



ANNEX G-2: EXECUTIVE SUMMARY

I. Background

The Diversified Farm Income and Market Development Project (DFIMDP) was implemented by the Department of Agriculture (DA) in four (4) focus areas namely Region 10 (Bukidnon), Region 7 (Cebu and Negros Oriental), Region 6 (Iloilo and Panay Island), and the Cordillera Administrative Region (CAR) from October 1, 2004 to June 30, 2009. This was in line with the Agriculture and Fisheries Modernization Act (AFMA) of 1997 which aims to modernize the Philippine agriculture towards agricultural competitiveness and increase in rural income (World Bank, 2010).

The beneficiaries of the project were composed of the clients of DA, local government units (LGUs), and private service providers including the farmers, farmer organizations and cooperatives, agro-processors, traders and exporters.

The DFIMDP has five (5) components: (a) Support for market development services; (b) Market development investments; (c) Strengthening of safety and quality assurance systems for market development; (d) Market-linked technology development and dissemination; and (e) Enhancing budget resource allocation and planning.

The All-Asian Centre for Enterprise Development (ASCEND) Inc. was commissioned by the National Economic and Development Authority (NEDA) Region Office VI to conduct an impact evaluation study (IES) of DFIMDP implemented in Aklan, Antique, Capiz and Iloilo.

II. Evaluation Objectives, Scope and Limitations and Methodology

The objective of the IES was to examine how DFIMDP (a) affected rural household income; (b) improved marketing of agriculture and fisheries products through various market-oriented products; (c) supported market development and competitiveness of farmers and fishermen; and (d) capacitated DA-RFU VI in the delivery of market-oriented and productivity-enhancing services.

The IES contains the assessment of the DFIMDP covering its implementation and completion. It also includes a comparative assessment of the projects' "before/after" and "with/without" conditions on the focus areas, an assessment of the performance, impacts on the immediate community, barangays and LGUs, and its relevance in achieving market access and competitiveness.

The methodologies used in conducting this IES were 1) reconstruction of baseline information using strategies from the World Bank, 2) desk research of secondary information related to DFIMDP, and 3) gathering of primary data through a survey among 450 farmers/households (household level), conduct of key informant interviews (KIIs) among 16 officials from the DA,



LGUs, and target communities (implementer level), and four (4) focus group discussions (FGDs) among beneficiaries and non-beneficiaries (community level).

All research data were processed and analyzed through statistical tests, regression analysis and thematic analysis in order to craft a comprehensive investigation and interpretation of results. For “with/without” comparisons, tests on proportions and test on means were conducted. For “before/after” comparisons, data from Family Income and Expenditure Survey (FIES) and Crop Statistics of the Philippines were used as proxy indicators to compare the situation of families in Region VI before and after the project implementation. Finally, regression analysis was done on the IES survey data to know which variables contributed to the increase and decrease of the respondents’ income. Triangulation method was used to integrate information gathered from the IES survey data, KIIs, FGDs, and desk research.

III. Main Evaluation Findings

Beneficiaries usually get farming information from the government and acquaintances, while the non-beneficiaries acquire the information from the private companies.¹ It was also observed that having benefited from information system had a significant effect on the beneficiaries only—this resulted to an increase in income of households.

Both analysis of the beneficiary and non-beneficiary groups resulted to the conclusion that if they have benefited from irrigation and farming inputs, most likely, they had higher monthly income. At all levels of significance, there is no significant difference on the income of beneficiaries and non-beneficiaries who have benefited from irrigation and farming inputs.

Beneficiaries vs. Non-Beneficiaries

Component 1: Support for Market Development Services

DA was able to achieve the objective of this component since they were able to operationalize the Agriculture and Fisheries Market Information System (AFMIS). However, only one respondent mentioned AFMIS as one of the sources of market information. Unfortunately, the design of AFMIS was not achieved due to two factors: a) farmers had easier access to spot market trading practices at trade centers, and b) farmers were unfamiliar with the technology. According to the LGUs, the farmers who used the AFMIS accessed it with the assistance of their staff. Consequently, it was the LGU staff who developed the skill on the use of the web-based system.

Component 2: Market Development Investments

According to the 2010 project completion report, the objective of this component was achieved. Compared to the non-beneficiaries of the IES survey, more beneficiaries stated that they were

¹ This is not applicable to Component 1.



involved in trainings and seminars, and benefited from farming inputs, equipment and machineries. However, there were more non-beneficiaries than beneficiaries who stated that they benefited from rural infrastructures. In addition, the impact of the irrigation canals on the farmer's income was more evident as compared to the road infrastructures built under this component.

Component 3: Strengthening Safety and Quality Assurance Systems for Market Development

According to the Implementation Completion Report published by World Bank, this component was able to revise some regulatory procedures of DA. However, this component was unable to reach its full potential due to the released executive order removing charges in the accreditation process of agriculture products for export. In addition, due to lack of awareness of the regulations, the quality assurance processes implemented were deemed as restrictions rather than tools for better trade and market prices. The survey data also revealed that neither beneficiaries nor non-beneficiaries benefited from the established quality assurance process.

Component 4: Market-linked Technology Development and Dissemination

Farmers were satisfied with how they were trained on crop management through the Farmers Field School (FFS). They also commended the FFS on how it helped them understand and improve some of their marketing procedures.

Component 5: Enhancing Budget Resource Allocation and Planning

Survey data shows that beneficiaries have less cash income compared to the non-beneficiaries. Furthermore, there are significantly more non-beneficiaries who own businesses compared to beneficiaries who usually work in family farms.

Before and after

Comparison of Household income from 2003 through 2015: Family Income and Expenditure Survey (FIES)

Looking at the income classes from 2003 to 2015 from FIES, there was a decreasing trend in the number of families belonging to the two lowest income classes (under Php40,000.00 and Php40,000.00 to Php59,999.00) but an increasing trend in the number of families belonging to the two highest income classes (Php100,000.00 to 249,999.00 and Php250,000.00 and over) from 2003 through 2015.



Comparison of Crop Production from 2003 through 2014: Crop Statistics

At all levels of significance, there was no notable difference between the proportions of crops produced in 2003 as compared to those produced in 2014. On the other hand, sugarcane production decreased while rice production increased in 2006 and 2009.

Analysis of Agricultural Employment in Region VI from 2003 to 2015

There was a significant decreasing trend in the agricultural employment from 2003 to 2015 in Region VI. On the other hand, Gross Value Added (GVA) for Agriculture sector from 2009 to 2016 was evidently higher than the GVA from 2003 to 2008. Beginning year 2011, the GVA for agriculture started to decline. The sudden shift of the distribution of GVA (2008 to 2009) cannot be directly evaluated.

IV. Conclusion

Finally, regression analysis was done to determine which factors contributed to the increase or decrease of income among the farmer beneficiaries and non-beneficiaries.

- Component 1: Regression results revealed that out of 318 variables, none of the variables have a significant and logical effect to the income of the Component 1 survey respondents.
- Component 2: Four out of 318 variables resulted to have significant effects on income. These variables were: number of crops and/or fish species sold, total amount (in kilograms) of harvested crops and fish species sold, number of types of crops and/or fish species, and number of harvested crops.
- Component 3: Out of 318 variables, only two had significant effects to income. Specifically, the two variables were the: 1) total amount (in kilograms) of harvested crops and fish species sold and 2) number of types of crops and/or fish species.
- Component 4: Among the variables, only types of crops and fish species sold had an effect on income.
- Component 5: The significant variables were as follows: total amount (in kilograms) of harvested crops and fish species sold, and number of harvested crops.

A. Recommendations

The recommendations include pursuing and strengthening current activities, and exploring alternative activities based on the findings of the study. For component 1, it was suggested to capacitate LGUs and staff by providing hands-on experience on operating a web-based information system. Farmers can register online using their cellphones to receive information coming from an AFMIS center on a set schedule. Since children nowadays are more technology savvy, farmers may opt to register their children's cellphone number, and in turn, the child will pass on the information to his or her parent.



For component 2, it is recommended to conduct a longitudinal case study among selected DFIMDP irrigation project beneficiaries to aid in the decision-making on how to allocate infrastructure funds. A similar cost-benefit analysis in planning at the farmer level may be done for a complete value chain process (from water source to farm to market).

For component 3, the content of the web-based system especially on updates on regulations may be sent via e-mail to cooperatives or farmers with e-mail accounts. It was also recommended to explore the use of social media in popularizing regulations and quality assurance processes since many farmers and even their children have Facebook accounts.

For component 4, agricultural resource management in terms of labor management may be explored since there is an increasing number of female household heads. In addition, it was suggested to promote livelihood programs for both male and female farmers to conserve quality labor and shared management for farming. Lastly, both men and women may be encouraged to participate in farming organizations or seminars and trainings.

Lastly, for component 5, one of the recommendations was to increase the budget allocation for infrastructures to generate an inclusive effect at the community level. It was also suggested to promote crop insurance, after having been identified as a significant indicator of market-driven agricultural programs.