

Organically-Grown Rice-Based Farming and Marketing Project: Assessing the Project Design and Irrigator Associations' Needs in Oriental Mindoro, The Philippines

Myra E. David*, Ruth A. Ortega-Dela Cruz*, Ephraim C. Quiñones*

Abstract

The Philippines's Department of Agrarian Reform seeks to determine the feasibility of the organically-grown rice-based farming and marketing project when implemented in Oriental Mindoro, The Philippines. Using the qualitative study approach, two irrigator's associations (IA) were assessed by holding key informant interviews and focus group discussions (FGDs) with IA officers and non-IA members or a community. IAs' needs were assessed by their: (a) organizational capacities, i.e., vision, mission, goal, structure, members' participation, fiscal resources, community network, and registration and (b) enterprise capacities, responsiveness of proposed common service facility to needs, and nature of professional services to be provided. Suitability of design was assessed by the: (a) quality and relevance of objectives and design; (b) potential sustainability and expansion; and (c) viability in terms of community participation, gender equality, and environmental sustainability. Results of SWOT analyses indicate common findings among the associations and their community. Both have initial experience with small-scale organic farming and are in close proximity to potential high-end markets. However, characteristics distinct to each of the IAs are found. One IA has a perennial problem with its main water canal whereas the other has no other income stream aside from its limited membership fees. Given the results, the following recommendations were drawn: build the organizational capacity of the Agrarian Reform Beneficiaries Organizations (ARBOs) through continuous leadership and governance trainings; assist them in adding a business development component/committee to their organizational structures; and provide them with brand new quality farm equipment that suits the local situation.

Keywords: Irrigator's Association, Marketing, Needs and Design Assessment, Oriental Mindoro, Organic, Rice-based Farming, The Philippines

Introduction

The Philippines has degenerated into a net importer of agricultural products despite its vast agricultural land area and abundant natural resources. This has been due to stagnant yields or low productivity gains combined with a relatively high population growth rate.

In the case of rice for example, the country has to import an average of 10% of its annual requirements despite respectable productivity gains in the last 8 years, following almost a decade of stagnant growth and very limited investments in irrigation, market infrastructure, and research & development.

As a result, The Philippines is particularly susceptible to movements in the international rice market. The government had to pay excessively high prices for rice imports during the 2008 food crisis and sell them domestically at huge losses in order to maintain appease to the consuming public. The rice crisis in 2008 had led the government to revisit its food self-sufficiency targets for vital staples and food commodities like rice.

A comprehensive program using the FIELDS (i.e., fertilizer, irrigation, extension, loans (credit), driers (post-harvest facilities), and seeds) - has been launched with a target of achieving 100% rice self-sufficiency by 2013. Although the Department of Agriculture had historically placed most of its support to technologies using inorganic inputs and high-yielding varieties, it has recently consented to allocating parts of its FIELDS budget to developing and promoting organic production technologies, including seeds, bio-fertilizers, and bio-pesticides.

* Institute for Governance and Rural Development, College of Public Affairs and Development, University of the Philippines Los Baños, Domingo M. Lantican Ave. College, Laguna, Philippines. Email: raortegadelacruz@up.edu.ph

Self-sufficiency drives in the past, however, were too production-oriented and did not adequately consider the impacts on small products. As a result, many rice farmers have become deeply indebted, dependent on fertilizer or seed subsidies or price support from the government, and have seen their yields stagnate if not declining following long periods of application of inorganic inputs. Farmers' income and welfare will have to move in tandem with overall output pins so as to provide farmers with the incentives to maintain their production. This could be achieved through better technologies that reduce input costs, such as organic techniques and also enhance yields, such as superior seeds. Moreover, a marketing system which ensures that farmers get respectable prices and are not left to the mercy of unscrupulous traders will also be important.

In response to this current agricultural issue, the Department of Agrarian Reform (DAR) conceptualized a project that is Agrarian Reform Community Connectivity and Economic Support Services (ARCESS). ARCESS is a public-social-private partnership designed to increase productivity, improve household incomes of ARBs, and provide sustainable livelihood through the organization of competitive agricultural enterprises initially within a time frame. It has a sub-project on organically-grown rice-based farming-cum-marketing for Irrigator's Associations in Oriental Mindoro. The project will organize the rice farmers into collective production group practicing sustainable rice-based farming, managing their own farm inputs source, farm machineries and equipment through a common service facility (CSF) with the aid of a Business Development Service (BDS) provider through the community-based enterprise organization and collectively marketing their product at their own cost. Massive technology transfer and introduction of advantages and benefits on organically-grown rice and organic swine plus product certification will also be among the major parts of the project.

Prior to its implementation, the project should have to be assessed first to determine the feasibility of its design based on the needs of the primary stakeholders. Thus, the study reported in this paper specifically aimed to assess the needs of the Irrigator's Associations (IA), assess the suitability of the project design to that needs, and recommend measures to attain the objectives of the proposed sub-project.

Literature Review

The Philippines as an agricultural country regarded irrigation as great necessity. Data from the National Irrigation Administration (NIA) show that the country has about 10.3 million ha of agricultural lands. Out of this, around 3.1 million ha is considered irrigable, with up to 3% slope and primarily devoted to rice and corn. But a recent study by the World Bank revealed that about 6.1 million ha is irrigable, including areas that are relatively more difficult to irrigate and up to 8% slope.

As of December 2013, about 1.678 million ha or 55.59% of the 3.1 million ha have been developed for irrigation. Of the total area under irrigation, about 740,213 ha or 24.5% is under national irrigation systems (NIS); 576,419 ha or 19.1% under communal irrigation systems (CIS) that are farmer-managed; and 194,620 ha or 6.5% under private irrigation systems (PIS) that are constructed through private initiatives (<http://www.nia.gov.ph/updates/statusofirrigationdevelopment.pdf>).

According to the NIA, there are three types of irrigation systems in the country: NIS, CIS, PIS. The NIS are large and medium irrigation schemes basically operated and maintained by the NIA where beneficiaries are charged with irrigation service fee for the services rendered in the delivery of water. In the 1980s, joint management of portions of national systems with IAs took effect.

CIS are small-scale schemes and constructed with the participation of farmer-beneficiaries through their IAs. The operation and maintenance of CIS is turned over to IAs upon project completion subject to a cost recovery arrangement. Farmers amortize the chargeable cost for a period not exceeding 50 years at 0% interest. The repayment scheme is pre-arranged and acceptable to both NIA and the IA.

PIS are those systems which are constructed, operated, and maintained by private individuals or groups without technical assistance by the NIA or other government agencies.

This study focused on the CIS, specifically in the province of Oriental Mindoro, The Philippines.

Methodology

This study used qualitative research design including Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) with the IA officers and non-members. Secondary data collection from concerned local agencies was also done.

Needs and design assessment was done in two Irrigator's Associations in Oriental Mindoro namely: Anilao-Orcunoma Irrigators' Association, Inc (ANILORCU-IA) in Bongabong and the Samahang Magpapatubing Mansalay, Inc (SMMI) in Mansalay.

Aside from gathered primary data through responses from the participants, the atmosphere during the sessions was noted. The atmosphere describes the emotional situation as each FGD proceeds.

Analysis of the data is descriptive. SWOT analysis was used to draw out recommendation from the study.

Results and Discussion

The following section presents the major findings of the study.

Characteristics of IAs vis-à-vis Proposed Project

ANILORCUIA has been long been existing as an irrigators' association. But it is only in 2011 that it was registered with the Securities and Exchange Commission (SEC), which was made possible under its new leadership. With its legal personality, it has now the capacity to transact business related to rice farming and agri-enterprises. Members have the experience in farm equipment rental business.

Its trustworthy record as diligent loan payer has gained recognition by the funding agencies and community. Its leadership has the capacity to make major decisions but considers responsibilities over such made decisions. Given all this, it can influence the community in initiating changes for the better.

As a farmers' association, SMMI has been developing irrigated farms. Some of its members are advocates of organic farming including organic fertilizer production.

Hence, farmers produce organically-grown rice but majority for personal consumption only. Early adaptors had learned organic farming from attended trainings and been influential to other rice and vegetable farmers. Its vision speaks about promotion of organic farming.

IAs Needs Assessment

A pressing need of the associations is the maintenance of irrigation water supply from the Bongabong and Panulong River. Destruction of the main canal connecting to the river is a perennial problem causing water allocation disruption and high cost for repair due to rental of a privately owned back-hoe.

The need for increased income is brought about by interrelated factors of disrupted water supply, deteriorating quality of soil, low farm productivity, no other sources of income, inadequate farm facilities (farm roads, equipment), dealing with middlemen, and knowledge gap in organic farming.

While SMMI promotes organic farming, majority of the members are not yet practicing it in rice for commercial purpose. Organically-grown rice is consumed for personal use in most cases.

Project Design Assessment

Source of irrigation water is not a problem in Bongabong. Its river can supply water to farms, which suits to growing organic rice enterprise. But if the present problem is not addressed, proposed growing of organic rice will be affected too. The aim to increase ARBO farmers' income will not be realized as big funds go to the repair and maintenance of the main canal. Owning a back-hoe is accordingly a solution as rental fees paid for its use eat much of the ARBOs' funds in addition to the loan fees.

With no existing water problem, the project design suits to how to address problems of the ARBOs. With organic farming, soil quality problem will be addressed in due time. The project design offers on-farm and off-farm activities where men, women, and even youth can participate through the selling of organic rice, production of organic fertilizer, equipment rental, and trainings (sustainable agriculture, entrepreneurship, maintenance of equipment, and others). The BDS will play a big role

of how these proposals of entrepreneurial activities will be implemented under the direct supervision of DAR.

Conclusions

The IAs' strengths are rooted in the strong and responsible leadership which mobilizes the members toward a common goal. This has resulted in their renewed creditworthiness and pursuit of additional enterprises; in particular, the SMMI practice of organic farming and direct selling to higher priced markets. Such additional enterprises improve the IAs' status as well as their members'.

Moreover, IAs have earned the backing of various local government agencies. These have in turn created opportunities for them to link with learning institutions, financing agencies and other ARBOs nearby to generate physical and intellectual capital in pursuit of their goals.

On the other hand, ANILORCU-IAs' weaknesses are carried over from the loans of the ARBOs' previous leadership which have hampered their ability to produce capital for additional business ventures and even their capacity to borrow capital from other financial institutions. While the SMMI, for its being young association has thus far hampered its ability to produce capital for additional business ventures and creditworthiness to borrow capital from other financial institutions.

All of these in turn have resulted into potential threats that can derail the ARBOs' progress. Among the identified threats are the following: potential to be swayed by other projects, change in leadership, climate change, and their lack of certification as organic producers. Any of these can greatly affect their ability to repay their loans and other obligations to traders.

Recommendations

To ensure the success of the project implementation and attainment of the project's objectives and goals, the following are recommended:

1. Strengthen the organizational capacities of SMMI through continuous leadership and governance trainings. Every organization requires continuous learning of its members to be able to adapt to changing needs. Future meetings by the leadership should be seriously attended to by even the inactive members.

2. Provide brand new and quality machines and equipment to ensure life use that suits local situation. Recommendation is based on appropriateness of the equipment to crops (rice for rice farming purposes) and other crops (vegetable, trees) in producing organic fertilizer as well as in generating funds from rental service. DAR should provide guidance on how ANILORCU could draft a guideline/procedure on the use and maintenance of equipment for rental purposes. Equipment with readily available spare parts are recommended.

3. Fill the knowledge gap of SMMI members and non-members on sustainable agriculture/organic farming through continuous trainings and site demonstration visits to functioning agri-enterprise activities, such as, MAFDECO, entrepreneurship including marketing. It is also recommended that such trainings are provided to many so that they will have knowledge about organic agriculture.

4. Take the service of a principled BDS provider which will facilitate the implementation of project activities. Principled BDS has its heart for the poor farmers - for them to finally be released of middlemen's advancements.

5. With the feasible project design, continuous support from the government institutions will definitely lead toward successful implementation of organically-grown rice-based farming-cum-marketing in Oriental Mindoro.

References

- Bongabong, Oriental Mindoro official website. Retrieved from <http://bongabong.gov.ph/municipal-profile/16> January 2015.
- David, M. E., & Pintor, L. L. (2012). Needs and Design Assessment Report of the Proposed Project: Organically-Grown Rice-Based Farming Cum Marketing (Congressional District 1, Oriental Mindoro).
- David, M. E., & Pintor, L. L. (2012). Needs and Design Assessment Report of the Proposed Project: Organically-Grown Rice-Based Farming Cum Marketing (Congressional District 2, Oriental Mindoro).
- Department of Agriculture. Regional Profile. Regional Field Unit IV-B (MIMAROPA). Oriental Mindoro. Retrieved from <http://www.darfu4b.da.gov.ph/mindoro.html> 16 January 2015.

Mansalay, Oriental Mindoro (History, Local Gov't Officials, Barangays). Retrieved from <http://www.wowmindoro.com/towns-and-cities/oriental-mindoro/mansalay/mansalay-oriental-mindoro/>20 January 2015.

Oriental Mindoro Investments (Orminvest). Province of Oriental Mindoro. Retrieved from <http://192.185.183.89/~ormin/second%20district.php#Bongabong> 16 January 2015.

Oriental Mindoro Provincial Tourism Official Website. Retrieved from http://tourism.orientalmindoro.ph/index.php?option=com_content&view=article&id=41&Itemid=185 20 January 2015

Personal interview with Engr. Jasper F. Ujana (February 16, 2015). Agricultural Machinery Testing and Evaluation Center, UP Los Banos.

Phone interview with Mr. William Sim, owner Sim Rice Mills, Cagaya Valley (February 17, 2015).