

**Addressing Rural Poverty in Cabuling:  
Lessons from an Agrarian Reform Community  
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**The Agrarian Reform Community Development Program**

In 1993, the Department of Agrarian Reform (DAR) began the Agrarian Reform Community Development Program (ARCDP), shifting its focus from that of operating in strategic provinces to selected agrarian reform communities (ARCs). An ARC is “a barangay at the minimum or a cluster of barangays where there is a critical mass of farmers and farm workers awaiting the full implementation of agrarian reform.”<sup>1</sup>

The idea behind the shift in strategy was to optimize DAR’s efforts and concentrate resources on these selected areas; to “create an impact....

“It is in the ARCs that DAR and its partners shall pour its available and generated resources. Through the ARCs, DAR will show case that agrarian reform works...ARCs shall serve as growth points in the countryside”<sup>2</sup>

Nationwide, these ARCs were to cover “an aggregate population of 5,000,000 and an area of 2,000,000 hectares....”<sup>3</sup> As of March 2001, 1311 ARCs<sup>4</sup> have become the focus of DAR resources and other related inter-agency and foreign funded projects.

With the aim of developing viable agrarian reform communities, the ARC Development Program is a comprehensive plan. Its components are aggregated into several key result areas, each accompanied by a set of monitoring indicators. The key result areas are:

- **Land tenure improvement**, which includes land acquisition and distribution for “carpable” lands and the improvement of tenurial status in those lands that are not eligible for distribution (7 indicators);
- **People’s organizations building**, which includes interventions for social infrastructure and local capacity-building for organizational management, resource management, social enterprise operations and linkages and alliance building (27 indicators);
- **Economic and physical infrastructure support services**, which includes the provision of credit, rural based industries, farm to market roads, irrigation and post-harvest facilities, etc. ( 9 indicators);

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<sup>1</sup> *Operations Manual on Agrarian Reform Communities Development*, 2<sup>nd</sup> edition. Bureau of Agrarian Reform Beneficiaries Development, DAR. P. 18. (Henceforth, Operations Manual)

<sup>2</sup> Operations Manual. P.14.

<sup>3</sup> Operations Manual. Pp. 18-19.

<sup>4</sup> National ARC Report, March 2001. Table 1.

- **Farm productivity and household income improvement** which includes the delivery of appropriate farming technology as well as increase in farm productivity and income (5 indicators);
- **Assessment and delivery of needed basic social-services** to these communities, health, water, electricity and education (6 indicators); and
- **Gender and Development** which addresses women's access to land and services as well as participation in community programs (5 indicators).<sup>5</sup>

Upon its adoption, the ARCDP became the main vehicle of DAR's agrarian reform program. To manage it, DAR organized regional, provincial and municipal agrarian reform coordinators. In addition, it trained and fielded hundreds of development facilitators and development workers to initiate and enable the implementation of this program on the ground.

These development workers acted as community organizers. They formed core groups from among the agrarian reform beneficiaries (ARBs) and worked with the ARBs to build and strengthen people's organizations in agrarian reform communities. Participating in all phases of the program, these people's organizations, together with DAR development personnel were to be the major implementers of development in their communities.

“ Central to the development process are the people in the community who should take the lead role and responsibility in charting their own development.”<sup>6</sup>

In addition, it is part of the program's stated strategy to coordinate with and tap the assistance of local government units (LGUs), existing non-government organizations (NGOs) and the private sector (former landowners included), thus effecting a GO-NGO-PO-private sector partnership for this grand development effort.

After an ARC has been selected, the program has 4 phases:

- **Social Preparation:** In this phase, a development facilitator (DF) is integrated into the agrarian reform community, organizes a core group of potential beneficiaries. Together they mobilize the rest of the beneficiaries/community to gather appropriate data. By the end of this phase, which is supposed to take between 6 to 8 months, a tentative development plan is formulated and a Barangay Agrarian Reform Council (BARC) is formed.
- **Organizational Phase:** In the next 6-8 months, beneficiaries undergo seminars on agrarian reform and training on organizational building. In this phase, the vision, mission, goals and objectives of their organization are formulated and the organization is formalized. Board members, officers and standing committee members are elected and undergo a leadership seminar.

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<sup>5</sup> ARC level of Development Assessment for CY 2000. Department of Agrarian Reform. Pp.13-32

<sup>6</sup> Operations Manual. Pp. 25-26.

- **Capacity-Building Phase:** Activities, projected to take place within the next 12-20 months, are undertaken to equip ARBs with the knowledge, skills and attitudes to effectively manage the organization and transform them into social entrepreneurs for the social and financial benefit of the community. Officers and members of the organization participate in consultations of the general assembly, planning workshops, and other training activities. As a result of these capacity-building activities, the ARB organization becomes able to provide services to its members and the community and is active in implementing agrarian reform. Barring insurmountable opposition from landowners, land distribution and land tenure improvements are expected to be complete within this period.
- **Enterprise Development:** This last phase is projected to take from 18-24 months, the focus is on enhancing capacity building of the organization and widening its support base to ensure its sustainability. It is expected that at the end of this phase, the ARB organization has become a viable social entrepreneurship.<sup>7</sup>

Thus, the ARCDP goes far beyond the mere distribution of land or the improvement of land tenure relations. The end view is that of enabling agrarian reform beneficiaries to be the engines of their own development and transform their communities into socially enabled, agriculturally productive communities that are sustainable and integrated or linked with rural-based industries.

“The end goal of all the synchronized efforts directed towards the ARCs is for at least 70% of the total number of beneficiaries to enjoy an average income above the national poverty line which amounts to P60,000 per annum (1993 index).... It is in the ARCs that empowered ARBs and non-ARBs shall operate social-enterprises to propel agricultural modernization and industrialization contributing to the well being of the entire community.”<sup>8</sup>

### **The focus of this study**

The ARCDP is much more than a land re-distribution program. It is in fact a major poverty alleviation program of the government, one that is the focus of a whole department of the executive branch. But, it is not the intent of this paper to evaluate the ARCDP. Through its field personnel, DAR regularly monitors the program. Both DAR's national and regional offices have a wealth of data on the results of this program.

Presuming that an ARC - where the goals of poverty alleviation and social justice have consistently been targeted with efforts that span several years - can yield valuable insights into poverty alleviation, the goal of this study is to take a closer look at the situation prevailing in an ARC for a better appreciation both of the program and the challenges it faces. Furthermore, there is the intent to present the views of the beneficiaries on the program and their own prospects at the present time. Strictly

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<sup>7</sup> See Annex 1, for achievement indicators for each phase.

<sup>8</sup> Operations Manual. P.18.

speaking, the study focuses on the beneficiaries of the program themselves, not the entire community. Further presuming that it is those beneficiaries that have been most active in the program that have benefited the most, the study focuses on them, i.e., on the officers and members of the ARC organization, in this case, the Cabuling Agriculktural Multi-Purpose Cooperative (CAMPC).

In selecting the ARC for this study, one of the concerns was that the results of the program's interventions be evident. Thus, it was decided that that the ARC should be one in which the program had been on-going for at least 5 years. Another concern was that the ARC selected should be able to give one an an idea of some of the gains as well as some of the problems encountered. Thus, another criteria was that the ARC, according to DAR's own standards, should be one where the ARCDP had achieved at least a moderate level of success and very successful and unsuccessful or problematic ARCs were ruled out.

The selection of a province, South Cotabato was defined by the availability of contact persons in the province to do field work. Cabuling, an ARC in the town of Tantaran in South Cotabato, was chosen because on a scale of 1 to 5, it had a level of development rating of 3. the most successful ARC in the province, Malaya, the only ARC with a level of development rating of 4 could not be considered representative because it was the beneficiary of interventions from all 4 foreign-assisted projects that were operational in the province.

DAR has three modalities for classifying ARCs, according to the level of constraints that they face vis-a-vis the ARCDP. From most to least constraints, these modalities are satellite, semi-prime and prime. Within each classification, there are further rankings of low, lower medium, medium, higher medium and high levels of development. The other ARCs in South Cotabato that had level of development ratings of 2 or 3, were classified as medium prime, whereas Cabuling was rated as low prime. This meant that Cabuling had had greater challenges to face but had managed to achieve a higher overall rating, the second highest in the province.

DAR's Bureau of Agrarian Reform Beneficiaries Development (BARBD) was of great assistance and accommodated all our requests for secondary data. They also facilitated the visit of the field workers to the selected ARC. For primary data, field workers conducted a focused group discussion with 5 officers (3 male and 2 female) of CAMPC. Aside from the FGD, a total of 9 respondents were interviewed, 4 women and 5 men.

Personal interviews on livelihood and other matters were conducted with the 5 participants in the FGD. Two of the 5 officers, both male were non-ARBs. An additional interview was conducted with a female member of CAMPC. Interviews were also conducted with respondents that were not members of CAMPC. Both male, one of them was an ARB and the other was a non- ARB. Finally, the development facilitator was also interviewed. However, it cannot be claimed that the data presented here is comprehensive. Limitations of time and resources affected our ability to gather more data

and the difficulty of getting answers to follow-up and clarificatory questions contributed further to this limitation.

In the FGD, the history of the program, the general situation in the community and the work of CAMPC were discussed. The focus of the personal interviews was on livelihood and suggestions from respondents on how their situations could be improved. Since our efforts were channeled through DAR, the actual respondents for each classification, ARB, non-ARB, member, non-member, male and female were chosen by the development facilitator.

This study is focused on the situation of the beneficiaries in a given ARC, Cabuling. Their experience is treated as a social experiment that can be a source of valuable lessons for our government's poverty alleviation measures. Thus, the nature of recommendations will be generally short-term and specific. Analysis will be based on the Cabuling experience, taking macro-economic conditions that may change or alter that experience as given.

In the main, this study would like to answer the following questions: What components of the ARCDP have actually been implemented in Cabuling? How has the situation of ARBs (principally) and non-ARBs (secondarily) changed as a result of these interventions? What are respondents' views about the results of the program? their livelihood situation? What lessons can be learned from this poverty alleviation program? What are the implications of the answers to the above questions for the current administration's efforts in addressing rural poverty?

### **Cabuling, Tantaran in the province of South Cotabato**

South Cotabato is part of the growth cluster known as SOCSARGEN, an important supplier of agricultural and marine produce, for domestic consumption and for export. It is not one of the poorer provinces in the Philippines. Like Cebu and Cavite, it is a second class province.<sup>9</sup> In 1994, (from worst to best) it's HDI and poverty incidence ranks were 38 and 52 respectively.<sup>10</sup> There are 14 ARCs, in different stages of development, in the province. These cover a total of 12, 427 ARBs of 34 barangays in 10 municipalities. 87% of ARBs in the province are eligible for land distribution.<sup>11</sup>

Tantaran is a 4<sup>th</sup> class municipality<sup>12</sup> located 16 kilometers from Koronadal, the capital of South Cotabato. Its population which is 90% Christian was 32, 696 in 1998, 91% of whom were literate. 46% of the land area of Tantaran is agricultural, 28% is grassland. Its major crops are rice and corn. 82% of its farmers are rice planters. 92% of the

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<sup>9</sup> With annual income of P100 Million or more but less than 150 Million. NSCB.

<sup>10</sup> Solita Callas-Mosod and Toby C. Monsod in *"International and Intranational Comparisons of Philippine Poverty"* (Table 9. Pp. 79-80). Causes of Philippine Poverty; ed. by A.M. Balisacan and S. Fujisaki, University of the Philippines Press, 1999.

<sup>11</sup> ARC level of Development Assessment for CY 2000. Department of Agrarian Reform.

<sup>12</sup> With annual income of 8 Million or more but less than P 12 Million. NSCB.

municipality is electrified. There are 15 elementary and 3 high - schools in the municipality.<sup>13</sup>

Cabuling is located along the cemented highway which connects Koronadal to the province of Sultan Kudarat. It is one of Tantaran's 13 barangays, lying approximately 14 kilometers from the town center. It can be reached by jeepney or tricycle from the town center. The cost of transportation is P 15.00. About 3 kilometers of the road that leads into the barangay is gravel and the rest (44 kilometers) are dirt roads.

Cabuling has a total of 535 households and its population is 2,706. It has 2 elementary schools, a health center and a day care center. About 90% of residences have electricity. Potable water is available to all households.

Virtually all of Cabuling is flat rice lands. Cabuling's total agricultural area is 745 hectares. A little over 60% of the barangay's agricultural area is irrigated. After deducting for retention areas, barangay sites and so on, 285 hectares were available for distribution to 179 farmer beneficiaries. In addition, 98 farmers in 179 hectares benefited from improved land tenure relations.

## **The Status of ARCDP Implementation in Cabuling**

### **Land Tenure Improvement**

The Department of Agrarian Reform began land transfer operations in Cabuling in 1988. Landholdings were surveyed in 1989. By the time the ARC was launched in 1993, landholdings in Cabuling had been classified and documented and agrarian reform beneficiaries identified. The majority of Cabuling's "carpable" area was re-distributed without any problems. Some of these lands were re-distributed under Voluntary-Offer-to-Sell (VOS) arrangements.

But there was a problematic rice plantation that covered 110 hectares. It was owned by a man called Onstott, supposedly an American. The farm was mechanized and according to villagers, pesticide was sprayed by airplane. But it had not been doing well. One of the main problems was that it was often overrun by pests, rats in particular. In the 1980's, Mr. Onstott left and placed the plantation under an administrator. At this time, a few of the salaried farm workers were retained by the farm administration and the rest of the land was given out under tenancy arrangements. The farmers who later became the beneficiaries of this land worked here as tenants since this time.

The farmers recalled that one former administrator<sup>14</sup> (a Muslim) would often write-off their debts whenever they experienced a crop failure (yields per hectare that are much lower than average). But subsequent administrators were not so easy to deal with and even raised the land rent.

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<sup>13</sup> Municipal Profile.

<sup>14</sup> After he left this administrator eventually became the mayor of Buluan town in Sultan Kudarat and later still became governor of the province.

The plantation was definitely “carpable”. The majority of the land was allotted to ARBs, 3.75 hectares were allotted as back-wages to the salaried workers of the farm and a 1.5 hectare portion, an area where the offices and other facilities of the plantation were located was allotted to the agrarian reform beneficiaries organization, CAMPC.

In 1993, beneficiaries were informed that they could stop making rental payments. All future payments would be made to the Land bank. Alleging that it was for farm administration expenses, the farm administrator harassed the farmers, forcibly collecting the rent. Farmers were using the plantation’s thresher. With guards armed with M-14’s, the administrator was taking 16 cavans per hectare in “rent” directly from the threshing machine and hauling it away. In succeeding harvest, the farmers no longer used the plantation’s thresher.

In the meantime, Onstott filed a case against DAR and the Land Bank of the Philippines (LBP) seeking payment for the standing crop and a re-valuation of the land. The land value had been estimated at P 54,000 per hectare, but Mr. Onstott wanted this raised to P 78,000 per hectare. In addition, he contested the valuation of the administration area and the improvements on the land. These were a 400 sq. m. cemented palay drying area, office and storage structures, his large residential unit, a short airstrip and the dikes in the rice fields. Ontott wanted the valuation of this area with its improvements to be raised from P 70,000 to P 348,000. The court has denied Mr. Onstott’s petition. CAMPC has been paying the amortization of the 1.5 hectare area, but the current administrator has refused to vacate the premises on the grounds that they were not paying the correct valuation. He is an army captain and the villagers do not want to provoke him to violence. Mediated by the barangay captain, CAMPC and Luz Mabanag, the development worker met with the administrator in March of this year. The administrator has agreed to vacate the premises when CAMPC shows him proof that the Land Bank has paid Mr. Onstott and CAMPC is trying to get these documents from the Land Bank at the present time. On the whole, land transfer operations in Cabuling are almost complete. 280 of the 285 hectares that were eligible for transfer have been distributed. There is an additional 5 hectares that corresponds to 2 ARBs which has not yet been distributed because these are still being processed.

ARBs in Cabuling received their CLOAs (Certificates of Land Transfer) and began paying amortizations to the LBP in 1993. The amortization is to be P 7,000 per hectare per annum or P 3,500 per harvest. According to respondents, most ARBs, especially those that are members of CAMPC are paying their amortizations and cultivating their own lands. But there are some exceptions. According to the development facilitator, there have been no foreclosures so far. But there are a few ARBs who have received notice of foreclosures. Some of these have not paid their amortizations for up to 7 years. There are also a few cases where the ARB has practically lost control of the land. These lands have been “mortgaged” to others, because of debt. Once this happens, the ARB sees no reason to continue paying the amortization, and since it is not titled to him, neither does the holder of the mortgaged land.

In general, respondents thought the amortization to be reasonable and not very difficult to pay, unless one had a larger tract of land. They stated that the most common reason for failure to pay the amortizations was crop failure, and when farmers have to pay other debts, e.g. monies they borrowed for production, tuition or some other family emergency. The development worker also said that there were a very few cases where the beneficiary was “matigas ang ulo”<sup>15</sup>. Another respondent explained that when some ARBs had electricity installed in their homes, they bought televisions and other appliances instead of paying their amortizations. There are also a few cases where agrarian reform beneficiaries have “maintaining” arrangements with other farmers, because they are no longer physically able to work the land themselves. In these cases, the CLOA holder shoulders all production expenses and the maintainer receives 10% of net for doing the farmers chores, i.e., “maintaining” the farm.

Land rent arrangements for 98 farmers were improved in the 198 hectares that were not eligible for distribution because they were below the retention limit. Tenants used to shoulder all the expenses of production, then had to pay 30 % of the harvest to the landowner. Based on the average crop for 3 years, land rent is now set at a rate of 24- 26 sacks of palay per harvest.

### **Other Improvements**

Before Cabuling became an ARC, National Irrigation Authority’s (NIA) facilities were already providing water to the barangay. P13 Million Pesos of CARP funds were used to expand irrigation facilities so that at the present time, 450 hectares or approximately 60% of farms are irrigated. Farmers pay NIA P 406 or 50 kg. of dry palay per hectare, but during the dry season, this goes up to 75 kilos. Ideally, farmers that have access to irrigation should be able to plant 3 crops a year. But the irrigation system is not that efficient and irrigation availability for different areas is scheduled by NIA. For each non-rainy season planting cycle, NIA informs farmers when water will be available to them. In effect, rice farmers of Cabuling have only 2 cropping cycles per year, one in the rainy season and another according to the availability of water from NIA.

Farm to market roads within Cabuling have increased in the course of ARCDP implementation. A road goes from the main highway to the center of Cabuling. Just off the highway, this road is concrete for about a tenth of a kilometer, then it becomes a gravel road for the next 3 kilometers and a passable earth road into the interior of the barangay. The graveled portion reaches the center of the barangay and forks out to CAMPC’s site. This road continues on to a contiguous ARC, New Iloilo,<sup>16</sup> which is much closer (only 8 km.) to the center of Tantangan. The earth road traverses Cabuling until its outer limits to a lake. Most of the farms of Muslim residents are in this area. According to respondents, the road system is still insufficient because it does not reach all the farms of Cabuling. But, for those that now have better access to the market, the cost of hauling palay has decreased. Formerly, the roads were so bad that in many parts farmers could

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<sup>15</sup> Hardheaded.

<sup>16</sup> At the time of the field visit, DAR has decided to integrate the Cabuling ARC with 3 others, New Iloilo, Maibo and Libas. The new ARC is called CANIMAS.



not even use carabao drawn carts with wheels. They had to use flat carts. With better roads within the barangay, they save from about P20-30 in hauling costs per sack of palay. For those with better access, hauling now costs P5 – P15 per sack.

Access to post harvest facilities has also improved. Aside from the solar dryer<sup>17</sup> of the plantation, with a P 60,000 grant from the department of Agriculture (DA), CAMPC provided a labor counterpart for another 400 sq. m. solar drying area. It also has 2 tarpoline liners that farmers can spread on the ground to dry their palay. Farmers pay P 2.00 per sack for the use of these drying facilities. CAMPC also received a mechanical dryer from the Department of Agriculture but this is very seldom used. According to respondents, it is “palpak”<sup>18</sup>. Use of this dryer is expensive because it consumes too much crude oil. In addition, it can only accommodate 10 bags of palay every 2 hours and the dryness of the palay is substandard. At best, it can dry palay up to 18% moisture content. The standard for dry palay is 13%. Palay that is less dry is bought from farmers at lower prices.

The Department of Agriculture constructed a small ware house that can accommodate about 200 sacks. CAMPC invested P 13,000 for the construction of another small warehouse that can accommodate about 150 sacks. It also acquired a thresher and charges 1 for every 14 sacks of threshed palay. the cooperative also has a trailer for hauling palay. Depending on the distance, farmers pay P 3 – P 5 per cavan for hauling their crop. Volume milling of rice is usually done in the town centers. The cost of milling is approximately P 80 for every 3 sacks. As part of their gains from earlier land transfer operations (during the Marcos period) 2 ARBs have bought their own milling machines. These are low capacity machines, called “baby konos”, but access to them is a great convenience for farmers especially when they are milling smaller quantities, e.g. for consumption.

All 535 Cabuling households are agriculture based and rice is the only crop in this village. But there are only 340 carabaos in all of Cabuling. This means that only 64% of farmers have carabaos. The rental of carabaos can be very costly. In other areas, the use of another’s carabao can entitle him to a significant share in one’s harvest. CAMPC has acquired three tillers. These are very valuable to any farming community.

Other agencies and projects have also helped to improve the situation of farmers in Cabuling. In particular, respondents mentioned soil testing kits that the DA showed farmers how to use. This allowed them to determine the appropriate level of fertilizers to apply and save on production expenses. Through another DA extension service, farmers learned when they should apply pesticide. Apparently at certain stages of their development, certain “pests” are providential to the crop. There have also been some inputs on organic farming, but these have not been extensive enough. Respondents said that they had not yet mastered it and that their composting efforts have not been very successful. They commented that that during the dry season, the composting process takes too long. Respondents made mention of a program of the Japan International

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<sup>17</sup> basically, a cemented area for spreading out palay to dry in the sun.

<sup>18</sup> “ Did not work well.” The expression is similar to calling the machine a lemon.

Cooperation Agency (JICA). Under this program farmers received 2 sacks free for free for every sack of organic fertilizer they purchased. Farmers stated that with program their yield was higher than usual. This however, happened only once and some respondents were hoping that it would be repeated.

There have been other interventions, successful and otherwise, but respondents were only asked to recount those that readily came to mind. Among the unsuccessful ones, was a DA project to procure certified seeds for the farmers. According to respondents, the seeds came from Davao. But the problem was that they were defective. They did not develop evenly and the palay in the rice paddy was of different gradations. Respondents called it “escalera”.<sup>19</sup> Farmers did not have to pay for these seeds, but their yield were a little lower than usual. Cabuling is visited periodically by extension workers from the Department of Agriculture. The extension worker does analysis and often makes useful recommendations. Respondent said that they wanted to know how and why these recommendations work. They stated that they did not want to be spoon-fed and their feeling was that there were no “value-added” effects to these visits because they did not learn the processes themselves, or get the ability to them on their own.

Before the implementation of ARCDP, electricity was available to about 605 of households in Cabuling. This coverage was expanded to 100% through the donation of a P280,000 counterpart from a Countryside Development Fund (CDF). Electricity is provided by the cooperative SOCOTECO. Some 60 CAMPC members have formed a barangay power association. They pay the cooperative P 3.65 per kilowatt hour, the going retail price but take charge of collections. For doing so, the cooperative pays them a minimum of 10% of collections. This goes up to 20% when payments are on time.

Potable water is available to all households in Cabuling. The water system is by and large communal. Most households have their own water pumps or share these with a few neighbors. But in some parts of the barrio, people had to go some distance to fetch water. There is only a small section of Cabuling where people have faucet in their homes. The local government health unit secured a grant of P 370,000 from AUSAID, to construct a communal water tank and install faucets in every corner of 3 puroks in Cabuling. DAR has negotiated another grant, from the Asian Development Bank, to install a similar water system within other areas of the expanded ARC, CANIMAS. water in Cabuling has some residue and therefore a slight unpleasant odor but it is supposedly non-toxic.

Finally, water from Cabuling rice fields ( which contains pesticides and other chemicals ) is channeled back to the irrigation system.

## **CAMPC**

In 1991, the department of Agrarian Reform, through its development facilitator, conducted pre-membership seminars among the agrarian reform beneficiaries in Cabuling and established ARBA, the Agrarian Reform Beneficiaries Association. By 1992, its

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<sup>19</sup> Like stairs.

membership decided that there would be more advantages to being a cooperative and ARBA became CAMPC.

CAMPC began with 51 members. Its current membership stands at 120. Approximately one-third of its membership is female. About ½ of its membership is active and it holds one Board of Directors Meeting and one General Assemble meeting every month. Respondents said that many people did not join the cooperative because they could not afford the capital contribution. Others were skeptical about the benefits of joining a cooperative.

Members and officers of the organization have attended many training seminars. When asked, the training activities that came to mind were refresher courses on cooperative building and another on policy-making, that was on-going at the time of the field visit. Board members said that the training they have received had helped them a lot. They were confident that they were equipped to effectively manage the cooperative, e.g. “alam na lam ang pagcompute para sa bangko”<sup>20</sup>. They also said that the knowledge they had gained had helped them in other situations, e.g, in making decisions regarding personal finances. The development facilitator stated that CAMPC members have completed the range of development seminars that they offer. By way of reply, the Board Member respondents made a joke that some members had received far too much training - so that they now thought they knew everything.<sup>21</sup>

Capital contributions for members in 1992 were P300 each. In 1996, this was raised to P 1,200 per member. Shares are worth P100 and the maximum contribution for any member is P 4,800. the original membership of CAMPC was composed of ARBs, but many non-ARBs eventually joined the cooperative. CAMPC has assets worth P 1.2 Million. It's fixed assets account for 90% of this amount. The other 10% is more or less equally divided between cash on hand and collectibles. It has liabilities of P 494 Thousand Pesos.

CAMPC has 5 more or less full-time employees, a Manager, a Cashier, a Bookkeeper ( a non-member), a Classifier and a Contractor. The Classifier is in charge of receiving and rating the palay according to its dryness and other qualities. The Contractor is in charge of maintaining the cooperative's machinery and going around to farmers to schedule their use of this machinery. As compensation, 35% of the cooperative's income from warehouse and drying area rentals and its buy and sell operations are divided equally between them.

Aside from the rental of machinery and facilities mentioned above, CAMPC earns from the provision of a number of services to its members and to the community. It has a hog disperal program of approximately 15 female pigs. The beneficiaries of this project are selected from among active members at coop meetings. These are given out to households for fattening and reproduction. The sharing system is such that the cooperative receives 3 piglets from the brood to give out to other beneficiaries and the

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<sup>20</sup> “They had the method of computing for the bank down pat.”

<sup>21</sup> “ Ang iba na-sobrahan na sa training. kahit hindi nila linya, alam na alam na nila.”

household that has taken care of the animal keeps the rest. DA and DAR have also instituted the dispersal of 5 young female carabaos for CAMPC members. Beneficiaries were selected by CAMPC's according to the following criteria: The person should be (a) an active member of the cooperative, (b) the member should have no carabao and no means of getting one without participation in the program and (c) the member was interested in participating in the program. Under the terms of this dispersal program, the beneficiary could keep the grown carabao but its first two offspring were returned to CAMPC for dispersal to other beneficiaries.

CAMPC also generates income through its lending and re-lending activities. 30% of CAMPC income is set aside for what they call "Savings Mobilization". This is used for members' emergency loans. CAMPC charges 14% per annum in interest and the loan is payable/charged upon harvest. This fund currently is in the area of P24,000 Pesos. About 10-15 beneficiaries have loans of from P 2-3 Thousand Pesos each.

CAMPC has a credit line of over a Million Pesos with the Land bank of the Philippines. This credit facility is used by the cooperative to extend production loans to farmers. It borrows at 14% interest/annum and re-lends at 24% interest. Loans are due within 180 days or approximately one cropping cycle. This service is important for farmers because other sources of credit charge much higher, up to 5% to 15% , per month. CAMPC's record with the Land bank is good. It has so far repaid P 600 thousand of the P1 Million and hopes to liquidate another P 200, 000 by the end of this year. The credit facility is until 2004.

In 2001, CAMPC started a buy and sell program. It buys farmers produce and sells this to NFA. The farmers benefit from this because the NFA price is at least P 1.00 more per kilo than the price farmers receive from private traders. CAMPC earns from 2 NFA incentive programs. As a drying incentive, it receives 25 centavos per kilo and under the Cooperative Development Incentive Program (CDIF) it earns another 25 centavos per kilo. In the last harvest, CAMPC earned P 46,000 from its buying operations.

The Board Member respondents stated that they are saving money to buy an Elf truck in the future. Since there is more than sufficient demand within Cabuling they are also thinking of buying machinery for milling rice. In addition, they They would like to further expand the area for drying and buy a milling machine since there is sufficient demand for this within Cabuling and if possible start a piggery. Yet another venture they are interested in pursuing is the sub-dealership of farm inputs. When asked if any of their original plans had failed to materialize. They mentioned a plan to build a better warehouse and engage in food processing, but these plans were made on the assumption that they could secure grants for these ventures, and the grants did not materialize. For the time being, it appears that CAMPC is heading towards becoming a very successful agricultural cooperative. It has received several awards, not the least of which was recognition for being the most outstanding cooperative in the region for 1998.

## **Livelihood of Respondents in the ARC- An Analysis**

### **Land ownership/access among respondents**

In the Table below, farm income has been estimated from the responses of those interviewed. There was an expected lack of uniformity in their responses. Some estimated their costs and net yields in cavans, others in Pesos. Others listed their yields as net of what they deduct for own consumption. Fortunately, this question was asked, so appropriate deductions were made.

Estimates in the table are rough. Wet and dry planting seasons do not normally have the same yields. So, multiplying the given yields by two, may be a source of overestimation. Furthermore in transforming cavans to Pesos, the price of P8.00 per kilo was used and this is not always the prevailing price. On the other hand, there is the hypothesis that respondents tend to understate their yields/incomes, considering their awareness that the interviews were part of an anti-poverty study. Without imputing malice on their part, they may have unconsciously been referring to their poorer, rather than their better harvests. In addition, farmers do not necessarily separate household consumption from input costs, in the same manner that some of them estimated net incomes after deducting the amount set aside for household consumption.

Rough as they are, the Table below presents the results of the interviews. Using the same yardstick across respondents, some comparison of their livelihoods can be made. The Peso values for monthly income were included to make it easier for the reader to imagine the respondents' income situations.

Land being the basic resource in a farming community, land ownership is the single most important factor that influences the livelihood of a household. Control of the land gives the household the advantage of not having to pay rentals and automatically raises the net yield they receive per hectare. ARBs reported net yields ranging from 56 to 70 cavans per hectare. In contrast, the non-ARBs reported net yields ranging from 16.5 to 35 cavans per hectare. This means that net income per hectare for the non-ARBs was approximately 30 – 50 % of the agrarian reform beneficiaries. Only one of the ARBs made mentioned amortization payments as part of production costs. In the estimates below, amortization payments were not deducted from the net yields of ARBs, since these may already have been implicit in their estimates. If adjustment is necessary, at P 400 per cavan of palay P 3,500 per hectare is approximately equivalent to 8.75 c.

Better yields imply better income situations. With the exception of Francisco de Juan, most of the ARBs had only 1 – 1.3 hectares. But ARB levels of income from farming ranged from P 68,640 to P 73, 600. The income of one other ARB was 132,000 because she had an extra hectare that had been mortgaged to her. In contrast, having no land of their own, the farm income of non-ARBs, ranged from of P 20,000 to P 48,000. The

exception, Rodrigo Sudusta, with income of P 98,000 was cultivating 3.5 hectares of land.

Table 1 – Respondents' Ownership/Access to Land

Name	Relation to ARCDP	Own Land (Ha.)	Access to other's land (Ha.)	Net Earnings from Land <sup>3</sup>
Francisco de Juan	ARB	2	2.75 Prenda <sup>1</sup>	64 c. x 3.75 ha x 2 = 480 c. or P 154, 500 or P 12, 875/mo.
A. Marquez	non-ARB		1 Maintaining <sup>2</sup> (10% share) 0. 25 Prenda	25 c. x 2 = 50 c. or P20,000 /yr . or P 1, 700/mo.
R. Sudusta	non-ARB		3.5 Tenant (50% sharing)	35 c. x 3.5 ha. x 2 = 245 c. or P 98,000 /yr. or P 8,170/mo.
Lucila Alla	ARB	1	1 Prenda	82.5 c. x 2 ha. x 2 = 330 c. or P 132,000/yr. or P 11,000/mo.
Evangeline Arroyo	ARB	1.3		92 c. x 2 = 184 c. or P73,600/yr. or P 6,150 per mo.
Erlinda Delfin	ARB	1.3		66 c. x 1.3 x 2 = 171.6 c. or P 68,640/yr. or P5,720/mo.
Fermin Andoloy	non-ARB		1-Tenant (50% sharing) 1 maintaining ( 15% share)	60 c. x 2 = 120c. or P 48,000/yr. or P 4,000/mo.
Francisco Caluyo	non-ARB	1		56 c. x 2 = 112 c or P 44,800/yr. or P 3750/mo.

1. Mortgaged to respondent
2. Maintaining Arrangement
3. Estimates based on 2 harvests, assuming P 400/cavan or P 8.00/kilo.

There are varying means to secure access to land, the basic means of production in an agricultural community such as Cabuling. Share tenancy is one way. ARCDP has set a fixed land rent at 24-26 cavans per hectare, but this applies only to those tenants that were part of the Land Tenure Improvements of DAR. Apparently, farmers make their arrangements among themselves and a 50–50 sharing arrangement will not be shunned by someone who has no other access to land. From among the limited number of respondents, 2 farmers had contracted such an arrangement..

Maintaining arrangements are usually entered into with those who are no longer able to till the land (e.g., because of age or infirmity) and who have no children to till the land. Farmers who enter into these maintaining arrangements do not have to shoulder the costs of production. Maintainers receive from 10 –15% of the harvest, after expenses. They do the chores that the owner would have done, e.g., weeding, spraying and generally maintaining the crop. If they have farm animals they may also do part of the land preparation. Planting and harvesting is done by hired farm laborers.

When income situations deteriorate, those who have only a little more than the poorer members of the community are placed in the situation of acquiring their assets. One possibly disturbing observation is the fact that in spite of their far from prosperous livelihoods, 3 out of the 8 respondents have acquired additional access to land by mortgage. It bears investigating whether or not this is a trend in farming communities and if so, how strong a trend it is. The strength of such a trend has serious implications for the incidence and depth of rural poverty. If farming households are constrained to mortgage part or all of its landholdings, in light of the fact that other livelihood opportunities are scant within the community, income situations are likely to deteriorate further.

#### **Asset ownership/ access among respondents**

Setting land aside, two types of assets are important for rural livelihoods: assets that are needed for farming and assets that can be additional income sources of income, i.e., means of smoothing the stream of rural incomes. Assets for farm production are important for reducing farming costs. The most important of these is ownership of a carabao. Erlinda Delfin is the only respondent who has no carabao. This is consistent with the fact that she has the lowest farm income of the ARBs interviewed. All the other ARBs had at least one carabao, except for Francisco Caluyo who has no need for one because he is able to use his father-in-law's hand tractor. Two out of the other three ARBs had more than one carabao.

**Table 2. Asset Ownership/ Livelihood Sources of Respondents**

<b>Name</b>	<b>Own Land (Ha.)</b>	<b>Access to other's land (Ha.)</b>	<b>Agricultural Assets/Sources of Livelihood</b>	<b>Other Assets/Sources of Livelihood</b>
Francisco de Juan	2	2.75 Prenda <sup>1</sup>	carabao	welding shop, vulcanizing, carpentry
A. Marquez		1 Maintaining <sup>2</sup> (10% share) 0. 25 Prenda	2 young carabaos, 2 goats, 2 pigs,	sari-sari store, work at CAMPC as classifier
R. Sudusta		3.5 Tenant (50% sharing)	carabao	
Lucila Alla	1	1 Prenda	3 carabaos, 6 pigs, cow farm labor of children	work at CAMPC as coop manger, son employed as security guard

Evangeline Arroyo	1.3		3 carabaos, 2 pigs	Avon dealer during harvest time, work at CAMPC as cashier, help from sibling in Taiwan
Erlinda Delfin	1.3		2 pigs, ducks, chickens, (no carabao) farm labor of son	sewing
Fermin Andoloy		1-Tenant (50% sharing) 1 maintaining (15% share)	carabao (P 200/day for land preparation); 3 pigs other farm labor	
Francisco Caluyo	1			Able to use hand tractor and thresher owned by his father-in-law

carabao. Erlinda Delfin is the only respondent who has no carabao. This is consistent with the fact that she has the lowest farm income of the ARBs interviewed. All the other but one of the other ARBs had at least more than one carabao. Francisco Caluyo, an ARB has no need for one because he is able to use his father-in-law's hand tractor.

Owning a carabao is also a source of additional income. The non-ARBs who have carabaos, hire themselves out as farm labor for land preparation. The carabaos can also be rented out by themselves.

Fermin Andoloy, a tenant farmer does not only hire himself and his carabao as farm labor, he is the only one of the respondents who does not borrow for production. His statement was that he was afraid that he would not be able to pay it back. But the owner of the land shares the costs of production with him. These may be advanced and deducted from Fermin's share at harvest time.

Ownership of livestock and farm animals is a common way of smoothing the income stream of agricultural households. Rodrigo Sudusta stated that he sold 5 carabaos last year for P 49,000. All but one of the respondents, Fermin Andoloy had non-farm sources of additional income.

### **Livelihood of Respondents**

For most of the respondents, farm income is, by and large insufficient, since the period immediately preceding the harvest is characterized by dis-savings. Unless it has savings, a farming household will use some part of his production loan for household expenses. All of these debts have to be liquidated at harvest time. This leaves the farmer with little



left over and should he incur any other expenses, he may fail to make at least some of his payable accounts. In this situation, livelihoods depend on the ability or opportunity to secure additional sources of income.

This section summarizes respondents' livelihoods, according to their sources and qualitatively, according to their results, i.e., their ability to send their children to school, their ability to meet the health needs of family members, the household amenities they have acquired, and their debt situations. Their plans for the future have been included to give the reader a glimpse of what they consider to be ways to improve their situations.

Aside from farm income, Francisco de Juan has a welding shop. The shop is more than less underemployed. Although vital, demand for welding services in a farming community is occasional. But he is also a blacksmith and according to him he makes an extra P 600 – 800 per week by making *itaks*<sup>22</sup>. Occasionally, he also does carpentry work. At home, the family has a TV and a cassette player. On his income 6 of his 9 children have college level educations. Four of them have finished and occasionally contribute to household income. He had a P 7,000 debt to NFA<sup>23</sup> for farm inputs, payable at harvest time. Asked about his plans for the future, he stated that he just wants to make sure his children complete their studies and would like to go into mass production of *itaks*.

A non-ARB, Antonio Marquez has 2 important assets, his position as classifier for CAMPC from which he earns approximately P 4,000 per cropping and a sari-sari store. At home, he has a cassette player, a TV, a washing machine, an electric fan, a gas stove and a refrigerator. He explained that he purchased these when he received a lump sum from a former landowner who paid off his tenants. He has 4 children, 2 in high-school, one in elementary school and another who was in 1<sup>st</sup> year college. According to Rodrigo, the latter's studies have been discontinued because of lack of finances. For production, he has a P 5,900 debt to the cooperative and another P 8,000 to NFA for farm inputs. For the future, he would like his children to finish school so that they can find work and not be as poor as he is, improve his small store and maybe buy a tricycle.

Raising carabaos is a major source of additional income for Rodrigo Sudusta. He started 8 years ago with 2 female carabaos. He has a 9-year old son who is sickly. According to Rodrigo, between the time he was 2 until the he was 6 years old, this child was hospitalized 3 times. Each hospitalization cost them about P 5,000. In addition, they always have to buy medicine for this child. The family has a karaoke and a TV that Rodrigo says he bought out of his earnings. He says he borrows between P 38,000 to P 54,000 every year for production purposes. A little at a time, he has started to improve his house, transforming the walls of flattened bamboo walls to hollow blocks. Asked about his plans for the future, he said that he hoped his house could be completely re-done by the time his son finishes high-school. He would also like to buy a motorcycle to drive the child to school.

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<sup>22</sup> “ Long knives used by Filipino farmers.”

<sup>23</sup> NFA gives farm inputs on credit, interest-free. these are paid upon harvesting of the crop.

Lucila Alla has more farm animals than most of the other respondents and has acquired an extra hectare of land that was mortgaged to her. Aside from what she receives as coop manger, one of her sons, a salaried employee, is able to contribute cash income to the household. She is a widow with 6 children, ranging from 11 to 21 years old. Four of her other 5 children are in school, 2 of them in college, one in high-school and one in elementary school. Another son, who finished only 2 years of high-school takes care of their farm. Last year, she spent P 53, 500 for tuition fees. All but the youngest of her children contribute to household income by doing farm labor. At home, they have a TV, a cassette player and a gas range, which Lucila says she bought out of her savings. She has a P 5000 debt to NFA for farm inputs and loaned another P 6,000 from the Land Bank for other production expenses. While she said that she would like all her children to be able to finish school and support themselves, she also said that she would like to acquire 2 additional hectares of land in order to sustain her family.

Evangeline Arroyo's husband works on their 1.3 hectare rice farm. They have 3 young female carabaos that they have given out for raising. The one who raises them gets the first offspring and they get the second offspring. Evangeline augments household income by raising pigs, by working as CAMPC cashier and by selling Avon products during harvest season. In addition to this, a female sibling who is in Taiwan sends her about P1000 every month. The couple support 2 children in college and a grandchild in elementary school. This costs the family P 1325/mo. plus an additional P 150/week allowance for each of the college students. The tuition for elementary school is P 40 a month. At home, they have a TV, a karaoke and a refrigerator that Evangeline says they purchased from farm income. Having the refrigerator allows Evangeline to sell ice, iced candy and soft drinks. In the future, she would like to buy a multi-cab, which costs about P 100,000, for commuters.

Erlinda Osada has 8 children. Their ages range from 33 to 17 years. Three of them are on their own. One son is away at college. This costs the family P 1500- 2000 in tuition per term plus P 1,400 for allowance and board. The youngest child is in high-school. Two other sons have stopped schooling because of lack of finances. They work the Osada farm and hire themselves out as farm labor. Erlinda's husband is sickly. He has ulcers, arthritis and a sinusitis problem. His conditions cost the household between P 2000 – 3000 per month. They have no carabao of their own but are currently raising one for someone else under the usual terms. They have a TV and an electric fan. Their production loan of P 6,000 is due at harvest time. They also had to borrow P1,500 from a loan shark to defray the medication expenses for her husband's ailment. For the future she wants to raise pigs and maybe a cow and to ensure that her son finishes college. If she had some capital, she says she would like to put up a sari-sari store.

Francisco Caluyo is an ARB, but not a CAMPC member. He says he attended the membership seminar but did not join in because he thought he did not need it. At that time the price of palay was higher and he was doing relatively well. Now, he is sorry but does not have the extra money to make the capital contribution. He and his wife have 2 young children. One of them is in elementary school. The younger child, a 5-year old is asthmatic and has been hospitalized 4 times. His hospitalization has cost the couple P

60,000 and they spend P 1,000 a month for his maintenance medicine. The family has a refrigerator which Francisco says was a gift from his in-laws, a karaoke, a TV and a motorcycle but no farm animals. Francisco has an outstanding personal loan of P3,000 from the Social Action Center, which charges 3% interest. In the future, he would like to plant short term-crops and acquire farm machinery.

Fermin Andoloy has 3 children, from 12, 9 and 3 years old. Only the middle child is in school. The eldest contracted meningitis. This year they have spent P 2,000 for his medication. At home, they have a gas range for cooking. Fermin has a tenancy arrangement (50-50 sharing) with another farmer who acquired a 1 hectare farm through mortgage and a maintaining arrangement on another one hectare for which he receives 15% of the net yield. They have 3 pigs and the source of their household is farming and farm labor. His plans for the future were: to buy an electric fan on installment, to find additional hectarage to work on, to add to the number of pigs that they have, to expand his duck raising to 300 heads, to build a better house and maybe to buy and sell palay, eben on a small scale. He had an outstanding debt of P1,000 which he borrowed for a household "emergency".

## Annex 1

### ARC Development Program

#### Objectives:

1. Land Tenure Improvement – land owned and controlled by ARBs (LTI)  
Subcomponents:
  - a. Land transfer
    - (LAD) actual acquisition and distribution of land within 2 years, i.e., CLOAs distributed, ARBs actually tilling the land intensively
    - landowners have received compensation and encouraged to venture into agri-based industries within the ARC
  - b. Non-land transfer
    - includes production, profit-sharing, leasehold operations and stock distribution option
2. Organizational Building and Strengthening (OBAS)/ Organizational Maturity (OM)
  - functional self-reliant people's org, capable of governance that addresses economic, social and political aspects of the community;
  - encourages participatory decision-making, collective action and is sensitive to issues relating to gender, population and development;
  - will control forces of agri-based rural ind. and whole aspects of community dev
  - can mobilize community and link/generate support from other sectors/orgs outside the community, such as church, academe, business, etc.
3. Physical Infrastructure and other Economic Support Services ( ECOPISS)
  - roads, irrigation, pre and post harvest facilities etc to reduce farming and marketing costs
4. Agricultural productivity --> Farm and Household Income Improvement
  - establish productivity systems
  - identify crop mix
  - utilize appropriate technology
  - establish marketing system
5. Agri-based Rural Industrialization – integration of activities from production, processing and marketing of farm produce
  - mainstreaming ARCs to the economic system
  - generate employment, e.g., engage in processing
  - systematize distribution channels, e.g. become the source of raw materials for an industrial center
  - reduce number of intermediaries

6. Provision of Basic Social Services (BSS) – may be provided by org within ARC in coordination w/ gov. entities

7. Balanced Ecosystem Development- community aware of and promotes environmental protection and revitalization

8. Gender and Population Development – community aware of gender issues, promotes gender equity and practices population management

## Phases of the Program

### I. Social Preparation Phase

<p>Pre-entry Stage</p> <p>Activities of DARPO</p> <ul style="list-style-type: none"> <li>• selection of ARC</li> <li>• bgy profiles, profiles of NGOs in the area</li> <li>• orientation to NGO/LGU etc. partners</li> <li>• confirmation from nat office</li> <li>• identification and training of DF/DWs (development facilitators/workers)</li> </ul>	<p>Criteria for ARC</p> <ul style="list-style-type: none"> <li>• large potential scope for LTI within 2 years</li> <li>• high density of potential/actual ARBs</li> <li>• economically depressed</li> <li>• NGOs operate in the area, willing to support effort</li> </ul>
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#### Entry Stage Activities: (6-8 months)

- integration of DF/DWs in community
- formation of core group
- assembly of potential ARBs where DF/DWs are formally introduced, program is explained and research team is formed
- training of research team
- profiling of ARBs by research team and consolidation of data by DF/DWs, core group and research team
- consultation w/ community where data is presented and a planning team is selected
- training of planning team
- formulation of tentative plan by planning team
- consultation w/ community/ARBs for finalization of plan
- formation of BARC (Barangay Agrarian Reform Council) or officers of the organization, selection of committee members

Elements of a Viable ARC	Indicators of the Social Preparation Stage
1.Tenurial Improvement	<ul style="list-style-type: none"> <li>• landholdings documented</li> <li>• landowners identified</li> <li>• ARBs identified</li> <li>• final survey conducted</li> </ul>

	<ul style="list-style-type: none"> <li>• leasehold scope established</li> <li>• legal conflicts/cases filed</li> </ul>
2.Physical Infrastructure	<ul style="list-style-type: none"> <li>• phys. infra and eco. support services prioritized</li> <li>• project profiles submitted to concerned GOs/agencies</li> </ul>
3.Agri Productivity and Farm Income improvement (for ARCs w/ inputs prior to ARC development)	<ul style="list-style-type: none"> <li>• crop diversification, cropping patterns and agri-based rural industrialization, farm technologies improved</li> </ul>
4. Agri-based rural industrialization	<ul style="list-style-type: none"> <li>• initial self-help projects identified and prioritized</li> </ul>
5. Provision of BSS	<ul style="list-style-type: none"> <li>• BSS needs prioritized</li> <li>• project profiles submitted to those concerned</li> </ul>
6. Balanced Ecosystem Development	<ul style="list-style-type: none"> <li>• ad hoc committee on sustainable and environment friendly farm tech and land use</li> </ul>
7.Gender and Population Development Concerns	<ul style="list-style-type: none"> <li>• Women's concerns included in development plan</li> <li>• consciousness raising activities on responsible parenthood, family well-being and resource management conducted</li> </ul>

Phase II - Organizational Phase – (6-8 Months)- features formalization of ARBs organization and increased community participation

#### Activities

- conduct of Agrarian Reform Beneficiaries Education Seminar to at least 80% of ARBs
- DF/DWs together w/ core group
  - conduct community consultation re decision to organize/re-organize
  - conduct of pre-membership education seminar
  - orientation training on people's organization building
- formulation of vision, mission, goal, objectives(VMGO) by ad hoc committee AND drafting of Constitution and by-laws, Articles of Cooperation or Articles of Incorporation
- Conduct community consultation re ratification of Articles/Constitution
- Organizational meeting for election of Board of Directors, Officers and Standing Committee members
- Conduct of leadership Formation Seminar by DAR and NGO partners
- Organizational Planning workshop for officers and Standing Committee members ( in accordance w/ tentative ARC dev plan); beginning of savings mobilization and mobilization of members to implement dev plan

Elements of a Viable ARC	Indicators of Organizational Phase
1.Tenurial Improvement	<ul style="list-style-type: none"> <li>• lands acquired</li> </ul>

	<ul style="list-style-type: none"> <li>• lease rentals fixed/contracts executed in retained areas</li> <li>• leasehold contract executed in areas for distribution</li> <li>• landowners compensated</li> <li>• lease contracts re-executed</li> <li>• final survey approved</li> <li>• legal conflicts resolved</li> </ul>
2. OBAS	<ul style="list-style-type: none"> <li>• basic orientation/trainings conducted</li> <li>• VMGO formulated</li> <li>• AOC or AOI and CBL approved/ratified</li> <li>• officers and committee members elected</li> <li>• BARC mobilization sustained</li> <li>• partnership bodies operationalized</li> <li>• capital build-up or savings generated</li> </ul>
3. Physical Infrastructure	<ul style="list-style-type: none"> <li>• physical infra projects approved by GOs/agencies</li> <li>• physical, economic infrastructure accessed by community</li> </ul>
4. Agri Productivity and Farm Income improvement	<ul style="list-style-type: none"> <li>• additional income generated from self-helps projects</li> <li>• savings from farm income generated and mobilized</li> <li>• crop yield per harvest increased</li> </ul>
5 Agri-based rural industrialization	<ul style="list-style-type: none"> <li>• self-help projects implemented</li> <li>• initial resource mobilization implemented</li> </ul>
6. Provision of BSS	<ul style="list-style-type: none"> <li>• social services approved by concerned agencies</li> <li>• social services accessed by the community</li> </ul>
7. Balanced Ecosystem Development	<ul style="list-style-type: none"> <li>• ARBs initially trained on sustainable and environment friendly farm practices</li> </ul>
8. Gender and Population Development Concerns	<ul style="list-style-type: none"> <li>• consciousness on women's situation raised</li> <li>• responsible parenthood and prudent resource management promoted in the community</li> </ul>

Phase III – Capacity Building Phase- (12 to 20 months) – equip ARBs w/ necessary Knowledge, skills and attitudes ( KSA) to effectively manage the organization towards transforming them into social entrepreneurs for the social and financial benefit of the ARC

#### Activities

- DF/DW conducts Strategic Dev Planning Workshop (SPDW) with Board, officers, management staff and committee members --> formulation of 5-year Dev Plan

- Community Consultation – presentation and approval of 5 yr Dev Plan
- Training Activities for Board, officers, management staff and committee members by Dar and NGO partners on leadership, management (e.g. accounting, monitoring and evaluation of projects) and networking and alliance building, etc.
- Training Activities by DAR and NGO partners for ARB members on specialized or appropriate agri and non-agri based technologies
- DF/DW assist ARB organization in systems installation; Registration of Org.
- land distribution to ARBs
- ARB org. starts provision of services and project implementation; mobilization of ARBs

Elements of a Viable ARC	Indicators of Capacity Building Phase
1.Tenurial Improvement	<ul style="list-style-type: none"> <li>• lands distributed/owned and controlled by ARBs</li> <li>• stock option instituted</li> <li>• profit sharing /leasehold contract instituted</li> <li>• ARBs amortization payments regularized</li> </ul>
2. OBAS	<ul style="list-style-type: none"> <li>• SPDW conducted</li> <li>• 5 –yr DP prepared and approved</li> <li>• annual plans develop from 5 yr-plan</li> <li>• officers, committees trained in operations and mgmt.</li> <li>• BARC mainstreamed to ARC organizations</li> <li>• training activities for ARBs re: on farm, off farm, integrated technologies, small home industries, CMP for Education Committee</li> <li>• systems &amp; procedures installed</li> <li>• organizations active/involved in local governance</li> <li>• partnerships in ARC development sustained</li> </ul>
3.Physical Infrastructure	<ul style="list-style-type: none"> <li>• services to ARBs provided/ expanded</li> <li>• community projects accessed and implemented</li> </ul>
4.Agri Productivity and Farm Income improvement	<ul style="list-style-type: none"> <li>• initial increase in FPI realized</li> <li>• crop diversification and improved farm technologies practiced</li> <li>• market linkages identified</li> </ul>
5 Agri-based Rural Industrialization	<ul style="list-style-type: none"> <li>• anchor agri-based ind. projects identified in ARC (e.g. forward &amp; backward linkages)</li> <li>• proposals on agri-based ind. funds</li> </ul>



	<ul style="list-style-type: none"> <li>sourced</li> <li>projects approved &amp; funds released for implementation</li> </ul>
6. Provision of BSS	<ul style="list-style-type: none"> <li>SS projects implemented/ accessed</li> </ul>
7. Balanced Ecosystem Development	<ul style="list-style-type: none"> <li>environment friendly farm tech. practiced</li> <li>land use plan adopted</li> <li>issue advocacy on environmental degradation and harmful farm practices w/in ARC</li> </ul>
8. Gender and Population Development Concerns	<ul style="list-style-type: none"> <li>community practice of responsible parenthood, family well-being &amp; resource mgmt. heightened</li> <li>active participation of women in conceptualization and implementation of community programs</li> </ul>

Phase IV Enterprise Development and Alliance Building Phase ( 18 –24 months) – focus is on enhancing capability of org., widening support base & sustaining operations, ARB org becomes social entrepreneur

#### Activities

- development/improvement of policies & systems of org
- provision/expansion of services by org – includes implementation of projects, acquisition of facilities, agri-business tie-ups, forward or backward linkages, market networking
- training for needs prioritized by org
- membership expansion
- viability evaluation by DF and officers of org.
- presentation of viability evaluation to community
- development of sustainability plan
- presentation of sustainability plan and phasing out of DFs

Elements of a Viable ARC	Indicators of Alliance Building and Enterprise Dev Phase
1. Tenurial Improvement	<ul style="list-style-type: none"> <li>land use maximized</li> <li>ARBs amortization payments continued</li> <li>home or farm lots acquired due to earnings from stock option or profit sharing</li> </ul>
2. OBAS	<ul style="list-style-type: none"> <li>org affiliated w/ other orgs w/in and w/out ARC</li> <li>plans, policies and procedures developed &amp; improved</li> <li>membership expanded</li> <li>viability evaluation implemented</li> <li>sustainability plan developed</li> </ul>

	<ul style="list-style-type: none"> <li>• continuous training conducted for officers &amp; members</li> </ul>
3.Physical Infrastructure	<ul style="list-style-type: none"> <li>• physical infrastructure upgraded</li> <li>• post harvest facilities adequately provided</li> <li>• community livelihood projects continued</li> </ul>
4.Agricultural Productivity and Farm Income Improvement	<ul style="list-style-type: none"> <li>• income increased to reduce poverty incidence by 30%</li> <li>• substantial surplus realized from crop yield</li> <li>• agri-business opportunities, market exchange links and investments forged</li> </ul>
5 Agri-based Rural Industrialization	<ul style="list-style-type: none"> <li>• agri-based ind. established</li> <li>• prod-processing, warehouse, milling facilities est</li> <li>• investment/marketing linkages expanded</li> </ul>
6. Provision of BSS	<ul style="list-style-type: none"> <li>• delivery of SS sustained &amp; expanded in remote areas</li> </ul>
7.Balanced Ecosystem Development	<ul style="list-style-type: none"> <li>• depleted resources regenerated</li> <li>• land properly used &amp; managed efficiently</li> </ul>
8. Gender and Population Development Concerns	<ul style="list-style-type: none"> <li>• population mgmt activities sustained</li> <li>• gender discrimination minimized</li> <li>• complementary male-female roles accepted/practiced</li> </ul>

Source: Operations Manual on Agrarian Reform Communities Development., 2<sup>nd</sup> edition.  
Bureau of Agrarian Reform Beneficiaries Development, Department of Agrarian Reform.

**Annex 2- Respondents' Opinions on ARCDP**

<b>Name</b>	<b>Relation to ARCDP/ CAMPC</b>	<b>Suggestions re ARCDP<sup>i</sup></b>
Francisco de Juan	ARB ex-chairman, Board Member, CAMPC	The program is good because we can avail of benefits. The production loan is the most important, and being able to sell to NFA because their price is higher. If I had designed it, I would have stressed, 1st, farm to market roads; 2nd, post harvest facilities and 3 <sup>rd</sup> , other sources of livelihood, like pigs, etc.. so that people will not have to get in debt.
Antonio Marquez	non-ARB Vice Chairman, Classifier, CAMPC	It is beneficial to farmers. As a group it is easier to avail of benefits from the government and we can help our fellowmen. I would focus on livelihood, like piggery, chicken-raising. Additional training is needed for livelihood programs. Can DAR do something about the prices for farmers? If inputs are expensive, our price should also be higher.
Rodrigo Sudusta	non-ARB Board Member, CAMPC	Unlike the ARBs who have something to look forward to, there has been no significant change in my circumstances.
Lucila Alla	ARB Manager, CAMPC	It would be better if the program could be expanded so more people can benefit from it. After all, there are also many agencies that lend their support. Aside from grants, technology must be improved, training from technical experts is needed, so we can decrease our costs. product price vs. input prices must be improved.
Evangeline Arroyo	ARB Treasurer, CAMPC	All the components of the ARCDP are good. It would be good they can increase farm to market roads. For some people the cost of bringing their produce to a site where the truck can reach is still prohibitive.
Erlinda Osada Delfin	Husband is ARB, she is CAMPC member	None.
Fermin Andoloy	non-ARB, non-CAMPC	It would be good if others like myself could also get the chance to avail of land-transfer and

	-member	<p>financing of production.</p> <p>We need livelihood programs and have to improve the price of palay vs. input prices. training on better technology is necessary. It was good when we had that chance to get 2 bags of fertilizer for every one bag we purchased.</p>
Francisco Caluyo	ARB, non-CAMPC- member	<p>I have not really investigated the program, but it seems that there are no anomalies. If I designed it, I would do it so that everyone could avail of land. We need technical assistance.</p> <p>Employees of DAR/DA are not always okay. They delay the processing of loans. maybe they are waiting for a bribe. The farmers already have problems, they should not be made to spend more. When there is certified seed, emergency rice, they go first because they have access. They make you go back and forth to get a cedula, clearance, you spend about P 200 just doing that. Remove the “palakasan”<sup>ii</sup> system.</p> <p>Also loans from NFA should not be based on farm size but on actual planting area. Some people do not plant the whole farm. NFA should not be privatized, or the farmers will die. We should stop the importation of rice to Mindanao.</p>

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<sup>i</sup> The questions asked here were, (1) “What do you think of the ARCDP? What do you like best, least about it?” and (2) If you had been the one who designed the program, how would you have done it differently?”

<sup>ii</sup> “ Favoritism.”