

Department of Agriculture



The DA logo shows a bundle of freshly-harvested stalks of rice. The golden grains symbolize the goal that the department seeks to attain for the sector – bountiful harvest – manifested in agricultural productivity, food security, and self-sufficiency. The green stalks tied together represent the various agencies and offices of the Department covering its commodity and functional concerns, i.e., crops, livestock, fisheries, alongside the provision of production support, research and development, product standards, sectoral policy and planning, credit, marketing support, extension, training, information and education tied together in a spirit of unity and cooperation to effectively deliver the package of services essential to attain this “bountiful harvest”.

Legal Basis

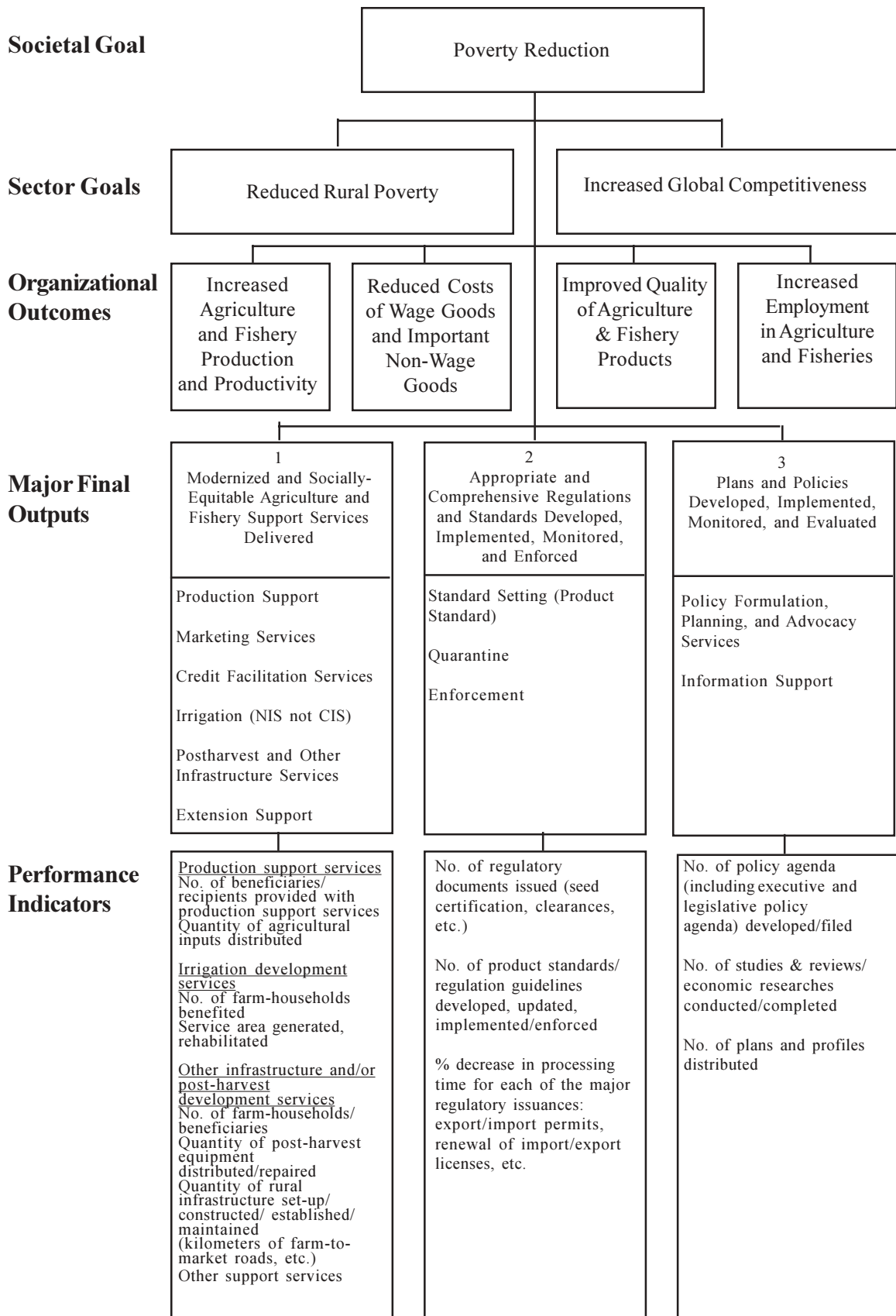
- **Presidential Decree 461** (May 17, 1974) reorganized the Department of Agriculture and Natural Resources (DANR) into a Department of Agriculture (DA) and a Department of Natural Resources (DNR) and provided for the functional and structural configuration of the two Departments.
- **Executive Order No. 967** (June 30, 1984) renamed the Ministry of Agriculture into a Ministry of Agriculture and Food (MAF).
- **Executive Order No. 116** (January 30, 1987) reorganized the MAF into a Ministry of Agriculture, establishing its mandate to promote agricultural development.
- **Republic Act No. 8435** (December 22, 1997), “The Agriculture and Fisheries Modernization Act of 1997”, mandated the Department of Agriculture to formulate and implement a medium- and long-term comprehensive Agriculture and Fisheries Modernization Plan.
- **Republic Act No. 8550** (March 23, 1998), “The Philippine Fisheries Code of 1998”, reconstituted the Bureau of Fisheries and Aquatic Resources (BFAR) as a line bureau in the DA.
- **Republic Act No. 9281** (March 30, 2004) extended the effectivity of tax incentives and the mandated funding support for agriculture and fisheries modernization under the 1997 AFMA to 2015.

Mandate

The Department of Agriculture (DA) promotes agricultural development and growth. In pursuit of this, the DA provides the policy framework, helps direct public investments, and, in partnership with local government units (LGUs), provides the support services necessary to make agriculture and agri-based enterprises profitable and help spread the benefits of development to the poor, particularly in the rural areas.

Producing more food at lower prices top our priorities not only to meet our people's needs, but also to raise the incomes and competitiveness of our farmers and fisherfolks, and to accelerate rural development. - PBM FY 2002

LOGICAL FRAMEWORK (DA)



SOCIETAL GOAL

Poverty reduction is the primary societal goal towards which all efforts and programs of the Department of Agriculture are directed. A basic concern of DA is the improvement of farmers' income and reduction of poverty incidence in the rural sector. Agricultural productivity and food security also remain as immediate measures for alleviating poverty.

SECTORAL GOALS

The Department supports a two-pronged sectoral goal: to reduce rural poverty and increase global competitiveness.

Reducing rural poverty

The 2004–2010 Medium-Term Philippine Development Plan (MTPDP) cites that Philippine poverty is basically rural poverty since almost 73% of the total number of poor in the country reside in the rural areas, that the poverty level in rural areas is much higher at 48.8% against 18.6% in urban areas.

Agriculture and fisheries provide the major economic base in the rural areas. It becomes imperative that the sector should explore measures to develop agriculture and fisheries as robust industries, alongside the provision of affordable and adequate supply of food to address rural poverty.

Increasing global competitiveness

The country's rich natural resources provide a wealth of agricultural products which can be utilized to ensure the country's competitive advantage in terms of agricultural and various food products. Among the promising commodities the country can introduce in the international market are fisheries and high value crops and commodities. This would require ensuring quantities and qualities that are within international standards as well as formulating and implementing policies that create an environment conducive for the sector's growth and development.

ORGANIZATION OUTCOMES

The Department programs, activities and projects support the attainment of the following organizational outcomes:

Increased agriculture and fishery production and productivity

Agricultural production has persistently lagged behind the rate of population growth, thus weakening the sector's capacity to address and significantly contribute to poverty reduction. Pursuant to the AFMA, the DA seeks to adopt a more holistic agribusiness approach that will expand not only the effective production areas for agriculture and fishery but the existing agri-based production systems as well.

Reduced costs of wage goods (e.g., rice, sugar, vegetables, poultry, pork, and fish) and important non-wage goods (e.g., corn)

The Department needs to formulate and install strategies and measures that will reduce the production and marketing costs of agricultural products. The efficiency gains in both the production and distribution aspects will result in more affordable prices for consumers.

Improved quality of agriculture and fishery products for global competitiveness

This involves strengthening and improving institutional structures, linkages, and systems in the areas of product research and development, product standards, quarantine and inspection, farm-firm matching, market research, and maintenance of updated and accurate information on the global markets. The country's competitive edge in terms of quality should be established and sustained. A pro-active and forward-looking policies, programs, and strategies in these areas are major concerns of the Department.

Increased employment in agriculture and fisheries

The development of the sector, i.e., ensuring its robust growth, is expected to generate more and sustainable livelihood opportunities for farmers and fisherfolks. A specific target in the medium term is the development of two million hectares of new lands for agribusiness, alongside the establishment of mariculture parks and seaweed farms which could generate jobs and enhance the productivity and incomes of said farmers and fisherfolks. The creation and expansion of related off-farm and non-farm enterprises could augment farmers' income while expanding their economic options.

MAJOR FINAL OUTPUTS

The three (3) Major Final Outputs of the Department of Agriculture are:

1. Modernized and socially-equitable agriculture and fisheries support services delivered

This consists of a package of goods and services that the DA either directly, or through program partners or conduits, delivers to farmers and fisherfolks to improve both agricultural production and the beneficiaries' productivity.

The package of goods and services consists of:

production support as agricultural inputs and support materials/items, i.e., seeds, planting materials, fingerlings & broodstocks, animals (ruminants, swine and poultry for fattening, breeding, and dispersal projects), semen straws, biologics (vaccines, drugs), bio-agents, fertilizers and other soil ameliorants, soil testing kits, farm and fishery production machinery and equipment, distributed through partner entities (LGUs/extension workers and farmers cooperatives) and other schemes involving private sector suppliers;

marketing services, including promotion and market matching, and generation of related database and information system, in support of local and international market destinations;

credit facilitation, i.e., provision of assistance to farmers and farmers' groups in accessing financing and loans basically through the formal credit and microfinance systems;

irrigation, involving construction and rehabilitation of national irrigation systems, and installation of small-scale irrigation projects;

post-harvest and other infrastructure services which include distribution/provision of post-harvest equipment, machinery and facilities as harvesting equipment, threshers, shellers, drying facilities (solar drier); storage structures (warehouses, seed storage structures, cold storage), milling machinery; fishery-related infrastructure as fish ports, processing plants/centers, farm-to-market roads implemented in coordination with partner entities;

extension support, education and training services involving the conduct of training and education of extension workers who are the frontline service delivery agents of the various programs of the DA, and of farmers/fisherfolks.

2. Appropriate and comprehensive regulations and standards development, implemented, monitored, and enforced

An important component of this MFO involves the front-end dimension of agricultural production, that is, the formulation and implementation of agriculture and fishery product standards. The objective is to ensure that the quality of Philippine agricultural products are within domestic and international standards, i.e., within specific safety standards for consumption, free from disease, etc. If appropriately carried out, this MFO, a direct response to the global competitiveness sectoral goal, will strengthen the country's competitive edge and comparative advantage in the global market.

The other components pertain to the back-end dimension of agricultural production which covers various industries in the sector. Regulatory activities as quarantine, seed quality certification, registration/accreditation of agricultural industry players (as livestock, fertilizer, and pesticide handlers), issuance of clearances, permits and licenses (on meat importation/exportation, fertilizer and pesticide residue testing), fish health management and inspection, among others, are included in this MFO. The formulation of programs, standards, and guidelines for soil and water resources conservation, management and development is another major component of this MFO.

3. Plans and policies developed, implemented, monitored, and evaluated

A basic mandate of the DA, as stipulated in the AFMA of 1997, is the formulation and implementation of an agricultural and fisheries modernization plan, in consultation with various stakeholders. The Plan is intended to serve as the road map for the development of the sector,

in support of the higher level goals of rural poverty reduction and increased global competitiveness.

This MFO, therefore, covers plans and policies on the various AFMA components developed and designed for implementation to guide policy/decision makers, the private sector, and other stakeholders. Among the activities undertaken in support of this MFO are the development of a policy agenda, policy recommendations and resolutions on the AFMA components; conduct of economic researches, policy studies and review, and generation of information databases.

Performance Measures and Targets

Particulars	2007 Targets
<p>MFO 1 Modernized and socially-equitable agriculture and fishery support services delivered</p> <p>1.1. Production support services</p> <p>No. of beneficiary-recipient provided with production support services</p> <p>Quantity of agricultural inputs distributed</p> <ul style="list-style-type: none"> - seeds/planting materials - fingerlings and broodstock - animals - semen straws - biologics/vaccines/drugs - bioagents <p>Quantity of fertilizers and other soil ameliorants distributed (kgs)</p> <p>Soil testing kits distributed</p> <p>Farm & fishery production machinery and equipment distributed</p> <p>No. of clients served for laboratory services (diagnostic tests, soil analyses, etc.)</p> <p>% increase in the volume of production (program areas/commodity)</p> <p>% increase in productivity (metric tons/hectare)</p> <p>1.2. Market development services</p> <p>No. of beneficiaries/recipient assisted</p> <p>No. of local and international marketing events (trade fairs, exhibits, missions, congress, etc.) conducted /assisted/participated in</p> <p>% share of agricultural products in int'l market</p> <p>Volume & value of products traded (metric tons, in million pesos)</p>	<p>277,657</p> <p>17,162,810 (kgs)</p> <p>9,938 (in '000 pcs)</p> <p>18,615 (no. in '000)</p> <p>21,795 (heads)</p> <p>209,787 (number)</p> <p>12,291,280 (doses)</p> <p>109,926 (in '000 pcs)</p> <p>1,483,578 (kgs)</p> <p>18,909 (num)</p> <p>34,502 (num)</p> <p>9,785 (num)</p> <p>725 (num)</p>

Particulars	2007 Targets
1.3. Credit facilitation services No. of recipients assisted to access credit, loan insurance, and guarantee No. of groups assisted to access credit Amount of loans facilitated/granted	 18,415 (num) 527 (million pesos)
1.4. Irrigation development services No. of farm households benefited Service area generated (national irrigation systems, communal irrigation systems, small-scale irrigation systems) in has. Service area rehabilitated (national irrigation systems, communal irrigation systems, small-scale irrigation systems, multi-crop irrigation systems) in has.	 68,324 (num) 14,254 (has.) 59,786 (has.)
1.5. Other infrastructure and/or post-harvest development services No. of farm households benefited/total no. of beneficiaries No. of post-harvest equipment/machinery distributed/repared (harvesting machinery/equipment; threshers and shellers; drying machinery/equipment; storage equipment; milling machinery,; etc.) No. of post-harvest facilities constructed/rehabilitated (drying; storage; processing plants/centers; tramline; etc.) Kilometers of farm-to-market roads (validated and endorsed for construction, that are actually constructed/rehabilitated) No. of fishery-related infrastructure established/maintained/operated (fishports, hatcheries, mariculture parks, sea cages, seaweed nurseries, etc.) No. of marketing-related infrastructure established/maintained (auction market, <i>bagsakan</i> center)	 1,911 (num) 253 (num) 1,352 (kms) 492 (num) 95 (num)
1.6. Extension support, education and training Services No. of participants trained (extension personnel, farmers, others) No. of training and seminars conducted	 221,791 (num) 7,837 (num)

Particulars	2007 Targets
<p>MFO 2 Appropriate and comprehensive regulations and standards developed, implemented, monitored, and enforced</p> <p>No. of new regulation guidelines developed No. of regulations updated No. of regulatory documents issued (seed certification, weighing scale calibration, clearances, permits, licenses, registration) No. of product standards established, updated, implemented/enforced % decrease in processing time for each of the major regulatory issuances: export permit; import permit; renewal of import and export licenses; registration for fertilizers and pesticides, etc.</p>	<p>2,233,362 (num)</p> <p>10%</p>
<p>MFO 3 Plans and policies developed, implemented, monitored, and evaluated</p> <p>3.1 Policy, Planning and Advocacy</p> <p>No. of policy agenda developed No. of policy studies or reviews completed No. of policy advocacy materials distributed No. of policy recommendations/resolutions formulated No. of plans and profiles distributed Executive and legislative policy agenda filed No. of programs & projects endorsed No. of consultations & workshops conducted</p> <p>3.2 Information Support Services</p>	<p>807 (num) 74 (num) 8,735 (num) 89 (num) 1,514 (num) 10 (num) 638 (num) 3,503 (num)</p>

N.B. Some P803.6 million of the DA budget is allocated for R & D, a vital input service to the MFOs.

Research and Development

Research and development is a core function of the Department and a basic, indispensable input to the major final outputs. It is the backbone of increased agricultural and fisheries production and productivity. It is the key to enhancing product standardization and strengthening the country's competitiveness in the global market.

The research and development activities of the Department cover both the front-end and back-end dimensions, i.e., those which concern high quality production inputs and modernized and responsive technology to maximize productivity and those that are directed at product standardization and quality control of agricultural and fishery products.

Internally, therefore, the Department will be measuring the effectiveness and efficiency of research and development programs, activities and projects. These will redound to the quality of the major final outputs the Department delivers to its clientele. Among the measurement areas involve technology generated, adopted, verified, disseminated, and commercialized/adopted for/by the industries and beneficiaries.

Medium-Term Goals and Targets

The 2004–2010 MTPDP sets two major goals which will be the focus of the agricultural development sector for the said period, designed to address poverty in the rural areas :

Goal 1 is to develop at least 2 million hectares of new land for agribusiness in order to contribute 2 million of the 10 million jobs targeted as legacy by 2010.

Five strategies have been identified to attain this goal:

- Design and establish the framework and mechanisms, including public-private partnership arrangements, by end 2005, that will facilitate the transformation of farmlands into agribusiness enterprises;
- Organize a large-scale community-based and environment-friendly program of crop and fishery production intensification and diversification, especially high-value and non-traditional commodities in existing crop, livestock, and fish farms;
- Transform idle agricultural lands, offshore and inland bodies of water, as well as marginal lands into productive agribusiness enterprises to fully utilize existing agriculture and fishery resources;
- Promote off-farm and non-farm enterprises (including agri-processing) in the agribusiness lands to increase and stabilize rural income; and,
- Make Mindanao as the country's main agro-fishery export zone.

Goal 2 is to make food plentiful at competitive prices where the cost of priority “wage goods” such as rice, sugar, vegetables, poultry, pork, and fish and important non-wage goods like corn must be reduced. This also means that government will continue to fight for self-sufficiency in rice production by increasing price and production efficiency and competitiveness.

The strategies to support the attainment of this goals are:

- Raise factor (land, labor, capital) productivity to approach the regional average within six years;
- Increase the effectiveness, adequacy, and efficiency of the agricultural sector's transport and logistical support system for both farm inputs and produce to approach regional standards especially for agricultural and fishery food products; and,
- Implement critical governance reforms to establish a bureaucracy that will effectively be responsive to the demands of a productive and enterprising agricultural sector.

FY 2007 OPIF-Based Budget

Overview and Highlights

The proposed 2007 budget for the Department of Agriculture amounts to P18.5 billion, reflected in allocations for the DA/AFMA. In addition to the regular programs of the Department on crops, livestock, and fisheries, following are the other major features of the DA budget:

New strategies to reduce cost of wage goods

The proposed allocation of some P1 million for *Huwarang Palengke Program* is a modality of direct empowerment strategy aimed at simplifying the food supply chain through decentralization, at the base level. The Program is an expanded application of the *Huwarang Palengke Project*. It will mean increased accessibility to basic wage goods and their assured availability, resulting in lower food prices comparable to those in public and private markets. The impact of the program comes not only through technology applied on the production and marketing of the commodity but also through improved supply of these primary commodities at the barangay level.

Keeping the country avian flu- free

Some P122.816 million is proposed for the implementation of the Avian Influenza Protection Program (AIPP), to keep the country avian-flu free and prevent the entry of the disease in the country. The AIPP will be undertaken by the DA, in collaboration with other implementing agencies as the DENR, DOH, DTI, DILG, the Bureau of Customs of the DOF, and private sector agencies concerned.

For DA, the AIPP resources will focus on the conduct of surveillance (active surveillance on migratory risk areas, laboratory test for AI virus, strengthening of the capacities of laboratories and other support activities), rapid action (vaccination of personnel, disease investigation on reported mortalities, provision of protective equipment to personnel concerned), quarantine (including maintenance of footbaths, sprayers, and disinfectants), census database (including regional/LGU training on computerized disease mapping, geographic information systems), information, education and communication, and program management requirements.

Rehabilitation of irrigation systems in support of rice self-sufficiency

Some P1.127 billion has been proposed for the restoration/rehabilitation of existing NIA-assisted irrigation systems. The projects are being pursued in support of the rice self-sufficiency goal as provided for in the MTPDP.* The proposed amount shall be for the rehabilitation of 17,150 hectares of farmlands (5,970 hectares served by National Irrigation Systems and 11,180 hectares by communal irrigation projects) in various parts of the country. This does not include some P690.60 million proposed for 16 locally-funded projects for rehabilitation of other communal irrigation systems.

A bigger portion of the proposed budget for NIA capital projects (75% of the P7.313 billion proposed 2007 NIA allocation in the DA budget) are for foreign-assisted projects, most of which are concerned with new or major reconstruction. A significant new project included in the 2007 budget is the Participatory Irrigation Development Project. This involves the rehabilitation and modernization of existing National Irrigation Systems and improvement of NIA's organization and management through a rationalization program to result in the transfer of irrigation systems management to irrigators' associations.

Establishment of mariculture parks

In support of the medium-term goal targets, the 2007 proposed budget for the BFAR incorporates some P86 million for the establishment of mariculture parks. These are marina-type projects in municipal waters with the involvement of municipal fisherfolk, established within fishery areas duly designated by LGUs. The operations of these "parks" are governed by national fisheries policies. Mariculture parks are equivalent to industrial estates in land areas (with support infrastructures and facilities ready for operation as modern floating cages, landing ports, multi-purpose workboat,) and are, therefore, opportunities to improve the fishery sector's growth.

Among the complementary support services and facilities which need to be established are cold storage, transport and market access, feed processors, and hatcheries/nurseries. An Executive Management Council governs the establishment of a grid-type community storm mooring system and clustering of marine sea cages. The mariculture park concept is consistent with the objective to promote socio-economic growth and food security, generate employment and alleviate poverty, particularly among marginal fisherfolks. The 2007 proposed budget seeks to double the number of mariculture parks from 31 to 62 in various areas in the country.

Meat establishment improvement program

The DA, through the NMIS shall implement a National Meat Establishment Program. Some P30 million has been proposed to improve existing meat facilities and enable them to comply with

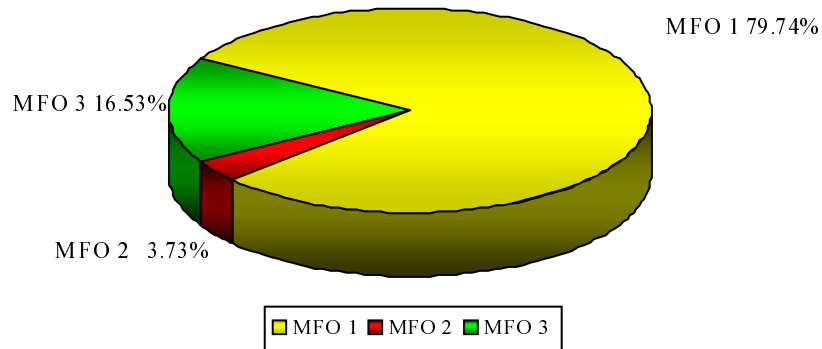
* It is being proposed, however that a more in-depth policy study be conducted to determine the various requirements of pursuing this priority program. The thrust will not only mean infusion of additional resources for irrigation (basically rehabilitation) but also support other production support services as extension, provision of production inputs, credit and, more importantly, research and development. A cost benefit study may be in order considering that the programs on high value commodities may be affected and could delay goals and targets in relation to global competitiveness.

national standards. A scheme granting LGU incentive through a 50-50 cost sharing between the national government and selected LGU program participants is expected to jumpstart the program.

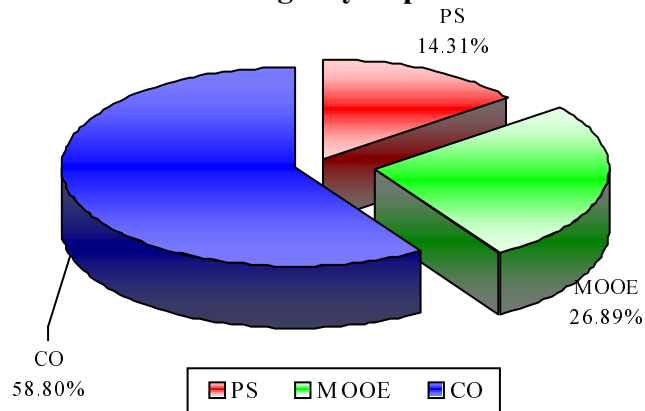
**FY 2007 Budget by MFO, by Expense Class
(In million pesos)**

Particulars	PS	MOOE	CO	TOTAL	%Share
MFO 1 Modernized and socially-equitable agriculture and fisheries support services delivered	798.466	3,414.717	10,535.002	14,748.185	79.74
MFO 2 Appropriate and comprehensive regulations and standards developed, implemented, monitored, and enforced	259.140	319.636	110.609	689.385	3.73
MFO 3 Plans and policies developed, implemented, monitored, and evaluated	1,588.941	1,239.398	230.305	3,058.644	16.53
Total	2,646.547	4,973.751	10,875.916	18,496.214	100
% Share	14.31	26.89	58.80	100	

FY 2007 Budget by MFO



FY 2007 Budget by Expense Class



**FY 2007 Budget by Agency, by MFO
(In million pesos)**

Particulars	MFO 1 Support Services	MFO 2 Regulations and Standards	MFO 3 Plans and Policies	Total	% Share
OSEC	6,006.500	260.584	2,461.211	8,728.295	47.19
NIA	7,313.139	-	-	7,313.139	39.54
ACPC	6.849	-	12.933	19.782	0.11
BFAR	724.615	198.495	429.324	1,352.434	7.31
BPRE	55.638	-	-	55.638	0.30
CODA	6.057	-	37.743	43.800	0.24
FPA	1.591	50.717	18.034	70.342	0.38
FIDA	106.102	40.155	19.354	165.611	0.90
LDC	-	-	9.938	9.938	0.05
NAFC	423.195	-	50.235	473.430	2.56
NMIS	-	139.434	19.872	159.306	0.86
PCC	104.499	-	-	104.499	0.56
TOTAL	14,748.185	689.385	3,058.644	18,496.214	100

**FY 2007 Budget by Agency, by Expense Class
(In million pesos)**

Particulars	PS	MOOE	CO	Total
OSEC	1,896.441	3,722.585	3,109.269	8,728.295
NIA	-	-	7,313.139	7,313.139
ACPC	13.267	6.515	-	19.782
BFAR	312.158	774.646	265.630	1,352.434
BPRE	43.512	12.126	-	55.638
CODA	37.311	6.489	-	43.800
FPA	24.628	14.321	31.393	70.342
FIDA	128.864	36.647	0.100	165.611
LDC	8.378	1.560	-	9.938
NAFC	39.389	307.656	126.385	473.430
NMIS	91.771	37.535	30.000	159.306
PCC	50.828	53.671	-	104.499
TOTAL	2,646.547	4,973.751	10,875.916	18,496.214

Office of the Secretary includes staff offices (Planning, Administrative, Finance, Legal, other technical support offices, the staff bureaus, namely, ATI, BAI, BPI, BAR, BAS, BAFPS, BSWM) and the Field Offices/Regional Field Units (RFUs)