



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

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MEMORANDUM CIRCULAR No. 09
Series of 1998

SUBJECT: Operationalization of the Sugarcane Worker-Beneficiaries Empowerment through Enhanced Technology for Farms under Agrarian Reform and Mechanization Support (SWEET FARMS) Program

I. Prefatory Statement

On the occasion of the signing of the amended CARL (R.A. 8532), His Excellency President Fidel V. Ramos declared: "Agrarian reform is the foundation for lasting rural peace and development.

It is therefore imperative for DAR in coordination with various concerned sectors to continuously pursue asset reform in terms of land distribution and delivery of support services not because DAR is mandated to do so through the CARP, but also because social justice is a precondition for real economic progress and a truly peaceful countryside.

This is precisely what DAR is doing—to see it through— within the constraints of internal and external realities it had to contend with, while looking confidently forward to its fulfillment.

II. Background and Rationale

There are 37 sugar production districts or about 40,100 farmers located in 17 provinces in 8 regions of the country. These cover a total area of about 385,000 hectares and are cultivated by 100,000 planters. Negros island in Region 6 accounts for about 56 % of the total production. Of these, the Comprehensive Agrarian Reform Program (CARP) covers 229,747 hectares.

Over the past three years, DAR has created the Sugarland Task Force to fast track LTI implementation and address operational problems confronting CARP implementation. Institutionalizing tripartite partnership involving POs and NGOs, DAR were able to distribute as of December 1997, 160,563 hectares to farmer beneficiaries.



"Tulong-tulong sa pagsulong"



However, land ownership alone does not guarantee better quality of life for the farmer beneficiaries of CARP. The issue of productivity and income of the ARBs, as newly installed owner-cultivator particularly in the distributed sugarland ARCs and estates has to be addressed.

In this regard, the Sugarland Productivity Improvement Committee (SPIC) and the Sugarland Productivity Improvement Unit (SPIU) were created by virtue of DAR Special Order No. 758 series of 1997. The SPIC is tasked to provide program framework and policy direction towards the development and improved productivity of sugarcane and other crops in the ARCs and estates while the SPIU provides technical and secretariat support to the former.

This move on the part of DAR is to ensure the irreversibility of the CARP especially in the sugarcane areas that have been distributed and to sustain its continuity as a major industry, through the collective effort of a strong and viable ARB organizations.

Likewise the Department of Agriculture has launched the Gintong Ani-Sugarcane Producers Linkage with Users Scheme (PLUS) that is aimed at strengthening and enhancing the productivity and economic status of the sugar industry. It also aims to establish agribusiness linkages and coordination with sugar millers, planters associations, financing institutions and other GOs and NGOs which are concerned with the sustainable growth of the sugar industry.

In order to provide a more comprehensive package of support services to all sugar farm workers, DAR in cooperation with DA and SRA develop the **Sugarcane Worker-Beneficiaries Empowerment through Enhanced Technology for Farms under Agrarian Reform and Mechanization Support Program (SWEET FARMS Program)** through Gintong Ani-Sugarcane PLUS Program.

III. The Program

The SWEET FARMS Program is a 3-year sugar farm development and productivity improvement program which seeks to consolidate the efforts and mobilize the resources of various government agencies, NGOs/Pos, Local Government Units (LGUs) and the private sector for the socio-economic upliftment of sugar farm ARBs throughout the country.

The Program adapts the DAR's Agrarian Reform Community Development (ARCD) approach to socio-economic and technological conditions in sugarlands in order to improve the access of sugar farm ARBs employed in sugarlands.

IV. Scope and Coverage

The program shall include all sugarland CARP-covered areas but it shall initially establish sustainable farming systems model in the 95 ARCs and distributed estates in the twelve (12) provinces, namely; Pangasinan, Tarlac, Batangas, Camarines Sur, Iloilo, Capiz, Negros Oriental, Negros Occidental, Leyte, Bukidnon, Davao del Sur and Cotabato.

V. Program Strategy

Goals

It is aimed at improving the socio-economic condition of sugar farm ARBs by helping them raise farm production yields above the national average and increase farm income above poverty threshold.

To strengthen the capacity of sugar farm ARBs in program areas of operations to access economic resources on a competitive and sustainable manner and successfully pursue opportunities for productivity improvement and agribusiness development.

Development Objectives

1. To fast-track the distribution of CARP covered sugarlands and implement improvements in tenurial arrangements promoting increases in productivity and income:
 - ☞ Increase sugarcane production yield from 80 Lkg to 126.5 Lkg per hectare;
 - ☞ Increase production yield of other crops 20% above the national average;
 - ☞ Increase farm income to PhP 60,000.00 per year based on 1992 price index
2. To strengthen local and national people's organizations, federations and coalitions, especially cooperatives, as means of articulating policy interests of sugar workers and improving access to economic resources and business opportunities;
3. To promote technical and economic efficiency in 95 sugarland ARCs and distributed sugar estates through sustainable farm productivity systems and business enterprises; and,



4. To support the acquisition/establishment and maintenance of transport, farm machinery and post-harvest facilities, irrigation systems, farm-to-market roads and other infrastructure and capital needed for efficient and profitable farm business operations.

Program Key Result Areas (KRAs)

Adopting the ARC development/area integrated development approach and cognizant to DAR MC. No. 08 s. 1997, the program implementation shall be assessed according to its output and outcome.

1. Immediate Results

- a. No. of Hectares distributed/No. of Agrarian Reform Beneficiaries
- b. No. of sugar farm ARBs who are members of Peoples' Organization/Cooperatives
- c. Number of sugarland POs/Coops Formed/Federated and Operationalized
- d. Number of sugarland Organizations with continuing Credit and Market access
- e. No. of viable projects and/or services of the organization
- f. Amount of Capital Build-up (CBU) of ARBs organizations
- g. Number of sugarland ARCs and estates with Basic Physical Infrastructure Facilities viz, irrigation, Pre-post harvest facilities and farm to market roads
- h. Number of sugarland ARCs and estates with Development Plans/Farming System Development Plans
- i. Number of Model Farms established
- j. Number of adopters of improved farming system

2. Economic Impact

- a. Increased Income and productivity vis-à-vis number of beneficiaries assisted per sugarland ARC and estate
- b. Substantial decrease of sugar farm ARBs dependence on traditional sources of loans/credit
- c. Reduction in poverty incidence

3. Social Impact

- a. Increased Social Infrastructure through formation of viable sugarland ARB organizations and federations with high percentage of sugar farm ARBs reached and subsequent emergence of new leaders, or pool of leaders.

VI. Program Components

In order to attain the goals of improved productivity and increased income, the following program components will be implemented:

1. Land tenure Improvement (LTI) in Sugarlands.

This component will address concerns related to resistance to CARP in sugarlands, business uncertainties generated by the slow pace of land distribution in some areas and the fragmentation of landholdings.

The component will consolidate and fast-track measures to complete land acquisition and distribution and resolve disputes over land valuation, compensation for capital investments of landowners and claims for exemption.

Likewise, the components will promote the collective management of small parcels of sugarland holdings, management contracts, joint ventures, profit sharing and other innovative and alternative tenurial arrangements which offer economies of scale. In this regard, the PARC Executive Committee Policy Order No. 1 Series of 1997, will serve as ready reference for forging an agreement.

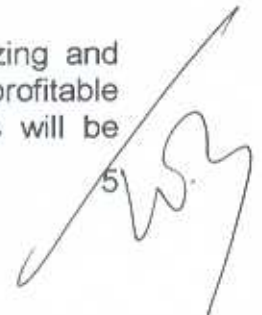
These sub-objectives will be attained through the formulation and advocacy for LTI policies, procedures, operating guidelines, management systems and structures. Consultations with stakeholders and information campaigns and confidence building discussions among farm workers regarding their capacity to manage sugar farms as business concerns will likewise be undertaken to attain component objectives.

2. Organization Building and Strengthening (OBAS).

This component will support efforts of sugar workers to organize cooperatives and people's organizations which will promote their business and policy interests.

Cooperative development in the sugarlands shall be pursued with the context of community organizing principle in ARC development. Through the Development Facilitators (DFs) and Development Managers (MAROs) shall facilitate the process of organizing and strengthen cooperatives in sugarlands. Where appropriate, illicit support from other institutions operating in the area to complement DAR's effort such as the LGU, NGOs and POs.

The thrust of the organizing work shall focus on mobilizing and strengthening the cooperatives to promote the efficient and profitable management of economic sized sugar farms. These results will be

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attained through management training, organizational development and institution building interventions, operating systems review and improvement, leadership training, capital build-up and savings programs, debt reduction and management schemes, membership and pre-membership training and other means.

While area-based cooperatives and associations are critical to the objective of empowerment and increase in income through self-determination, there is a need for a higher level affiliation, association or federation among the primary organizations in the sugarlands. As such, the organization of provincial associations of sugar agrarian reform beneficiaries will be supported. These associations will serve as provincial chapters of a **National Federation of Sugar Agrarian Reform Beneficiaries (NFSARB)** to represent sugar ARBs in the following policy-making and regulatory bodies.

- National Coordinating Council on the Sugar industry
- National Management Committee of the Gintong Ani Sugarcane Plus Program
- Sugar Regulatory Administration Board

The federation will facilitate the timely and effective access by its members of the necessary support services and economic resources. It will also be strengthened to research, articulate and advocate for policies, laws, programs and other legislative and executive acts in support of the business and policy interests of sugar workers.

3. Farm Productivity Systems and Enterprise Development (FPSED) .

This component will promote both technical and economic efficiency in the operation of sugar farms by evaluating current farming methods and practices, recommending cost-effective alternatives and sustainable agricultural practices and supporting the adoption of these recommendations.

a. Productivity Systems Development.

This sub-component will be implemented in 2 major types of landholding categories, namely small farm holdings of 1 to 3 hectares and sugar estates with areas of 50 hectares and above.

For both landholding categories, it shall identify appropriate technology packages and farming systems for both small medium and large farm holdings. It shall utilize the Farm Systems Development Approach (FSD) in formulating cropping strategies and the appropriate

capital requirements, i.e., planting materials, fertilizers, farm machinery, post harvest facilities and physical infrastructure, which are needed to implement the recommended farm systems development plans.

The component will likewise strengthen the local agricultural extension service delivery system in collaboration with Local Government Units (LGUs).

It shall work together with the Department of Agriculture in accessing and making available to sugar farm ARBs the **Gintong Ani Sugarcane Plus Program** package of support services, especially the following:

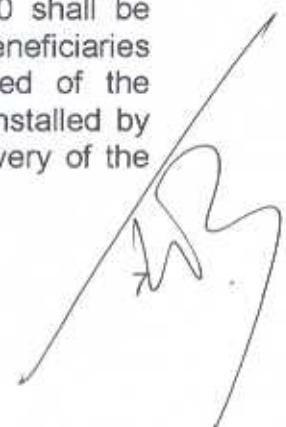
- Provision of Training and Extension
- Establishment Micro-Propagation of Seedlings in Strategically Located Nurseries
- Establishment Techno-Demo Farms
- Promotion of Farm Mechanization and Tractor Pool

b. Agribusiness Enterprise Development, Credit and Financial intermediation and Market Linkages.

The planning, implementation and development of sugarcane farming as a business enterprise will also be encouraged in terms of providing pre-feasibility and feasibility study support, training in agribusiness management and entrepreneurial development and, establishment of business linkages for the purpose of improving marketing and credit terms.

Linkages with other agencies and institution will be forged or institutionalized to integrate all efforts on agribusiness enterprise development for the sugarlands. There are already existing services and opportunities that may be accessed--what is needed is an orchestrated approach towards sugarland development.

For credit support and financial intervention services, linkages with LBP, Quedancor and TLRC will be established. In addition, a SWEET FARMS window with an initial funding of PhP 50,000,000.00 shall be created with the Credit Assistance Program for Program Beneficiaries Development (CAP-PBD) to initially serve the financial need of the sugarland. The existing credit mechanisms that have been installed by DAR-Support Services Office will be utilized to insure the delivery of the credit assistance.

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Private sector linkages for investment and marketing shall be facilitated through the Investment and Marketing Assistance Program of the Department.

4. Physical Infrastructure Development.

This component shall assist program beneficiaries in planning, financing, maintaining and managing the rural infrastructure, e.g., roads, bridges, and irrigation, needed to implement their productivity improvement and business development plans. It consists of needs analysis in the context of FSD planning, resource mobilization, negotiations with LGUs, line agencies and the private sector in the case of build-operate-transfer schemes.

VII. Program Linkages

Cooperation among concerned agencies is vital to the success of the program. Among others, specific interventions and resources shall be tapped from the following agencies, to wit:

- Department of Agriculture for the provision of support services, training, and technical assistance, consultancy for the establishment and promotion of demo farms and nurseries especially under the Gintong-Ani Sugar Cane Plus program;
- Department of Trade and Industries for agro-industrial development;
- Land Bank and other Government Financing Institutions (GFIs) to provide credit for agricultural production;
- Department of Public Works and Highways for the provision of farm to market roads, Post-harvest facilities, etc.
- National Irrigation Administration for the provision of irrigation facilities;
- Department of Science and Technology for assistance in the research of high-value crops and improved systems of sugarcane production.
- LGUs
- NGOs in areas of organizing and strengthening of POs and Coops.

VIII. Role Complementation

The Department in cooperation with the DA and SRA shall make a concerted effort to facilitate the growth and sustain the development of the sugarland ARCs and estates.

The DAR shall:

1. Convene the Sugarland Productivity Improvement Committee (SPIC) with designated members from the DA and the SRA;
2. Operationalize the Sugarland Productivity Improvement Unit (SPIU) under the overall supervision of the Assistant Secretary for Support Services;
3. Implement appropriate policies and institutional reforms through the SPIU to ensure improved productivity and increased income of the ARBs within the covered ARCs and estates;
4. Establish and maintain a database on sugarland ARCs and estates;
5. Identify needs and interventions of the covered ARCs and estates and translate this into an action plan;
6. Provide and access the identified needs and interventions from the concerned Line Agencies (LA) and LGUs, and from foreign or local sources;
7. Monitor and evaluate the program implementation in the covered sugarland ARCs and estates;
8. Take the lead in ensuring the active participation of NGOs, Pos, LGUs, and other GOs in the program;
9. Provide access to credit through the Comprehensive Assistance Program for Program Beneficiaries Development (CAP-PBD) in coordination with LBP and other tie-up credit program of DAR like NLSF and TLRC; and,
10. Closely collaborate with DA and the SRA for the provision of appropriate technology, technical assistance and extension services for the ARBs.

The DA shall:

1. Provide focused targeting of the program components to the Gintong-Ani Sugarcane PLUS in the sugarland ARCs and estates under the program;
2. Together with SRA, and in coordination with the DA's Regional Field Units, assist DAR in the provision of appropriate technology, technical assistance and extension services for the ARBs within the covered ARCs and estates;
3. Prioritize covered sugarland ARCs and estates in the provision of interventions which could be accessed under the Gintong -Ani Sugarcane PLUS; and,
4. Ensure active participation in the Sugarland Productivity Improvement Management Committee.

The SRA shall:

1. Collaborate with DAR for the provision of appropriate technology, technical assistance and extension services for the ARBs within the covered ARCS and estates;
2. Coordinate with DAR so that the ARBs within the covered Sugarland ARCs and estates may participate in the Gintong-Ani Program;
3. Maintain equal opportunity for the sugar farm ARBs to access SRA assistance as any other sugar landowners and planters;
4. Inform SRA Mill District Officers of the partnership agreements to ensure closer coordination with DAR and DA field staff and personnel; and,
5. Ensure active participation in the Sugarland productivity Improvement Management Committee.

X. Implementing Structure and Mechanisms

As an institutional partnership between and among DAR, DA and SRA, the following management structure shall be established to ensure effective program implementation:

National Level:

At the National level the following shall be established:

National Sugarland Productivity Improvement and Management Committee (NSPIAMC)

The NSPIAMC shall be formed to serve as the policy-making body of the program. It shall be composed of the following:

Chairperson	-	DAR Undersecretary for FOSSO
Co-Chairperson	-	DA Undersecretary for FOG
Members	-	SRA Administrator
		DTI representative
		DPWH representative
		NFSARB representative
		LBP representative
		QUEDANCOR representative
		NIA representative
		DAR Assistant Secretary for SSO

Secretariat

SPIU

The NSPIAMC shall have the following functions:

1. Set the policies and define the priority thrust of the program;
2. Represent their respective agencies in addressing issues and concerns as well as the provision of manpower and financial support for the program;
3. Synchronize, incorporate and coordinate program implementation with their respective agencies priorities;
4. Identify and solicit funding and technical assistance from both internal and external for the implementation of the program; and
5. Approve/Disapprove recommendations as well as resolutions indorsed by the Sugarland Productivity Improvement Committee

Sugarland Productivity Improvement Committee (SPIC) shall serve as the technical working group of the NSPIAMC

Sugarland Productivity Improvement Unit (SPIU)

The SPIC and SPIU shall perform the functions stipulated under DAR SO No. 758 s 1998 hereto attached as Annex 1.

Regional Level:

At the Regional level, a Regional Sugarland Productivity Improvement and Management Committee (RSPIAMC) shall be created in eight (8) focus regions. It shall be composed of the following:

- Chairperson - DAR Regional Director
- Vice Chairperson - DA Regional Director
- Members - SRA Regional representative
NIA representative
DPWH representative
DTI representative
RFSARB representative
NGO representative

Secretariat RSSD

The RSPIAMC shall perform the following functions:

1. Set priority focus areas and activities at the regional level;
2. Synchronize, incorporate and coordinate program implementation with their respective agencies' priorities at the regional level;
3. Supervise, monitor and evaluate program implementation at the regional level;
4. Approved/Disapprove recommendations as well as resolutions indorsed by the Provincial Sugarland Productivity Improvement and Management Committee (PSPIAMC).

Provincial Level:

At the provincial level a Provincial Sugarland Productivity Improvement and Management Committee (PSPIAMC) shall be created in 12 priority provinces. It shall be composed of the following:

- Chairperson - Provincial Agrarian Reform Officer
- Vice Chairperson - Provincial Agricultural Officer
- Members - SRA Provincial representative
NIA representative
DTI representative
DPWH representative
PSARB representative/s
NGO representative

Secretariat BDCD

The PSPIAMC shall perform the following functions:

1. Set and prioritize focus areas and activities at the provincial level;
2. Screen and evaluate all sugarland development proposals as indorsed by the MARO and indorse the same to RSPIAMC;
3. Ensure that administrative and logistics support are provided for the program implementation and monitoring;
4. Synchronize, incorporate and coordinate program implementation with their respective agencies' priorities; and
5. Approved/Disapprove recommendations as well as resolutions indorsed by the MARO and Municipal federation of Sugarland Agrarian Reform Beneficiaries (MSARBs).

Operational and Coordinative Mechanisms

The POs shall be the core strategists of their own growth and development sustenance such that all development interventions from different assisting agencies and institutions shall channel through the organizations. Integrating these organizations through the formation of federation among ARB organizations is imperative to centralize delivery of support services. The federation shall be formed in all levels representing the municipal, provincial, regional and national. Elected key officials shall become ex-officio members of the program Management Committee at different levels within the SWEET FARM program structural framework.

The POs shall be tapped to identify the ARC development needs and the NGOs and MAROs shall assist in the organizing, planning process and packaging of the plans and proposals.

Plans, project proposals and intervention requests shall be submitted to the MAROs for validation. Validated proposals shall be forwarded to the PSPIAMC for re-validation and evaluation and further submitted to the RSPIAMC. The latter shall ensure that the proposals and interventions are congruent to the over-all regional sugarland development plan. The approve plans and programs shall be indorsed to the SPIU for review and final evaluation before the same are forwarded to SPIC for indorsement to NSPIAMC for final approval budget allocation or resource mobilization.

Each agency shall administer their own funds and implement the project at their level, however it is the responsibility of the Management

Committees at various levels to ensure that all approved projects of the program components are implemented as planned.

The municipal DAR, DA, SRA, concerned NGO in coordination with the ARB federations shall jointly implement the SWEET FARMS Program. For smooth and effective implementation, community consultation shall be conducted and acceptance from the community/recipient shall be elicited prior to the implementation of the plans and projects.

The program implementation shall be assessed at least once a year. The Management Committees created at all level shall convene regularly at least once a month.

At the end term of program, the program recipients shall review and assess the relevance of the program in terms of improving productivity and increase income and more importantly the effect of the program in their lives.

XI. Effectivity

This Memorandum Circular shall take effect immediately upon approval and shall remain in force unless modified or repealed by subsequent Memorandum Circular.

8 ^{June} ~~May~~ 1998. Diliman, Quezon City


ERNESTO D. GARILAO
Secretary 