

COMPREHENSIVE PROJECT PROFILE

I. PROJECT DESCRIPTION

1. Project Title : **Proposed Rice Production for Marginal Farmers Project**
2. Project Type : Livelihood Program
3. Project Component : Financial Assistance for Farm Inputs
4. Project Location : The proposed project will be implemented in the municipalities of Alicia, Bien Unido, Mabini, San Miguel, Talibon, Trinidad, Pres. C. P. Garcia and Ubay, all of Bohol Province

II. PROJECT STATUS

Status of Project Preparation : Project Idea

III. PROJECT JUSTIFICATION

1. Project Background

Bohol's major source of employment and livelihood primarily depends on the agriculture sector. National Statistics Office (NSO) data shows that 54% of the province's population is dependent or working on agriculture. An area of 273,950 hectares (BAMP, 2005) is devoted for agricultural use which is approximately 66% of the total area of the province. These areas are mostly planted with palay, corn, coconut, vegetables and rootcrops. According to the Bureau of Agricultural Statistics (BAS), area planted and harvested with major crops accounted to 157,896 hectares, or about 58% of the total area devoted for agriculture. With this information it is evident that total agricultural area is not yet fully utilized. Total farming households of 57,780 are mainly engage in rice farming in which majority of them are small farmers whose landholdings range from 0.6 to 2.0 hectares (BAMP).

According to BAS, Bohol's rice production has contributed 65% of Central Visayas' total production of rice. Palay production in 2007, reached to 163,441 metric tons which is 5% higher than of 2006. Meanwhile, production of organically-grown rice and Japonica rice variety is on-going in the province to promote organic agriculture. Also production of hybrid rice is pursued to enhance rice productivity.

Recently, the issue on shortage of rice supplies in the country has been felt by the entire province of Bohol. To minimize the adverse effect of the problem, the Provincial Governor issued an Executive Order regulating the export of palay and milled rice outside the province. Although the National Food Authority did immediate intervention to address the issue yet scarcity of rice remains the major concern of the Boholanos.

Under the initiative of the Provincial Government, the 47 municipalities and one city of Bohol were clustered into Bohol Integrated Areas for Development (BIAD) to focus on a major project that may address poverty in Bohol. In this area, BIAD 3 which is composed of the municipalities of Alicia, Ubay, Mabini, Bien Unido, Trinidad, Talibon, and San Miguel take the challenge in improving the rice production of the marginal farmers through strengthening the partnership with the farmers group. The Municipal Agriculture's Office will extend technical assistance on modern farming technologies through capacitating the farmers and also the provision of other necessary supports to the farmers to maximize their rice production.

Low rice production may be due to high cost of farm inputs which is not affordable to small farmers. They may lack capital for the purchase of good quality of seeds, fertilizers and pesticides which are very basic and necessary for a good harvest of rice. To fill in this gap, the Local Government Units under BIAD 3 will source out financial assistance from various funding agencies for financial support to atleast one (1) farmer's organization/cooperative for each municipality which will be the pilot area for the project. These areas are as follows:

1. Alicia - Bagasico Irrigators Association
2. Bien Unido - BFARMC - Nueva Estrella
3. Talibon - Purok 5 Farmer's Cooperative
(60 members), Barangay San Agustin
4. Mabini - San Jose Farmer's Organization
5. San Miguel - Cambangay Norte Irrigators' Association
(70 members)
6. Trinidad - TIMGAS (60 members)
7. Ubay - BFARMC (50 members)
Barangay Tintinan & Barangay Pangpang
8. Pres. C.P. Garcia - 1 Farmer's Organization

The farmer's organization) of the eight municipalities of BIAD 3 will need an initial capital of P200,00.00 to support the two (2) cropping season. During the first cropping, ten (10) most qualified beneficiaries will be identified from each farmer organization and will be financed with P10,000.00 each or a total of P100,000.00 for the ten beneficiaries. In the second cropping, another ten (10)

most qualified beneficiaries will be identified and will be assisted with P10,000.00

This will be the source of livelihood program for the members of the farmer's organization of BIAD 3. Credit assistance will be provided to members through farm inputs or cash for partial payment of labor and for some other planting materials needed for the project. Furthermore, funds to be granted to active beneficiaries for re-loans will be sourced out from funding agencies to be coordinated and supervised by the Municipal Program Management Committee

For the maximum loanable amount, P10,000.00 per hectare will be granted to qualified members that will be paid on a crop cycle basis or within 6 months, whichever comes first. Member-borrowers will be required to an equity of at least 10% of the production cost. The loan will be released to member-borrowers on a staggered basis depending on the approved farm plan and budget. Interest rate shall be pegged at 1% per month and a penalty of ½ of 1% per month shall be imposed in case of delinquency.

PO may opt to collect payment in cash or in kind. In the case of payment in kind, prevailing price shall be used in buying the produced rice. Payment of loan (principal and interest) will be deducted from the proceeds. Any amount in excess of the payment will be given to the member-borrower.

2. Project Linkages

The project will link to the socio-economic thrust - food and security program identified in the Development Agenda & Priorities for 2010 of the present administration. Under this project, performance of the agricultural sector particularly in rice production is expected to be improved. Furthermore, this will be coordinated with other line agencies such as the National Irrigation Authority (NIA), Department of Agriculture (DA), National Economic and Development Authority (NEDA), Department of Trade and Industry (DTI), National Food Authority (NFA), Cooperative Development Authority (CDA) and other concern agencies.

3. Project Objectives

- To provide reasonable cost of farm inputs to marginal farmers;
- To boost rice production and become an exporter of rice to other municipalities and provinces;
- To increase the income of farmers.

4. Sectoral Objective

To uplift the standard of living condition of the poor farmers in the municipalities of BIAD-3 through capacitating them with the modern technologies in farming and by maximum utilization of arable lands within the coverage area.

5. Regional and National Objective

To harmonize/align the program of the regional and national level promoting Central Visayas as tourism destination zone and Bohol as the rice supplier to region VII provinces namely Cebu, Negros, and Siquijor and to other nearby provinces.

IV. PROJECT FUNDING

1. Funds Needed

P200,000.00 per municipality or a total of One Million Four Hundred Thousand Pesos (Php1,600,000.00) for the eight municipalities to be covered by the project

2. Funding Source

Foreign and Local Funding Agencies

3. Counterpart/Cost Sharing

Counterpart Sharing	Amount
90% from funding agency (Grant and Loan)	P 1,440,000.00
10% from People's Organization/Cooperative	160,000.00
Total Project Cost	P 1,600,000.00

V. PROJECT BENEFITS AND COST

1. **Beneficiaries** - direct beneficiaries are the 10 marginal farmers for the first cropping and additional 10 marginal farmers for the second cropping, a total of 20 beneficiaries every year.
2. **Social Benefits** - encourage the poor rice farmers to attain high yield of harvest which eventually increase the income of their family.

2. Economic Cost

- Maintenance and sustainability of the project
- Generate employment to manage the small scale business.

VI. PROJECT IMPLEMENTATION

1. Responsible Agencies

The BIAD III Local Government Units specifically the Municipal Program Management Committee of each municipality is the key agencies to implement the proposed project. The Municipal Program Management Committee shall be created through Executive Order issued by the Local Chief Executive preferably the members of this committee will be headed by the Municipal Agricultural Officer (MAO), the Municipal Planning & Development Coordinator (MPDC), the Barangay Captain/Officials together with the PO partners and the Funding Agencies.

2. Workplan Schedule

ACTIVITIES	TIME FRAME
1. Finalization of Project Proposal	Dec. 2010-Jan. 2011
2. Negotiation and approval of Project	Feb. to March 2011
3. Receipt of Funds	May 2011
4. Bidding and Purchase of Materials	June to Aug 2011
5. Project Implementation	June to Dec 2011
6. Project Turn Over	Dec 2011
7. Project Evaluation	Dec 2011 onwards

3. Administrative Feasibility

The Local Government Units of San Miguel, Alicia, Mabini, Bien Unido, Talibon, Trinidad, Pres. Carlos P. Garcia and Ubay under Republic Act No. 7160, otherwise known as the Local Government Code 1991, serves primarily as general purposes government for the coordination and delivery of basic, regular and direct services and effective governance of the inhabitants within its territorial jurisdiction, thus the undertaking is administratively feasible. Monitoring and Evaluation will also be established.

4. Social Acceptability

The project has positive benefits and impact to the farmers, thus no impediments is being expected.

Prepared by the Bohol Integrated Area Development (BIAD) Cluster 3

FOR FURTHER DETAILS AND INFORMATION, PLEASE CONTACT:

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