



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

MEMORANDUM CIRCULAR NO. 05
Series of 2005

**SUBJECT : IMPLEMENTING POLICIES AND GUIDELINES ON
THE "ARB AGRIBUSINESS ENTREPRENEURSHIP
DEVELOPMENT PROGRAM (AREDP)**

I. PREFATORY STATEMENT

The development of the Agrarian Reform Beneficiaries (ARBs) into Agribusiness Entrepreneurs and the transformation of the Agrarian Reform Zones into agribusiness farmlands are a strategic approach to the significant improvement on the socio-economic well-being of the rural populace. The approach would ensure that value-adding in the supply-value-chain in the agri-based enterprises is achieved and would drastically increase incomes of ARBs and develop their entrepreneurial skills. Further, existing DAR interventions on the provision of support services, agrarian justice delivery, and land tenure improvement would receive innovative changes and a quantum leap in the lives of the farmers and the agrarian reform's economic landscape. This will only take place with the adoption of a strategic, yet dynamic, farmer-centered and market-oriented program herein dubbed as the "ARB Agribusiness Entrepreneurship Development Program" (AREDP Program).

The AREDP Program would significantly contribute to the achievement of the 10-Point Agenda of PGMA and the MTPDP. The program is supported by a Presidential Instruction contained in Memorandum of the Cabinet Cluster "C" on Agribusiness Development dated September 9, 2005 and October 22, 2005, creating such "Agribusiness Cluster", which is spearheaded by DENR with DAR, DA, PCA, CIIF Dev't. Corporation and LBP as members and directing the cluster to pursue a program in the development of two million (2,000,000) hectares of agribusiness lands but that should be focused on coconut areas insofar as the allocation of Php 1 Billion CIIF is concerned. Other commodities however, such as rice, corn, fruits and livestock and poultry are a component of the AREDP Program.

The local and international markets have been considered particularly for coco-based by products which found huge market in China and other countries.

II. THE PROGRAM

The ARED Program has the following Goals and Objectives:

A. Goals

The ARB Agribusiness Entrepreneurship Development Program aims to:

- Enhance the capability of agrarian reform sector to further increase the agriculture sectors's contribution to the country's gross value-added (GVA) and gross domestic (GDP);
- Increase incomes of the rural populace; and
- Hasten the peace process through sustained economic development and distribution of lands under the Comprehensive Agrarian Reform Program (CARP).

B. Objectives

The ARB Agribusiness Entrepreneurship Development Program will implement projects to:

- Increase productivity and production capacities both in the supply areas and processing centers;
- Raise the standards of product quality;
- Facilitate transactions among networks of program beneficiaries and provider of goods, services, and financing; and
- Transform the human resource base into a competitive workforce and successful entrepreneurs.

III. THE PROGRAM DEVELOPMENT FRAMEWORK

The general development framework (figure 1) which forms part of the program design, shows the inter-relationship and linkages of the interventions, approaches, and desired outputs from the program.

The countryside is generally characterized as an impoverished sector of society due to low farmer incomes, insurgency problems, high rate of unemployment and underemployment, inadequate investments and entrepreneurship, and deprivation of land ownership.

To alleviate the plight of the rural populace, the Program will introduce innovative and drastic interventions along the line of value-adding enterprise development, adoption of integrated agribusiness systems, development of local and global market linkages, and professional management system. Priority will be given to areas abundant in agricultural commodities where value-adding activities could be applied e.g. coconut, palay, and corn. The interventions will be complemented by DAR's hastened efforts in land tenure improvement, agrarian justive delivery, and distribution of remaining lands under the Comprehensive Agrarian reform Program.

IV. PROGRAM DOCUMENT

There shall be a Program Document that would be developed after consultations with the various stakeholders which will form part of this Memo-Circular.


V. EFFECTIVITY AND REPEALING CLAUSE

This Memorandum Circular shall take effect immediately and shall modify or revoke other circulars inconsistent herewith.

December ¹³ 13, 2005. Diliman, Quezon City.


NASSER C. PANGANDAMAN

OIC-Secretary


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