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MC 17, Series 2001

MEMORANDUM TO : The Deputy Administrator, Assistant Administrators, Department Managers, Project Managers, Regional Irrigation/Operations Managers, Irrigation Superintendents, All Others Concerned

SUBJECT : AGRICULTURAL PRIORITIES FOR THE FIRST 100 DAYS

Agriculture Secretary Leonardo Q. Montemayor has outlined his 11-point agenda or agricultural priorities for his first 100 days in office. NIA's performance is critical to three of these identified priorities: rural infrastructure, water resources management and people empowerment.

The Agency has identified and committed its deliverables for these priority areas for the next 100 days (up to June 1, 2001). These deliverables are listed in the attachment for your information and guidance. All concerned sectors are hereby directed to facilitate the attainment of these targets and submit monthly status reports on the activities to the Administrator.

For strict compliance.

CESAR E. GONZALES
Administrator

Attachment:
1. Matrix of Deliverables and Responsibility Centers
2. Agricultural Priorities for the Next 100 Days, A Message to the President and the Cabinet by Secretary Leonardo Q. Montemayor

20 February, 2001

Attachment A

Agricultural Priorities for the Next 100 Days
A Message to the President and the Cabinet
By Leonardo Q. Montemayor

Her Excellency President Gloria Macapagal Arroyo, fellow Cabinet members:

Though I have very limited time to present my report, I am deeply grateful to the President for appointing me Agriculture Secretary.

As an agricultural country, our economic growth would be influenced largely on how well we manage the development and growth of our agriculture sector. The **significant contribution of agriculture to addressing poverty cannot but be emphasized.** I am confident that my long and extensive years to direct exposure and close collaboration with farmers, as well as cooperation with different agricultural market and agribusiness players can help the Arroyo administration succeed in addressing poverty and rural development.

And so, allow me to present to you the agriculture sector's performance last year and its priorities in the next 100 days.

Performance and Projections

Agriculture posted a growth of 3.5 percent in CY 2000, driven mainly by impressive output increases in palay, coconut, and banana, and in poultry livestock, and aquaculture.

This is a little higher than required growth of at least 3 to 3.5 percent to compensate for the country's annual population growth of 2 percent.

This year, the sector's growth is expected to slow down to somewhere between 2.4 to 3 percent owing to the expected recurrence of the El Niño, whose impact we hope to mitigate by fast-tracking measures to help farmers access markets and technology, raise farm productivity and incomes, and generate non-farm and off-farm jobs.

1.1 **Accelerate the implementation of the major provisions of the Agricultural Fisheries Modernization Act (AFMA) particularly research and development, extension, and the Strategic Agriculture and Fisheries Development Zones (SAFDZ) as provided for by AFMA.** In line with the implementation of the SAFDZ, I shall pursue greater cooperation and synergy with the respective departments which are involved in this program namely, DAR and DENR. In addition, I intend to strengthen and

expand the linkages of the Department with LGUs in the implementation of AFMA and other major DA programs.

2. **Address immediately smuggling activities that adversely affect the agriculture sector and most importantly, the hardest hit, the small farmers and fisherfolk. I am committed to strengthen DA participation in the Inter-Agency Anti-Smuggling Task Force.** This I pursue because of the need to create a stable environment to continue to encourage investments in agriculture and fisheries.

3. **I shall immediately pursue full implementation of the Fisheries Code to ensure the dynamic participation of small fisherfolk in fishery development.**

4. **Rural Infrastructure.** Given the budget deficit and the need to continuously address infrastructure support for agriculture such as roads and irrigation, I propose to develop more innovative schemes to develop infrastructure requirements of agriculture at the least cost through public private partnership possibly through BOT (build-operate-transfer) schemes.

5. **Design of Innovative Credit and Financing Schemes.** To cushion our farmers from increasing global competition, we are piloting within the first quarter of this year an innovative financing scheme that will entice banks and other financial institutions to extend credit to farmers and other rural entrepreneurs who are partly or totally unable to produce loan collateral.

6. **Water Resources Management in Agriculture.** Water holds the key to the modernization of Philippine agriculture. Water problem in agriculture becomes more serious, especially with El Nino, the increasing competition for water posed by rapid urbanization, deforestation, and lack of effective maintenance of the irrigation system. Thus, we need to create a Task Force on "The National Water Resources Management in Agriculture" composed of tripartite representation of public, private and farmer groups.

   I am in fact calling a Command Conference within the next two weeks with "Water in Agriculture & El Nino" as one of the priority agenda

   For 2001, the Department has also allocated a stand-by budget of P500 million for possible emergency program on some 1.21 million hectares of rice farms and 420T hectares of corn farms that might be affected by drought this year.

7. **MAKAMASA Program.** I would want to take a serious look at this program. In my understanding it is commodity-based aimed at increasing the volume and value of such commodities. However, I intend to recast it and make it a total agribusiness system approach, which is directed towards increasing

farmers productivity to achieve competitiveness for the farmers and consequently, improve their incomes and quality of life.

8. **Enhanced Trade and Fiscal Incentives for Agriculture.** The DA is taking the lead in reviewing EO 133 which implements the trade and fiscal incentives called for by the Agriculture and Fisheries Modernization Act. With the renewed confidence in our government under President Arroyo, I would like to maximize the opportunities and do the following immediately

> **Begin bilateral talks and negotiations with countries which have expressed willingness and openness for greater trade such as Australia, Canada and US for our mangoes; Iran-Iraq with possible oil for fruits countertrade; among others.**
>
> **I would like to also call for Global Partners Caucus precisely to call for enhanced trade and cooperation.**

9. **Development Programs for Mindanao.** I consider Mindanao as the food basket of the country. To support and further improve Mindanao's contribution to the country's total agriculture/fisheries production and domestic food trade, i.e., 34 percent and 44 percent, respectively, five (5) new foreign-assisted projects are being implemented in the region: a) the Mindanao Rural Development; b) Upland Development Programme in Southern Mindanao; c) Davao Integrated Development Program (DIDP); d) SOCSKSARGEN Agricultural Program, and e) Cotabato River Basin Integrated Grains Augmentation Support (Cotabato BIGAS). Total cost of the 5 programs amount to approximately P30 billion.

Covering selected municipalities in Agusan del Sur, Compostela Valley, Cotabato, Maguindanao, Sultan Kudarat, Davao Oriental, Davao del Sur, Sarangani, South Cotabato, and North Cotabato, the programs focus on support infrastructures such as irrigation, farm-to-market roads, and marketing-post-harvest facilties).

10. **Coco Levy Funds.** I will support initiatives undertaken by farmers organizations and civil society to recover the coconut levy funds. Meantime, I will convene a technical working group to draft the master plan for a smallholder coconut development program.

11. **People Empowerment.** Institutional development and organizational strengthening are important pillars of a sound agricultural program. The creation of leagues of small farmers into strong economic forces will be part of the direction in ensuring the attainment of competitiveness. Most importantly, for this competitiveness to translate to gains for the smallest of farmers and fisherfolks.

I shall convene an Agriculture Stakeholders Summit to forge greater cooperation and partnership between agribusiness and farmers and fisherfolk as a first step towards ensuring that the critical linkages from production to trade and marketing are sustainable and profitable. To institutionalize this linkage of the private sector, I intend to strengthen the National Agriculture and Fishery Council (NAFC) system as the consultation arm of the Department.

We hope that the foregoing provides a clear direction on what we will pursue for agriculture development. I would want to reiterate Madam President, that the gains in agriculture should be for each and every Filipino farmer.

Thank you and good morning.

AGRICULTURAL PRIORITIES FOR THE FIRST 100 DAYS (February 14 - June 1, 2001)

Priority Area	Policy Issues/Gaps in Implementation	Deliverables in the Next 100 Days	Courses of Action/Resources Required	Responsibility Center
Rural Infrastructure	Need to review current policy on Irrigation Service Fee	Repeal AO 17 "Socialized ISF" Restore old rate Improvement in ISF Billing and Collection thru computerization	Draft necessary issuance by the President	NIA (AS) (SOEM)
	Need to come up with viable BOT scheme			NIA (PDI)
	Focus on NIS or CIS	Reorienting objectives in O & M to improve water delivery and increase benefitted areas.		NIA (SOEM)
		BSPP 1st _ CIS, 865 ha		NIA (SOEM)
		KIADP, Maguindanao, operational by May, 10,000 ha		NIA (PDI)
		LADP, Agusan del Norte, partially operational by April, service area, 3,615 ha.		NIA (PDI)
		Abulog-Apayao ISIP, Cagayan, increased service area of 4,000 ha.		NIA (PDI)
		Bubunawan IP, Bukidnon, partially operational by May, service area, 500 ha.		NIA (SOEM)

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Priority Area	Policy Issues/Gaps in Implementation	Deliverables in the Next 100 Days	Courses of Action/Resources Required	Responsibility Center
Rural Infrastructure		Fast-tracking of implementation of on-going SWIPs/DDs 44 projects, 2,683 ha.	Full release of P 58.69 M	BSWM
		Repair/Rehabilitation of SWIPs/DDs 30 projects, 1,200 ha.	Full release of P 36.0 M	BSWM
		Construction of SWIPs/DDs 20 projects, 1,476 ha.	Full release of P 110.151 M	BSWM
		Construction of SFRs 800 units, 800 ha.	Full release of P 8.0 M	BSWM
		Installation of STWs 150 units, 450 ha.	Full release of P 9.0 M	BSWM

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Priority Area	Policy Issues/Gaps in Implementation	Deliverables in the Next 100 Days	Courses of Action/Resources Required	Responsibility Center
Rural Infrastructure		Panglima Sugala Ice Plant and Cold Storage, Tawi-Tawi	For completion by March	PFDA
		Minglanilla Municipal Fish Port, Cebu	For completion by May	PFDA
		Tukuran Municipal Fish Port	Start implementation	PFDA
		Pitogo Ice Plant Coasiguran ice Plant Dingalan Ice Plant	Start implementation	PFDA
		Iloilo Fis i Port Complex - Replacement of ref. Bldg. (roofing) Phase II	For completion by June, requires P 12 M	PFDA
		Utilization of Tramline Conveyor (cable carriage) for Handling and Transport of HVCC's and Rice & Corn	Use the existing tramline conveyor installed in C A R - Commissioning the existing units for transport and handling of agri-cultural commodities.	BPRE
		Rehabilitation and modernization of Post Harvest Facilities.	Upgrade and repair of existing dryers for rice and corn.	BPRE

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Priority Area	Policy Issues/Gaps in Implementation	Deliverables in the Next 100 Days	Courses of Action/Resources Required	Responsibility Center
Rural Infrastructure		Navotas Fish port Complex a. Rehabilitation/Improvement of water distribution system	For completion by June, requires 7.5 M	PFDA
		b. improvement of electrical facilities at market hall nos. 3, 4 and 5.	For completion by May, requires 1 M	
		c. Conversation of flood service area market hall no. 3 into regular market stalls (5 stalls)	For completion by March, requires 1.5 M	
		d. Repair/Improvement of market halls nos. 1, 2, 3, 4 and 5 including its facilities: - Lighting fixtures and electrical lines inside market halls. - Side lights and parking lights. - Control panel, panel boards and writing system. - Construction of salt water filtration bldg. And installation of one unit salt water pump and piping system for market hall nos. 1 and 2 including rehabilitation of existing salt water pump, filtration bldg., and water lines.	For completion by June, requires 1.3 M	

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Priority Area	Policy Issues/Gaps in Implementation	Deliverables in the Next 100 Days	Courses of Action/Resources Required	Responsibility Center
Water Resources Management	Need to come up with mitigation plans to address water problem, especially in view of El Nino (including rehabilitation of facilities).	Cloud Seeding Operation in Drought affected Areas El Nino Projects: 280 CIS, 13,000 ha	Release of 8 M Realign El Nino Funds from NIS to CIS	BSWM NIA (SOEM)
	Accurate monitoring of irrigated areas during dry season.		Procurement of satellite photo, P _____	NIA (SOEM)
		Water extraction through heat pipe technology	-Augment water availability simultaneously applying drying process for rice, corn & HVCC's. - Adaptation of the heat pipe Dehumidifying technology in drying grains and HVCC's using existing heat pipe dehumidifying equipment (P 535,000.00).	BPRE BSWM
People Empowerment	Need to revitalize existing empowerment program, e.g. NAFC Councils.	Strong and responsive IA organizations.	-Pursue program for strengthening and training.	NIA (SOEM)
		Organization and establishment of Compact Farm Pilot Area.	-Identify area and participants.	NIA (SOEM)
		Grant request for Subsidy for Personal Services amounting to P227 M.	-Fastrack request to DBM.	NIA (AS)
		Awareness program for post harvest losses prevention.	- Training and extension on General Post Harvest Technology - Training in the operation of Post Harvest Facilities.	BPRE