Production Project and the specific objectives of the Irrigation Project (i. e., increase income of small farmers) it was logical to incorporate it within Small Farmer Income and Production Project for FY 76. A copy of the Small Scale Irrigation Project Logical Framework is attached.

Agricultural Marketing Project

It is generally believed that the Philippines has reached a major plateau in rice production. It is necessary to address the 2nd generation development problems associated with handling, transport, storage, and distribution if any significant new increments to small farmers income are to be achieved.

A total of \$50, 000 for 6 work months of consultant services was thus added to Small Farmer Income and Production Project to finance travel and related costs of a project development team from Kansas State University to assist the GOP in determining what directions and approaches to take with respect to market development policy and constraints. The effort is focused on the areas of national policy, academic training, marketing research and development including pilot testing, and outreach activities. It is intended that any proposed project will be developed for FY 77 and 78 under Title XII provisions.

FY 77 and 78

PROP Revision #3 established funding levels of \$310,000 and \$150,000 respectively for FY's 77 and 78, pending submission of further PROP revisions with justification for additional required funding. This revision proposes funding of \$775,000 in FY 77 and \$660,000 for FY 78. The increases of \$465,00 for FY 77 and \$510,000 for FY 78 are requested primarily to support new GOP program priorities for raising small farmer income in reflection of the current Philippine rice self-sufficiency situation.

PROJECT COSTS

	<u>Revision # 3</u>		<u>Revision # 4</u>		<u>Change</u>	
	FY		FY		FY	
	77	78	77	78	77	78
Personnel						
Direct-Hire	45	45	150	165	+105	+120
Contract/PASA	150	55	345	325	+195	+270
Participants	90	40	180	100	+ 90	+ 60
Commodities	25	10	100	70	+ 75	+ 60
TOTAL	<u>310</u>	<u>150</u>	<u>775</u>	<u>660</u>	<u>+465</u>	<u>+510</u>

The increased direct-hire levels are necessary to cover costs of 2 additional direct-hire positions, a corn agronomist and an agricultural economist (already on board). Contract/PASA cost levels are raised to cover Management Information Systems consultancies, a multiple-cropping systems contract with IRRI, and TDY assistance in crop research. A major part of the increased participant costs is due to the significant rise in short term training costs while most of the rest is attributable to additional participants in the areas of management systems analysis. The increased commodity costs are for excess property vehicles. Adequate transportation is crucial to implementation of all agriculture programs in the Philippines.

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Background

During the first two years of the project, assistance has been given to the GOP national rice and corn programs in three general areas; program management, rice technology development and transfer, and farmer support systems (credit, farm input supply and marketing).

Major emphasis has been given to assisting the GOP in increasing rice production to meet domestic consumption requirements. Results of the M99 or national rice production program have been impressive. Total rice production increased in 1974-75 by 5% over the previous years production in spite of 22 damaging typhoons. The 1975-76 crop is estimated to be nearly 6.5 million metric tons of rough rice or 15% higher than the 74-75 crop year and would set an all-time record.

Three closely related technical areas which will receive priority assistance during the remaining life of the project are:

1. Corn and feedgrain production;
2. Multi-cropping and farm diversification;
3. Small farmer credit systems.

Corn and Feedgrain Production

With self-sufficiency in rice reasonably well assured, increased attention will be given to raising small farmer income through farm diversification and reducing cost of production. Corn and feedgrains offer better market possibilities than rice, both in the domestic and export market. For example, growth in the livestock and poultry sector in recent years has been slowed by the high cost and limited supply of feedgrains that has been partially met by imports.

Corn production and marketing has been intensively studied and problems identified.^{1/} A critical problem has been the lack of good disease-resistant HYV's which enable profitable use of new production technology. During 1975 new HYV's of corn with increased resistance to downy mildew and corn borer were released by plant breeders. These are now being multiplied for seed through 22,000 kits and a sufficient supply will be available by late 1976 to plant most of the corn areas in the country. The major task, therefore, is to mount an expanded and improved on-farm applied research, demonstration, training, and information program such as has been done for rice. This will focus in weed control, new application techniques and levels of fertilizer, plant population and post harvest handling of corn.

^{1/} Harvard-SEARCA Study Corn Commodities Research Project; 1975 IFAC sponsored corn conference and workshop plus IDY consultancies of AID and CIMMYT.

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A network of on-farm trial-demonstrations will be mounted and results fed back to regional and central office for analysis. Subsequent production recommendations are to be based on these findings and adjusted to regional or provincial situations as appropriate. Training of 500 technicians, to be fully qualified to direct corn-feedgrain production programs in the various regions, is underway and will be expanded in FY 77.

USAID will supply the services of a full-time direct hire agronomist through FY 78 plus 4 man months per year of consultant services in sorghum and soybean applied research, 4 man months of consultant services in extension methodology and training, and 6 man months training in U.S. and 3rd countries in corn, soybean, sorghum production and crop protection. In-country training courses on feedgrain production and extension methods will be conducted with USAID providing some commodity support.

Multi-cropping and Farm Diversification

In the Philippines where landholdings are small and labor density is high, a most logical step for increasing farm productivity is to intensify land use. This can be accomplished by growing simultaneously or in sequence several crops in the same area in a given period of time. Aside from increasing production, this technique also increases the amount of labor that can be absorbed by a unit area of land.

Conscious of the urgent need for added productivity to cope with rapidly increasing population, the Philippines, has for the last decade, devoted much effort in devising multiple cropping patterns that will fit the various agro-climatic marketing regions of the country. These experiments initially concentrated on trying many kinds of alternative cropping patterns in small plots at research stations. The promising patterns from research stations were then tried in farmer's fields in many locations in the country. Finally, the rate of adoption and the impact of the most promising patterns have been tried in several barriers. In all these trials, the potential for increased production, income and labor absorption has been impressive. Furthermore, while multiple cropping is comparatively complicated (i.e., knowledge of intensive land management and growing several crops instead of only one is required) many farmers were most willing to adopt the technology due to its income potential.

The favorable experience with multiple cropping together with the increasing efficiency of the Government's farm services (farm technicians, credit and marketing) makes this an opportune time to apply this technology on a much wider scale. The physical and social technology that can make multiple cropping succeed in the Philippines countryside is in place and ready for testing. While increased productivity is a most obvious consequence of intensive cropping, there is one other very important benefit in implementing a national multiple cropping production program. This is the subtle but necessary change in the orientation of the government services. In the past programs, the orientation was on improving production in single crops, i.e., Masagana 99 for rice, Masaganang Maisan for corn, etc. In implementing a multiple cropping program this orientation is to be modified from crops to farms. This change in orientation also dictates some changes in the organization of Philippine extension programs and USAID support. Where before

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GOP technicians were assigned to specified crops, it will be more efficient for technicians to be assigned to farms. The consequences of this re-assignment are a reduction in area assigned to each technician but an increase in responsibility per unit from single crop to several crops. This appears to be beneficial for several reasons. First, the area of coverage is smaller and travel time (a difficult task in the rural Philippines) is reduced. Secondly, fewer farmer-cooperator result in more personal contact between technicians and farmers. Thirdly, the proliferation of production programs can be reduced and rationalized into a single integrated program.

A number of GOP agencies are presently carrying out applied research and pilot demonstrations in multicropping technology. More specifically the objectives of the National Multiple cropping programs which USAID will assist are to determine:

1. The minimum requirements for the successful adoption of multiple cropping in rural farming communities.
2. The multiple cropping schemes that are most acceptable to Filipino farmers;
3. The economic and social impacts of multiple cropping;
4. The minimum requirements for improving the credit and marketing facilities of a barrio;
5. The approximate area that one technician can cover effectively;
6. The potential and problems of household crop storage and food preservation in alleviating the marketing problems.

A long range goal will be establishment of a network of demonstration or test farms throughout the country which will assist in the development and multiplication of low-cost output increasing technology in small-scale farms. This activity would later expand on the rice and corn based multi-cropping to include livestock and/or fish production from farm ponds. The target for these pilot farms would be a gross value of production in staple foods and fish or livestock protein at least 3 to 5 times that of farms using traditional practices. The following would be objectives of the longer range program:

1. Provide means of carrying out multi-disciplinary research on intermediate technologies related to multi-cropping and integrated livestock/fish production on small scale farms. Determine effect of these technologies on farmer productivity, labor use and income.
2. Test feasibility of alternative water management practices in rainfed farm areas. This would include production of fish concurrently with rice and possible use of reservoirs for fish production and supplemental irrigation.
3. Test and demonstrate simple, locally fabricated farm implements and machinery, buildings, and energy systems.

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Small Farmer Credit Systems

Supervised non-collateral credit programs have assisted significantly in speeding the transfer of technology to small farmers over the past three years. Many problems have arisen, the major one being the low rate of repayment. Yet there are a number of rural banks which have registered high rates of loan collection and bank profitability under the Masagana operations. The key to their success lies in good management and careful systematic supervision of loans. The lack of good planning and management of lending operations has been increasingly recognized and a need for upgrading skills in these areas demonstrated. A new program of full-farm or multi-enterprise financing was launched on a pilot basis by a number of rural banks in 1976. This type of credit will place increased demands for careful farm financial counselling and supervision of farmer clients.

USAID will assist the GOP in helping to upgrade management of supervised credit programs for small rice and corn farmers, and in particular for integrated or multi-enterprise farming systems. This assistance will include credit advisors and consultant services; U.S. and third country participant training; and selective commodities. USAID assistance will be coordinated with U.S. Peace Corps which has a large number of volunteers working as supervised credit technicians in rural banks. The credit advisors will assist in planning, preparing and conducting training programs for bank managers and credit technicians; help devise, test and introduce schemes to increase the rate of savings in the banking systems serving small farmers, and help develop farm surveys and studies to determine courses for loan repayment delinquencies and develop corrective action.

Other On-Going Elements of the Project

Assistance in rice technology development and transfer would be continued as described in PROP Revision No. 3 but with new emphasis on reduced cost of production intermediate technology and selective mechanization.

Short term consultant services for management information system (MIS) are programmed for FY 77 and 78. Such services follow on activities of 2 direct hire MIS Specialists. Participant training in management information systems will continue through the life of project.

Assistance in strengthening economic analysis is to be continued as planned with more emphasis on marketing and market news reporting. Assistance provided in development of this capacity will be coordinated carefully with other donor assistance and to the pending integrated market development project.

Appropriate activities for test bed research will be jointly funded with NFAC as they are identified and their priority established. Technical assistance for this type of research will be arranged under contract with IFRI.

**STATEMENT OF PROJECT INPUTS
SMALL FARMER INCOME AND PRODUCTION PROJECTS**

<u>PERSONNEL</u>	<u>FY 75</u>		<u>FY 76</u>		<u>FY 77</u>		<u>FY 78</u>		<u>Total</u>	
	WM	\$000	WM	\$000	WM	\$000	WM	\$000		
1. <u>Direct Hire</u>										
Project Manager	12	35	12	45	12	45	12	50		
MIS Advisor	12	51	12	59						
Ag. Economist	-		4	25	12	55	12	60		
Agronomist (Corn & Feedgrains)	-		6	35	12	50	12	55		
Irrigation Team			28	159						
Total	24	86	62	323	36	150	36	165	724	
2. <u>PASA</u>										
Ag. Econ. Adv.	5	38	4	20	3	15	3	15		
Fertilizer Dev.	9	25	1	5	2	10	2	10		
Irrigation Dev.	-	-	6	18	-	-	-	-		
Total	14	63	11	43	5	25	5	25	156	
3. <u>Contract</u>										
MIS Consultant					6	30	6	30		
Agronomist-Rice (IRRI)	12	45	12	50	-	-	-	-		
Multiple Cropping S.F. Credit Mgmt.	-	-	-	-	30	120	30	120		
Training Adv. S.F. Credit	12	48	12	48	12	55	12	55		
Consultants	4	20	1	5	3	15	3	15		
Ext. Advisor					4	20	4	20		
Crop Research Consultants					4	20	4	20		
KSU Mktg. Team	-	-	6	50	-	-	-	-		
<u>Local</u>										
Baseline Survey, Research (Irriga- tion), Credit Trg. & others		60		40		60		40		
Total	28	173	31	193	59	320	59	300	986	
Total All Personnel	66	322	104	559	100	495	100	490	1,866	

<u>PARTICIPANT TRAINING</u>	<u>FY 75</u> <u>\$000</u>	<u>FY 76</u> <u>\$000</u>	<u>FY 77</u> <u>\$000</u>	<u>FY 78</u> <u>\$000</u>	<u>Total</u> <u>\$000</u>
Ag. Economic Mktg. Policy & Planning	27	34	50	30	
Mgmt. Information/ System Analysis	46	35	40	30	
Computer Programming Mgmt.	15	8	-	-	
Agricultural Credit	11	16	25	20	
Project Mgmt./Admin.	20	11	35	20	
Irrigation Development	-	32	-	-	
Crop Production/ Production	14	15	30	-	
Total	133	151	180	100	564
<u>COMMODITIES</u>					
Vehicles, communication equipment/ Audio visual & trg. excess property	80	90	100	70	340
Total All	535	800	775	660	2,770

SMALL FARMER INCOME & PRODUCTION PROJECT

OBJECTIVELY VERIFIABLE INDICATORS

Narrative Summary

I. Goal

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

Measurement of Goal Achievement

Rice

	<u>FY 73 Normalized</u>	<u>FY 78 Targeted</u>
a. Total rice production (palay/trough/trice)	5.0 million MT	7.3 million MT
b. Average yield all small-scale farmers (per ha. each crop)		
Irrigated -	1850 kg.	2904 kg.
Rainfed -	1320 kg.	1848 kg.
c. Net estimated annual family income of small-scale rice farmers. Increase based on rice increment only.	\$200 (1500P)	\$313 (2345P)
d. Farmers participating in government rice production programs.	100,000	750,000
(# growing one crop)	†80,000)	(600,000)
(# growing two crops)	(20,000)	(150,000)
e. Participating farmer crop hectares.	200,000	1,500,000
Effective crop hectares (double cropping)	240,000	1,800,000
f. Average yield for participating farmers (per ha. per crop)		
Irrigated -	2200 kg.	3344 kg.
Rainfed -	1540 kg.	1980 kg.

Corn

a. National corn production (shelled)	2.0 million MT	3.0 million MT
b. Average yield all small-scale corn farmers (per hectares).	855 kg.	1,254 kg.

Assumptions

- a. Food grain prices will provide the small-scale farmer with sufficient incentive to strive for higher productivity.
- b. Productive input supply problems will not negate efforts of the government to help small-scale farmers.
- c. Applied agriculture research, extension, infrastructure investments, agrarian reform and credit development will be directed towards small-farm operations.
- d. The GOP will maintain staffing and morale of their field agricultural staffs.
- e. Current and capital expenditures in GOP budgets for agriculture and related infrastructure will be implemented as expressed in the 1974-77 Four-Year Development Plan.

1. Goal (cont'd)

Measurement of Goal Achievement

<u>Corn</u>	<u>FY 73 Normalized</u>	<u>FY 78 Targeted</u>
c. Net estimated annual income of <u>all</u> small-scale corn farmers. (3 has. each, 2 crops). Increase derived from corn production only.	\$150 annual income/family (1,120 pesos)	\$285 annual income/family (2,144 pesos)
d. Number of participating corn farmers.	10,000	170,000
e. Average yield participating corn farmers (per hectare).	970 kg.	1.710 kg.

Assumptions
 f. Resources will be allocated within agriculture (rice-corn) versus livestock, sugarcocoanuts, secondary crops) to prevent destructive competition within the sector.
 g. International assistance in the agricultural sector from other donors will be maintained at planned level

Multiple Cropping & Farm Diversification

Number of farmers participating in national program	0	100,000
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Net estimated annual farmer income of participating farmers	\$200 (P1,500)	\$400 annual income/family (P3,000)
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Intermediate Institutional Targets

a. Amount of institutional credit extended to rice and corn farmers under government sponsored programs		
rice	\$13 million (97 million pesos)	\$100 million (750 million pesos)
corn	\$1.13 million (1 million pesos)	\$18.7 million (140 million pesos)

Integrated Agricultural Financing

Amount of credit extended	0	\$30 million (P225 million)
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1. Goal (cont'd)

Measurement of Goal Achievement				
<u>Corn (Cont'd)</u>		<u>FY 73 Normalized</u>	<u>FY 78 Targeted</u>	<u>Assumptions</u>
b. Credit Repayment	rice	85%	92%	
	corn	55%	90%	
Integrated agricultural financing credit repayment		-	95%	
c. Percentage of government production technicians who receive relevant periodic extension in-service technical training in rice/corn.	30%		90%	
Number of government production technician who have received relevant instruction in multicropping.		-	800	
Number of Rural Banks implementing Integrated Agricultural Financing programs.			100	

II. Purpose

The purpose of USAID in undertaking this project is to establish within the National Food and Agriculture Council (NFAC) and other key agencies in the agricultural sector, a management information and communications system and an analytical/technical capability for planning and implementing effective programs which will significantly increase the income and production of the country's small-scale rice and corn farmers.

End of Project Status (30 June 1977)

Management Information reports and analyses, applied research, economic analyses, and provincial program feedback reports are of high quality and are being extensively utilized at both policy and operational levels for GOP rice and corn programs. Prime indicators will be:

a. Use by NFAC of its management information system (MIS in planning and implementing rice, corn, and multi-cropping programs. NFAC will also refer to data and findings gathered from work undertaken in demonstration programs, reports of U.S. consultants, and test-bed activities.

b. Development of MIS indicators: Upper limits for annual crop production targets established in the provinces; annual provincial profiles on rice and corn utilized as the base reference for planning, target setting and project implementation reporting by both NFAC and provinces; timely reporting and accurate to reduce duplicative reporting requirements among agencies; frequency of program reporting reduced to monthly basis.

c. Agronomic and economic research findings regularly channelled to NFAC for incorporation into subsequent operational planning. These would include improved practices based on analysis of "micro-environments."

d. Rice and corn farmers generally satisfied with the technical assistance they are receiving from extension workers in their area.

a. That NFAC desires a workable MIS strongly enough to generate cooperation from member institutions and to maintain discipline over the system

b. That the GOP continues to accord high priority to the achievement of self-sufficiency in rice and corn by increasing the productivity of small farmers and allocates resources accordingly.

c. That NFAC and USAID will conduct regular reviews of progress, and will take appropriate corrective action

d. That other aspects of small scale rice/corn production which are not addressed by USAID in this project will either not be limiting or will be addressed by other means.

II. Project Outputs: (con't)

- c. A national system of farm trial/demonstrations in the 3 major regions of the country. These trials will be carried out under actual farm conditions and test new ideas and specific variables to determine their impact on small farmer income.
- d. An effective in-service extension training program to support rice, corn and test-bed activities.
- e. Base line study on the small farmer.
- f. An expanded and improved small farmer credit system utilizing integrated "whole farm financing."

Output Indicators : (Cont'd)

- d. By FY 78, NFAC will have developed full recommendation or production practices for rice, corn, and multi-cropping system for the major agro-climatic zones of the country.
- e. Three descriptive and statistical reports on the characteristics and conditions of the small farmer. The first of these, prepared as soon as possible after project initiation, will be the Baseline Survey and will cover such personal and social indicators as age, sex, family size, educational level and housing; agricultural indicators such as farm size, condition of tenure or tenancy, land use; crops produced and production methods; economic indicators such as net worth, net income, net family income, sales and market channels, costs and input sources, labor force, etc. The second report, prepared using the same survey methods, will provide an interim report two years later. The third report, on the same basis, will be prepared upon completion of the project.
- f. Quarterly progress report by the Agricultural Credit Advisor describing status of Integrated Agricultural financing and Masagana lending programs.

III. Project Outputs:

a. A Management Information System (MIS) in NFAC capable of measuring progress and performance, and identifying implementation problems in small farmer rice and corn programs. Operational reports will be supplemented by periodic provincial sample surveys and ad hoc standardized special situation assessment reports (such as reports of crop damage due to natural calamities). To complement this system, BPI and BAE operational provincial officers and BAECON field statisticians will be trained in MIS concepts and procedures. USAID staff initiated MIS assistance to NFAC in FY 1974 under the Agricultural Services project, and further progress will build upon these initial efforts.

b. An Economic Analysis Staff Unit in BAECON regularly utilizing data from the MIS and other sources to produce studies such as ones analyzing risk factors which small farmers face in production, determinants of farm profitability in various farm enterprises, supply response with respect to credit, price input availability, and marketing. The Unit will also prepare regular time-series reports on farm production campaign results, regular statistical sample surveys, and supply and demand analysis. It will perform special studies on resource utilization, effects of price supports and subsidies, land profitability and interest rates, transportation, distribution, storage, processing, etc.

Output Indicators:

a. By Dec. 1974, an analysis of the existing MIS system will have been prepared by the USAID MIS Advisor. Semi-annual progress reports will subsequently be prepared by the MIS Advisor detailing the status of development and implementation of the Management Information System in terms of these targets.

b. By Feb. 1975, a summary report of the status of agricultural economics statistical and analytical capability in the Philippines, with particular reference to NFAC members and BAECON, will have been prepared, indicating priority areas for improvement and selecting a limited number of specific studies for pilot analysis. Semi-annual progress reports by the Agricultural Economics Advisor will detail the numbers, types and frequencies of studies conducted during the period.

c. By March 1975, the USAID will have: (1) tentatively identified with its Philippine counterparts the priority geographic, technological and farm system prototypes warranting early investigation, and (2) developed a two-year program describing the precise methods to be used in covering these areas and benchmarks. Subsequent semi-annual progress reports will indicate the particular tasks undertaken, the tests completed and the findings. Particular importance will be assigned to the utility of these findings in shaping the overall production and support program.

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

b. That self-sufficiency in rice and corn is desirable and that there is, therefore, a need to accelerate "test-bed" research and small-farmer-oriented adaptive trial

c. That NFAC and USAID will continue reviewing program plans, advisory reports and recommended programs as will promptly implement agreed program modifications.

IV. Project Inputs

Magnitude and Timing

	<u>FY 75</u>		<u>FY 76</u>		<u>FY 77</u>		<u>FY 78</u>	
	<u>MM</u>	<u>\$000</u>	<u>MM</u>	<u>\$000</u>	<u>MM</u>	<u>\$000</u>	<u>MM</u>	<u>\$000</u>
1. U.S.								
a) Personnel & Consultants	166	322	104	609	100	495	100	490
b) Participants		133		101		180		100
c) Commodities		80		90		100		70
Total	117	535	104	800	100	775	100	660
2. Philippines (Million pesos)		<u>₱M</u>		<u>₱M</u>		<u>₱M</u>		<u>₱M</u>
a) NFAC Budget		68		75		83		89
b) Dept. of Agriculture Operational Support		36		37		39		40
c) Supervised Credit		500		620		750		875
d) Price Stabilization (NGA)		200		250		350		500
e) National Irrigation Administration		253		278		279		300
Total		1,057		1,260		1,501		1,804

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

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

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared: _____

Project Title & Number: Small Scale Irrigation

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: The broader objective to which this project contributes: (A-1)	Measures of Goal Achievement: (A-2)	(A-3)	Assumptions for achieving goal targets: (A-4)

Increase rice production to reach and maintain self-sufficiency by FY 77 per the GOP's Four-Year Development Plan.

Rice production meets currently set production goals as follows:

FY 77	7.0 mil. MT
FY 78	7.5 mil. MT
FY 79	8.0 mil. MT
FY 80	8.6 mil. MT

Actual production and consumption figures as well as the absence of rice imports.

With irrigable land farmers will in fact grow rice for at least one crop per year.

PROJECT DESIGN SUMMARY

Project Title & Number: Small Scale Irrigation

Life of Project:
 From FY _____ to FY _____
 Total U.S. Funding _____
 Date Prepared: _____

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Purpose: (B-1)	Conditions that will indicate purpose has been achieved: sEnd-of-Project status. (B-2)	(B-3)	Assumptions for achieving purpose: (B-4)

To increase small farmer income on the project areas.

1. Income to be estimated from the basic equation $Income = Revenue - Costs$; revenues and costs for an ave. 1.5 ha. farmer owned plot to change according to the following schedule:

1-2 FSDC Management Information System

 Source: Provincial Task Force from ISA records and field interviews. Spot-checked by Research and Evaluation Dept.

1. Palay prices will not decline with increase in supply or GOP will maintain/increase palay support price. Costs of production inputs do not increase disproportionately from price of palay.

 2. Farmers will take advantage of increased potential of their land by working for 2 croppings.

		Project	
Year	Status	Revenues	Costs
-	before project	₱ 2,850	₱ 1,295
1st	w/irrig. package	7,950	3,249
2nd	w/prod. package	10,500	4,139
3rd	w/mktg. package	11,370	5,242

(for itemization see Economic Analysis).

Title: Goal Purpose Achievement assessment Report.

 Contents: Schedule of Production returns per farm. Schedule of production costs per farm.

 etc. (see purpose)

 Frequency: Every crop semester.

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Outputs: (C-1)	Magnitude of Outputs: (C-2)	(C-3)	Assumptions for achieving outputs: (C-4)
1. Increased rice production.	1(a) On the average cropping increased from 1 to 2 times per year. 1(b) Increased yield/ha. from 38 cav/ha. to 53 cav/ha. to 70 cav/ha. with the introduction of irrigation and production package respectively.	1 - 4 FSDC Management Information System Report Title: Goal and Purpose Achievement Assessment Report. Source: Provincial Task Force gathered from ISA records and field interviews. Spot checked by the Research and Evaluation Department.	1-2 Natural calamities of grave proportion do not occur. Irrigation system is functioning at 80% potential capacity. Production training given is practiced in the fields. Supplies of production inputs are available.
2. Increased farmer returns from rice marketings.	2(a) Reduced post-harvest processing losses from 30% to 15%. 2(b) Increased net marketing returns from an average of ₱50/cav. to ₱53.50/cav.	Contents: Schedule of cavans of palay harvested per farm. Schedule of cavans of palay processed and marketed per farm Schedule of palay and rice prices received. etc. (See Goals) Frequency: Every crop semester.	3. No fuel shortage prevents the normal use of post-harvest equipment. 4. Trading center prices for rice are at least 10% higher than equivalent government support price for palay.

Project Title & Number: Small Scale Irrigation

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Outputs: (C-1)	Magnitude of Outputs: (C-2)	(C-3)	Assumptions for achieving outputs: (C-4)

Institutional Activities:

1. Organized and mobilized ISA's.
2. Modern rice production techniques practiced and farm implements used.
3. Post-harvest service centers and farm equipment pools established.

Institutional Activities:

1. Organized and mobilized ISA's according to the following schedule:

Year	No. of ISA's organized		
	Pump	Gravity	Total
76	150	4	154
77	200	6	206

(Note: Pump ISA for 100 ha. and gravity for 500 ha. average size)

2. Modern rice production techniques practiced and farm implements used by the first cropping season of the third year after ISA was organized.
3. Post-harvest service centers and farm equipment and facilities pool established by the second cropping season of the third year after ISA was organized.

Institutional Activities:

1. Personnel records on Provincial Task Force composition, assignment, members, etc.

2-4 FSDC Management Information System
 Report Title: Status Report of Project Activities (Institutional)
 Source: Provincial Task Force; spot checked by Project Control Group
 Contents: Data on status of institutional activities undertaken by ISA including no. of trainees, days, budget expenditures, etc.

Frequency: Monthly

Institutional Activities:

1. Pace of expansion can be supported by sufficient no. of qualified personnel for Provincial Task Force.
2. Farmer cooperation in the organization of ISA's farm management and production Training given by the Provincial Task Force and other extension workers are practiced in the fields.
3. Farmers desire to operate an equipment pool and/or post-harvest facilities.

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Outputs: (E-1)	Magnitude of Outputs: (C-2)	(C-3)	Assumptions for achieving outputs: (C-4)

4. Orientation to program seminars, workshops for PTF's completed as follows:

<u>Year</u>	<u>PTF's Trained</u>
76	88
77	136
78	160

4a. Orientation to program seminars, workshops for ISA core groups completed as follows:

<u>Year</u>	<u>No. of Farmers Trained</u>
76	84
77	1,24
78	1,54

<u>NARRATIVE SUMMARY</u>	<u>OBJECTIVELY VERIFIABLE INDICATORS</u>	<u>MEANS OF VERIFICATION</u>	<u>IMPORTANT ASSUMPTIONS</u>
Project Outputs: (C-1)	Magnitude of Outputs: (C-2)	(C-3)	

5. Management skills training for ISA members completed as follows:

<u>Year</u>	<u>No. of Farmers Trained</u>
76	10,000
77	15,000
78	15,000

6. Rice production training for ISA farmers completed as follows:

<u>Year</u>	<u>No. of Farmers Trained</u>
76	5,000
77	10,000
78	10,000

7-8. Introduction of innovation package and marketing training scheduled as follows:

<u>Year</u>	<u>No. of Farmers Trained</u>
77	5,000
78	10,000

<u>NARRATIVE SUMMARY</u>	<u>OBJECTIVELY VERIFIABLE INDICATORS</u>	<u>MEANS OF VERIFICATION</u>	<u>IMPORTANT ASSUMPTIONS</u>
Project Outputs: (C-1)	Magnitufe of Outputs: (C-2)	(C-3)	Assumptions for achieving outputs: (C-4)

Institutional Sub-activities: Institutional Sub-activities:

Institutional Sub-activities

- | | |
|---|--|
| 1. Preparation of detailed program plans. | 1. 50% of program target areas for five years are identified within the first year. |
| 2. Recruitment of FSDC staff. | |
| 3. Training of FSDC staff. | |
| 4. Orientation and training of PTF's and ISA core groups. | 2. 20% of FSDC staff requirements for five years recruited within the first year. |
| 5. Management skills training for ISA members. | |
| 6. Rice production training for ISA farmers. | 3. Primary training and orientation given to FSDC staff according to the following schedule: |
| 7. Introduction of innovation package. | |

1. No alteration in program plans after first year of operation..

2-10. Financial, manpower, equipment inputs are made available by the economy.

8. Marketing training for ISA members.	<u>Year</u>	<u>% Trained</u>
	76	50
9. Program administration.	77	60
	78	70

3a. Participants Trained Abroad:

<u>Year</u>	<u>Number</u>
1975-76	17
1976-77	20
1977-78	10

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Small Scale Irrigation

Page 3e

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																																
<p><u>Technical Activities:</u></p> <p>1. Installed an operational irrigation systems</p> <p>2. Installed an operational farm implements pool and post-harvest facilities</p>	<p><u>Technical Activities:</u></p> <p>1. Installed an operational irrigation systems according to the following:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;"><u>No. of Operations</u></th> </tr> <tr> <th style="text-align: left;"><u>Irrigation Systems</u></th> <th style="text-align: left;"><u>Yr.</u></th> <th style="text-align: left;"><u>Pump</u></th> <th style="text-align: left;"><u>Gravity Has Total</u></th> </tr> </thead> <tbody> <tr> <td></td> <td>76</td> <td>150</td> <td>4 17,000 154</td> </tr> <tr> <td></td> <td>77</td> <td>200</td> <td>6 23,000 206</td> </tr> </tbody> </table> <p>2. Installed an operation-farm implements pool and post-harvest facilities according to the following schedule:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;"><u>No. of ISA's Provided with Facilities</u></th> </tr> <tr> <th style="text-align: left;"><u>Yr.</u></th> <th style="text-align: left;"><u>Pump</u></th> <th style="text-align: left;"><u>Gravity</u></th> <th style="text-align: left;"><u>Total</u></th> </tr> </thead> <tbody> <tr> <td>77</td> <td>80</td> <td>4</td> <td>84</td> </tr> <tr> <td>78</td> <td>150</td> <td>6</td> <td>156</td> </tr> </tbody> </table>	<u>No. of Operations</u>				<u>Irrigation Systems</u>	<u>Yr.</u>	<u>Pump</u>	<u>Gravity Has Total</u>		76	150	4 17,000 154		77	200	6 23,000 206	<u>No. of ISA's Provided with Facilities</u>				<u>Yr.</u>	<u>Pump</u>	<u>Gravity</u>	<u>Total</u>	77	80	4	84	78	150	6	156	<p><u>Technical Activities:</u></p> <p>1-2. FSD Management Information System.</p> <p>Report Title: Status Report on Project Activities (Technical).</p> <p>Source: Provincial Task Force; spot-checked by Project Control Group.</p> <p>Contents: Data on Status of technical activities/ICA including time-budget estimates.</p> <p>Frequency: Monthly</p>	<p><u>Technical Activities:</u></p> <p>1. Pumps and accessories are available and delivered as scheduled.</p> <p>2. Costs of equipment have risen considerably or commercial processors have not reduced processing costs sufficiently to make ISA post-harvest facilities operation uneconomical. Size of ISA's can support the minimum economic scale of operating post-harvest facilities.</p>
<u>No. of Operations</u>																																			
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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Object Title & Number: Small Scale Irrigation

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																				
<p><u>Financial Activities:</u></p> <p>Loans for irrigation system, farm implements and post-harvest facilities granted.</p> <p>Repayments on loans granted do not exceed a delinquency rate of 20% (accounts overdue for months or more).</p>	<p><u>Financial Activities:</u></p> <p>1. Loans for irrigation system, farm implements and post-harvest facilities granted according to the following schedule:</p> <p>Loans Granted (M\$ mil).</p> <table border="1"> <thead> <tr> <th data-bbox="596 655 658 683">Yr.</th> <th data-bbox="665 655 845 683">Irrig. Sys.</th> <th data-bbox="851 655 1011 683">Farm Sup. System</th> </tr> </thead> <tbody> <tr> <td data-bbox="596 718 638 746">76</td> <td data-bbox="721 718 762 746">30</td> <td data-bbox="851 718 990 746">- -</td> </tr> <tr> <td data-bbox="596 780 638 809">77</td> <td data-bbox="721 780 762 809">40</td> <td data-bbox="851 780 990 809">6 -</td> </tr> <tr> <td data-bbox="596 843 638 871">78</td> <td data-bbox="721 843 762 871">-</td> <td data-bbox="851 843 990 871">10</td> </tr> </tbody> </table>	Yr.	Irrig. Sys.	Farm Sup. System	76	30	- -	77	40	6 -	78	-	10	<p><u>Financial Activities:</u></p> <p>1. FSDC Management Information Systems. Report Title: Status Report on Project Activities (Financial).</p> <p>Source: Finance Department from loan contracts and repayment receipts.</p> <table border="1"> <thead> <tr> <th data-bbox="1168 741 1259 769">Total</th> <th data-bbox="1313 741 1543 1083">Contents:</th> </tr> </thead> <tbody> <tr> <td data-bbox="1168 835 1230 863">30</td> <td data-bbox="1313 773 1543 890">Data on Status of Financial Activities/</td> </tr> <tr> <td data-bbox="1168 898 1230 926">46</td> <td data-bbox="1313 898 1543 958">ISA including loans granted,</td> </tr> <tr> <td data-bbox="1168 965 1230 994">10</td> <td data-bbox="1313 965 1543 1083">loan terms, repayment promptness, etc.</td> </tr> </tbody> </table> <p>Frequency: Monthly</p>	Total	Contents:	30	Data on Status of Financial Activities/	46	ISA including loans granted,	10	loan terms, repayment promptness, etc.	<p><u>Financial Activities:</u></p> <p>1. Funds are released by GOP and funding agencies as scheduled.</p> <p>2. Force majures which may impede debt servicing capacity of ISA's do not occur.</p>
Yr.	Irrig. Sys.	Farm Sup. System																					
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NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS			MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Inputs: (D-1)	Implementation Target (Type and Quantity) (D-2)			(D-3)	Assumptions for providing inputs: (D-4)
<u>AID</u>	<u>76</u>	<u>77</u>	<u>78</u>	AID Personnel Records.	Funds and qualified personnel available and timely recruited.
Tech. Assistance (Grant)	\$ 200,000	\$ 330,000	\$ 100,000	AID Training Office Records.	Funds and qualified candidate available.
Training (Grant)	32,000	40,000	25,000		
Commodities (DL)	1,400,000	-	-		
Credit (\$ Equivalent	1,400,000	2,500,000	1,200,000	AID DL Records.	
Local Currency (DL)).					
<u>GOP</u>					Budget available.
Program Admin. (Pesos)	4,900,000	5,600,000	6,300,000		Budget and qualified contract firms available.
A/E Monitors	700,000	700,000	700,000		
Credit	11,200,000	14,000,000	24,500,000		Budget available and released to financing institutions.