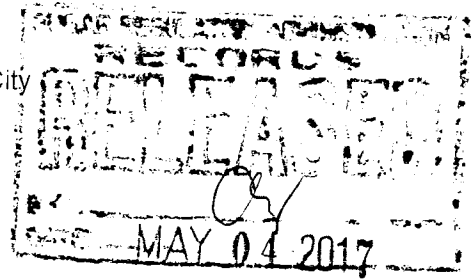




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
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MEMO-ADM-2017-May-001

MEMORANDUM CIRCULAR No. 7

DATE : 02 May 2017

TO : **ALL MILL DISTRICT OFFICERS**
ALL SRA-ACCREDITED BLOCK FARMS
ALL MILL DISTRICT DEVELOPMENT COUNCILS

FROM : **ANNA ROSARIO V. PANER** *Paner*
Administrator

SUBJECT : **GUIDELINES OF THE DIFFERENT PROGRAM COMPONENTS**
OF THE BLOCK FARM PROJECT

In the interest of service, the Sugar Regulatory Administration hereby publishes the guidelines of the different program components of the Block Farm Project as follows:

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GUIDELINES FOR CAPITAL GRANTS FOR BLOCK FARMS

I. RATIONALE

It is the policy of the state to improve the competitiveness of the sugarcane industry and improve the income of farmers, among others¹. To improve the competitiveness of the sugarcane industry, the Sugarcane Industry Development Act (SIDA) of 2015 mandated the Sugar Regulatory Administration SRA, as lead implementer of the SIDA, to institutionalize and strengthen the Sugarcane Block Farming². The SRA is convinced that one of the main hindrances why sugarcane farmers perform poorly from other farmers in terms of productivity is their inability to provide the needed farm inputs. Thus, this specific activity aims to provide Block Farms financial grant as additional capital to finance their sugarcane farming needs.

II. QUALIFICATIONS

The Block Farms covered by this project are those with SRA accreditation. (and DSWD accreditation when required) and included in the list of Block Farms approved for funding by DBM or other funding agencies.

¹ Sec. 2. Declaration of Policy, Sugarcane Industry Development Act of 2015 (R.A. 10659)

² Sec. 3. (a).

III. PERIOD COVERED

The start-up capital is a one-time grant, unless exempted by the SIDA, its IRR, or other SRA issuances pursuant to justifiable circumstances as allowed under the SIDA IRR (e.g. natural disaster, severe pest damage, and the like). For its succeeding crop year after the grant, the Block Farms shall be referred to the socialized credit program or to other agencies or financing entities for its capital requirement. However, technical assistance and monitoring by SRA personnel may continue even after the one year grant.

IV. FINANCIAL ASPECT

The initial capital grant for the Block Farm Program shall be sourced from the General Appropriation Act (GAA) as endorsed by DBM and approved by Congress or from other funding entities. The disposition of fund shall be in accordance with the Work and Financial Plan approved by the SRA Administrator or her/his designated representative.

V. IMPLEMENTATION

1. For every Block Farm, its Technical personnel assigned thereat, together with the Farm Manager, shall prepare the Farm Plan and Budget per hectare, taking consideration the maximum amount of initial capital grant per Block Farm allotted, and indicating therein the schedule of each activity, and its corresponding proposed budget.
2. To facilitate an accurate determination of the Block Farm area, each Block Farms should be geotagged per field.
3. The canepoints to be used by the Block Farms for its new plant shall primarily be sourced from their own nursery farm or from SRA. In case of unavailability, it may be sourced from other SRA accredited Block Farms, the MDDC or any reliable sources within the locality as certified to by the MDDC representative, subject to government procurement process.
4. The SRA cultural practices for sugarcane farming must be followed in accordance with the approved farm plan and budget and the HYV to be used shall be decided in consultation with the MDO.

VI. MONITORING

1. The technical personnel assigned to the Block Farm shall be responsible in the monitoring of the scheduled farm activities per field and the amount spent in every field activity and project, with the close supervision of the Mill District Officer. For this purpose, the technical personnel shall submit a bi-monthly report indicating the activities undertaken, the date undertaken and the amount utilized for each activity, which report shall be confirmed by the farm manager and noted

by the MDO. Said report shall also include production cost and income from sources other than sugar or cane points.

2. A terminal report shall be submitted by the Technical Personnel and the Farm Manager to the Mill District Officer thirty (30) working days after all the areas of the Block Farm have been harvested, which report after the same is reviewed by the MDO, shall be submitted to the Area Focal Person indicating therein the following:
 - 2.1 The project site;
 - 2.2 The actual starting date of the project;
 - 2.3 Total amount spent (detailed per activity);
 - 2.4 The HYV used and its source;
 - 2.5 The production data;
 - 2.6 The gross income and cost of production
 - 2.7 Income and expense from other sources of livelihood other than sugarcane;
 - 2.8 Documentation per operation (with pictures)
 - 2.9 Such other relevant information or recommendations as may be needed to improve the succeeding projects.

All of the above-mentioned reports shall be validated and noted by the Mill District Officer and submitted to the Area Focal Person for consolidation. It shall subsequently be submitted to the National Focal Person for final (national) consolidation which final report shall be furnished to the Administrator, the Manager of the RD&E and the Policy and Planning Departments.

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GUIDELINES ON THE ESTABLISHMENT OF A HIGH YIELDING VARIETY (HYV) NURSERY FOR BLOCK FARMS

I. RATIONALE

The Establishment of HYV Nursery is a component of the productivity improvement program under the SIDA.

II. OBJECTIVE

To encourage the Block Farms to use sugarcane HYV in their farms and subsequently make the HYVs accessible to Block Farms and nearby farms.

III. QUALIFICATIONS

SRA-accredited Block Farms approved by the Department of Budget and Management (DBM) or other funding organizations for funding are qualified for funding for the establishment of High Yielding Variety (HYV) a one-hectare sugarcane High Yielding Variety (HYV) for two cut-backs.

IV. AREA AND SITE

1. The nursery site may be within or outside the block farm, provided the site must be suitable to sugarcane growing based on soil type, topography and availability of water source.
2. The site must be recommended jointly by the Technical Personnel and the Project Manager of the block farm and approved by the MDO. The recommendation, inspection, geo-tagging and approval of the site must be documented.

V. FINANCIAL ASPECT

1. The budget for HYV nursery shall not exceed Ninety Thousand Pesos (P90,000.00) per hectare subject to adjustment upon the approval of the Sugar Board due to inflation or other factors causing the natural increase in production cost.
2. The funds of Work and Financial Plan per 1-hectare nursery, duly reviewed and approved by the Extension Services Division shall be attached (pursuant to R.A 9184, as amended/revised) to the Job Request or Purchase Request.
3. No cash shall be directly given to the Block Farms for this project except for payment of farm laborers on the nursery. All farm inputs shall be bought by SRA in accordance with the government procurement process.

V. IMPLEMENTATION

1. The area must be geo-tagged and soil samples should be taken from the site for purposes of fertilizer recommendation;
2. The nursery shall be established in such a way that the cutback shall be timed during the peak demand for canepoints;
3. The SRA recommended cultural practices must be followed in accordance with the approved farm plan and budget;
4. In case there is a need to deviate from the Farm Plan and Budget³, a written request shall be made in writing by the Technical Personnel and the Farm Manager justifying the deviation. No deviation from SRA cultural practices and the Farm Plan and Budget shall be made unless recommended for approval of the MDO and approved by the Chief Agriculturists after finding merit for the request.
5. The HYV canepoints to be propagated in the nursery shall primarily be sourced/purchase from SRA. In case of shortage of supply, it may be purchased from other reliable sources as certified to by the MDDC representative to which a Block Farm belongs:

³ There shall be a deviation from the farm plan and budget when a certain activity shall be performed not on the intended date, or the budget for certain inputs is different from that indicated in the farm plan and budget.

6. The Block Farms or its members shall have priority to the canepoints. Excess canepoints or if the Block Farms do not have areas for the canepoints, can be sold to interested farmers at prevailing market price.
7. The canes in the nurseries should not be allowed to mature and be harvested. However, should there be no canepoint-takers, the canes may be milled and the proceeds thereof shall be used for the operation of the HYV nursery for the immediately succeeding crop year. A written recommendation for the canes to be milled shall be made by the Technical Personnel, recommended by the MDO and approved by the Chief Agriculturists;
8. One month prior to the cut-back schedule, the technical personnel assigned in the block farm must request in writing to the office of the Extension Services Division for the cut back indicating the intended date for cut-back. Upon receipt of the information, representative from the Extension Services Division, the Block Farm Coordinator assigned and the Mill District Officer shall inspect/ assess the crop stand of the HYV nursery and approve the request for cut back after identifying takers of the canepoints.
8. After the request is approved, invitations to the Accounting Office and COA to join the inspection must be sent at least 3 days prior to date of cut back (pursuant to the revised R.A 9184).

VI. PROJECT SUSTAINABILITY

All proceeds from the nursery shall be deposited in a separate account which will be maintained by the block farm. This fund shall be used by the block farm only for the operation of their succeeding HYV nursery projects.

VIII. MONITORING AND EVALUATION

1. The Technical personnel assigned shall be responsible in the operations of the HYV nursery with the close supervision of the Mill District Officer. He shall closely monitor the implementation of the project and shall submit the following reports:
 - a. Monthly submission of activities performed in the nursery including the amount spent for each activity. Any relevant information such as damage to the nursery shall also be included in the report;
 - b. A terminal report ten (10) working days after the cut-back shall be submitted to the Extension Division indicating therein the following:
 - b.1 The project site;
 - b.2 The actual starting date of the project;
 - b.3 Total amount spent (detailed per activity);
 - b.4 The HYV used and its source;
 - b.5 The number of lacsas planted vis-à-vis the number of lacsas harvested (cut);
 - b.6 The name of the Block Farms or farmers to whom the canepoints were distributed/sold;

- b.7 Amount of the proceeds of sale of canepoints in case the same were sold; or amount of the proceeds of the sale of quedans in case it was milled;
- b.8 Documentation per operation (with pictures)
- b.9 Such other relevant information or recommendations as may needed to improve the succeeding projects.

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GUIDELINES ON ESTABLISHMENT OF ONE (1) HECTARE TECHNO-DEMO FOR BLOCK FARM

I. RATIONALE

It is the policy of the state to improve the competitiveness of the sugarcane industry and improve the income of farmers, among others⁴. To improve the competitiveness of the sugarcane industry, the Sugarcane Industry Development Act (SIDA) of 2015 mandated the Sugar Regulatory Administration SRA, as lead implementer of the SIDA, to institutionalize and strengthen the Sugarcane Block Farming⁵.

While the block farms are provided with start-up capital grant, the amount do not cover the whole production cost due to limited funds. Thus, the ideal productivity cannot be expected due to limited farm inputs. This Block Farm program component aims to determine the farm's potential productivity by establishing a 1-hectare technological demonstration farm within the block farm or its neighboring area, where all the farm needs shall be provided by the SIDA fund. Said techno-demo farm shall be the basis of the Block Farms' target productivity, at the same time this serves as a venue on site where the proper cultural practices in sugarcane farming shall be demonstrated to neighboring farmers.

II. QUALIFICATIONS

Block Farms with SRA accreditation, (DSWD accreditation only when required) and included in the list of Block Farms approved by DBM for funding or by such other funding entities duly approved by the Sugar Board shall be qualified for funding for the establishment of a one-hectare technological-demonstration farm within their block farm.

III. PERIOD COVERED:

The technological-demonstration (techno-demo) farm for block farm is a one-time project which shall be established in the first crop year of project implementation or the succeeding crop year depending upon the time the fund is downloaded to SRA vis-à-vis the start of land preparation;

IV. AREA AND SITE

The techno-demo site shall be established within the block farm. The site must be suitable to sugarcane growing and shall be chosen based on the common soil type and topography of the enrolled area of the Block Farm. The area should be preferably accessible to all members of the block farm.

The selected area must be jointly recommended by the technical personnel assigned to the block farm together with the block farm representative. It must be geotagged, inspected and assessed by a team composed of the personnel from the Extension & Technical Services, the Technical Personnel assigned and the block farm representative

⁴ Sec. 2, Declaration of Policy, Sugarcane Industry Development Act of 2015 (R.A. 10659)

⁵ Sec. 3, (a).

before the final approval. Upon inspection of the site, and finding it qualified for the area requirement and soil qualifications, the Chief Agriculturist shall approve the site. The recommendation, inspection, geo-tagging and approval of the site must be documented.

V. FINANCIAL ASPECT

The budget for each 1-hectare techno-demo farm shall not exceed NINETY THOUSAND PESOS (Php 90,000.00) or in such amount as approved by the DBM for Block Farms for the succeeding budget year. For this purpose, the Work and Financial Plan per 1-hectare techno-demo farm duly reviewed and approved by the Extension Services Division shall be attached (pursuant to R.A 9184, as amended/revise) to the Job Request or Purchase Request.

VI. IMPLEMENTATION

Inspection report and the budgetary requirements must be prepared by the Technical Personnel, attested by the block farm Chairman and the Farm Manager.

VII. Thereafter, the Mill District Officer shall re-validate the report and endorse the documents to the Office of the Extension Services Division, together with the proposed Farm Plan and Budget in the amount not exceeding NINETY THOUSAND PESOS (Php 90,000.00) per hectare. (Note: Work and Financial Plan is hereby attached for reference, in pursuant with RA 9184, as amended/revise).

VIII. Upon receiving the documents, the Chief Agriculturist shall certify that the documentary requirements are complete and shall endorse it to the Office of the Manager III for the department manager's perusal and appropriate action. Other documents to be attached are:

1. Purchase Request
2. Job Request

A. The SRA recommended farm practices shall be used for the techno-demo farm. Gathering of soil samples must be done and land preparation shall commence after the approval of the Job Request. All other techno-demo sequential activities must be done in accordance with the approved budgetary requirements attached.

B. The high yielding varieties (HYVs) to be used will primarily be sourced from SRA. In case of unavailability, it may be sourced from MDDC and any reliable sources within the locality as certified to by the MDDC representative, subject to government procurement process.

C. The technical personnel assigned should prepare a written report in case of damage to crop due to *force majeure*, which report shall be submitted to the office of the OIC- Chief Agriculturist through the Mill District Officer. The report should be attested by the Block Farm Manager/Chairman.

D. One month prior to harvesting schedule, the Technical Personnel must inform in writing the Office of the Extension Services Division through the Mill District Officer of the intended dated of harvest.

- E. Payment for farm operations including labor must be based on prevailing prices within the Mill District or neighboring farms. For this purpose, each Technical Officer assigned in each Block Farm, with the assistance of the MDO, shall, together with the farm plan and budget for techno-demo, submit the prevailing cost per activity certified to by the MDDC representative.

IX. PROJECT SUSTAINABILITY

All proceeds from the techno-demo farm shall form part of the capital build-up (deposited in a separate account as stated in the guidelines for initial capital grant) of the block farm which will be used to fund additional area in excess of 30 hectares. This fund shall be used by the block farm only for their succeeding farm operations.

X. MONITORING AND EVALUATION

- 1. The Technical personnel assigned shall be responsible in the operations of the techno-demo farm with the close supervision of the Mill District Officer. He shall closely monitor the implementation of the project and shall submit the following reports certified to by the MDO:

- A. Monthly submission of activities performed in the techno-demo farm including the amount spent for each activity. Any relevant information shall also be included in the report;

- B. A terminal report ten (10) working days after the completion of the harvest shall be submitted to the Extension Division indicating therein the following:

- B.1 The project site;

- B.2 The actual starting date of the project;

- B.3 Total amount spent (detailed per activity);

- B.4 The HYV used and its source;

- B.5 The productivity data (Ton canes per hectare, LKg/TC) amount of the proceeds of sale of the quedans;

- B.6 Documentation per operation (with pictures)

- B.7 Such other relevant information or recommendations as may needed to improve the succeeding projects.

This report shall be forwarded by the MDO to the Office of the Extension Services Division for consolidation. The consolidated national data shall be submitted to the Office of the Administrator, copy furnished the RD&E and Policy and Planning Department Managers.

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GUIDELINES ON LIVELIHOOD DEVELOPMENT PROJECT AND UP-VALUING TRAINING FOR BLOCK FARMS

I. RATIONALE

Considering that sugarcane farming is a one-year crop, sugarcane farmers need to have other means of livelihood while they wait for their canes to mature and be harvested. Thus, one of the identified assistance under the Block Farm Program is the conduct of a livelihood training program for Block Farm members. This activity is pursuant to the state policy of improving the income of farmers, among others⁶, under the Sugarcane Industry Development Act (SIDA) of 2015.

II. QUALIFICATIONS

The beneficiaries of this project are members of Block Farms with SRA accreditation, (and DSWD accreditation when required) and included in the list of Block Farms approved by DBM or the Sugar Board, subject to availability of funds.

III. PERIOD COVERED:

The livelihood project is a one-time grant, unless exempted by law or SRA rules. However, monitoring by SRA may continue after the one year grant.

IV. FINANCIAL ASPECT

The maximum budget for this project depends upon the amount approved by DBM or the Sugar Board for livelihood training per Block Farm. Such fund may be used for provisions of food, training materials, trainer's fee/token, and other livelihood training needs.

V. IMPLEMENTATION

VI. One (1) livelihood training shall be conducted in every block farm funded by GAA or approved by the Sugar Board.

VII. The training to be conducted will be based on their needs assessment done by the Technical Personnel assigned.

VIII. The training may be coordinated with one or more of the following: DOLE, TESDA, DOST, DTI, SIFI, DSWD, POs, LGU and other government/non-government agencies.

IX. MONITORING

1. The Technical Personnel assigned shall be responsible in the monitoring of the livelihood project and the amount spent for the project, with the close supervision of the Mill District Officer.

2. The Technical Personnel and the Farm Manager should submit a terminal report to the Mill District Officer within ten (10) working after the livelihood training has been conducted. The report shall include the following:

- A. The title of training conducted and the skills gained by the participants;
- B. Other partner agencies or entities that assisted in the training;

⁶ Sec. 2, Declaration of Policy, Sugarcane Industry Development Act of 2015 (R.A. 10659)

- C. Total amount spent;
- D. The number of participants trained;
- E. Projected income and expense from the livelihood seminar/training;
- F. Documentation per operation (with pictures)
- G. Such other relevant information or recommendations as may needed to improve the succeeding projects.

All of the above-mentioned documents in the terminal report shall be validated and noted by the Mill District Officer and submitted to the Extension Division for consolidation. The national consolidated report shall be submitted to the Office of the Administrator, copy furnished to the Department Managers of the RD&E and the Planning and Policy.

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GUIDELINES IN THE PROVISION OF SOIL REHABILITATION PROGRAM TO BLOCK FARM MEMBERS

I. RATIONALE

It is the policy of the state to improve the competitiveness of the sugarcane industry and improve the income of farmers, among others⁷. To improve the competitiveness of the sugarcane industry, the Sugarcane Industry Development Act (SIDA) of 2015 mandated the Sugar Regulatory Administration SRA, as lead implementer of the SIDA, to institutionalize and strengthen the Sugarcane Block Farming⁸. Based on field inspection by the Mill District Officer and in coordination with the soil laboratory staff, it was identified that most small farms have poor soil (acidic and lacks organic materials), thus affecting their farm productivity. Unfortunately, small farmers do not have their soil analyse nor have the means to rehabilitate their soil. Thus, this specific activity aims to rehabilitate the soil of Block Farms through soil analysis, provisions of lime, training for bio-organic fertilizer production and such other activities and provisions that will improve the soil condition of the farms.

II. QUALIFICATIONS

Only SRA accredited Block Farms which were approved for funding by the Department of Budget and Management or by funding agencies are included in the program. Those Block Farms that formally renounced their interest prior to project implementation are disqualified.

III. PERIOD and ACTIVITIES COVERED

The soil rehabilitation program is a one-time grant unless exempted by law, SIDA Implementing Rules and Regulations or SRA guidelines. The funds shall be utilized in the form of payments for any or all of the following interventions: liming, provision for supplies and materials and such other expenses including training for the production of BOF, soil sampling and analysis.

⁷ Sec. 2. Declaration of Policy, Sugarcane Industry Development Act of 2015 (R.A. 10659)

⁸ Sec. 3. (a).

IV. FINANCIAL ASPECT

The funding for this program shall be sourced from the General Appropriation Act or such other available source of funds as may be approved by the Sugar Board. The funds shall be disposed of according to the Work and Financial Plan of each block farm as approved by the Administrator or her/his designated representative.

V. PROJECT IMPLEMENTATION

The basis for the distribution of liming materials shall be the result of the SRA-accredited soil laboratory analysis. Highly acidic soil shall be given priority.

VI. As part of soil rehabilitation, block farms shall be provided with or taught bio-organic fertilizer (BOF) production.

VII. Block Farms may source their lime and Bio-organic Fertilizer from SRA accredited sources.

VIII. The produce of the BOF shall be used by the Block Farms for their needs. Any excess thereof may be sold to other sugarcane farmers but giving preference to SRA accredited Block Farms. The Area Focal Person shall submit the recommended distribution scheme to be endorsed by the National Focal Person and approved by the Deputy or Assistant Administrator.

IX. MONITORING

1. The Technical Personnel, with the supervision of the Mill District Officer assigned shall be responsible in ensuring that the activities in the Work and Financial Plan are timely implemented. For this purpose, the Technical personnel and the Project-in-Charge of the Block Farm shall submit a monthly progress report duly noted by the MDO.
2. The Technical Personnel and the Project-in-Charge shall jointly submit a terminal report to the Mill District Officer thirty (30) working days after the end of the program for submission to the Area Focal Person. the Extension Division indicating therein the following:
 - 2.1 The project site;
 - 2.2 The actual starting date of the project;
 - 2.3 Cost of BOF production
 - 2.4 Actual production
 - 2.5 Recipients of the organic fertilizer indicating the number of bags per recipient
 - 2.6 Documentation with photos
 - 2.7 Such other relevant information, observations or recommendations as may needed to improve the succeeding projects.

All of the above-mentioned reports shall be validated and noted by the Mill District Officer and submitted to the Area Focal Person for consolidation. It shall subsequently be submitted to the National Focal Person for final (national) consolidation which final report shall be submitted to the Administrator, copy furnished the department managers of the RD&E and Policy Planning departments.

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For your guidance and compliance.