Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
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MEMORANDUM CIRCULAR NO. 3-B
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SUBJECT: Implementing Guidelines and Criteria for Prioritization of Sugarcane FMR Proposals

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I. Policy Statement

The construction and rehabilitation of sugarcane farm-to-mill roads (FMRs) is one of the priority infrastructure projects identified by the sugarcane industry roadmap that will reduce postharvest losses brought about by delays of sugarcane deliveries to processing facilities.

A mandated appropriation of infrastructure projects for the sugarcane industry is also provided for in the Sugarcane Industry Development Act of 2015 (SIDA) wherein its Implementing Rules and Regulations (IRR) provides the main criteria for the prioritization of sugarcane FMR projects.

To ensure that all sugarcane mill districts will benefit from the sugarcane FMR projects funded by the government, the Sugar Regulatory Administration (SRA) issued these guidelines and criteria for the prioritization of Sugarcane FMR proposals.

II. Scope and Coverage

These guidelines cover all sugarcane FMR proposals submitted to SRA for evaluation and funding by the GAA or from any other funding sources whether local

or foreign. Project proponents shall belong to industry organizations who will directly benefit from the proposed sugarcane FMR.

III. Criteria of Fund Allocation in Each Sugarcane Mill District under the SIDA Mandated Appropriations and Other Funding Sources

Sugarcane FMR funds approved for funding by the mandated general appropriations (GAA) as provided for under the Sugarcane Industry Development Act of 2015 (SIDA) or from any government funding facility shall be allocated, on a pro-rata basis, based on the latest SRA hectarage data of sugarcane farms in the mill districts.

Emergency funds, calamity funds, donations, loans or funds derived from any funding sources that are beneficiary-specific or location-specific are excluded from the above-stated criteria.

IV. Prioritization of Sugarcane FMR Proposals for Each Mill District

Given the fund allocated for each mill district pursuant to Section 2 hereof, sugarcane FMRs shall be prioritized in accordance to Rule 7.2 (i) of the IRR of SIDA, as follows:

a. First priority of sugarcane FMR proposals at the mill district level shall be those connected to the national highways or arterial roads, leading to block farms, small farms and expansion areas with at least 100 hectares of sugarcane plantations (cumulative) and validated/endorsed by the MDDCs or by the planters organizations in the absence of an MDDC;

   - In cases where the area of influence is an expansion area for sugarcane farms, a petition with undertaking to plant sugarcane shall be executed by the landowners

   - If the landowner failed to develop the area into a sugarcane farm one year after the completion of the sugarcane FMR, then, SRA shall

inform the LGU to impose a toll from trucks or vehicles hauling the agricultural products of such farm

b. Second priority of sugarcane FMR proposals at the mill district level shall be those connected to the national highways or arterial roads, leading to at least 100 hectares of sugarcane farms and expansion areas (cumulative), regardless of farm sizes and ownership, and validated/endorsed by the MDDCs or by the planters organization in the absence of an MDDC;

c. All other sugarcane FMR proposals at the mill district level that are connected to the main highway or arterial roads leading to a minimum of 10 hectares sugarcane area of influence and validated / endorsed by the MDDCs or planters organization in the absence of an MDDC are last in priority.

d. Sugarcane FMR not connected to national, provincial, municipal, barangay or any concrete arterial roads and without certifications on negotiated right-of-way from LGU concerned shall not be considered for funding.

All of the above sugarcane FMR proposals are subject to compliance with the requirements provided in Item IV hereof.

V. Guidelines

The sugarcane FMR guidelines enumerate the basic requirements of all sugarcane FMR proposals and the steps during the evaluation process to ensure transparency, fairness and systematic procedure of endorsing sugarcane FMR proposals to DBM or to any funding entity.

I. Documentary Requirements

1. Letter of intent from the project proponent with the following information:

    a. Affiliation of the proponent in the sugarcane industry;
    b. List of sugarcane farmers who will benefit the project indicating if they are block farm enrolees, small farmers, etc.;

c. Hectarage of sugarcane plantations & expansion areas which will benefit the proposed FMR;
d. Project description stating the landmark / sitio / barangay of the "start" and "end" of the proposed FMR;

2. GPS map (soft copy and hard copy) indicating the coordinates of the proposed sugarcane FMR including its total length as FMR and net length in meters of dirt roads to be rehabilitated or the road extension to be opened;
3. Geo-tagged map (soft copy and hard copy) of the proposed sugarcane FMR with four (4) shots (front, right, back & left) taken every 100 meters;
4. Certification from the LGU that the right-of-ways (ROW) are negotiated by them and the proposed project is part of its development priorities;
5. Endorsement letter from the MDDC or sugarcane planters organization in the absence of a MDDC;
6. Letter of commitment from the LGU that it will shoulder the operation, repair and maintenance of the FMR after construction or rehabilitation.

VI. Evaluation Process

1. All sugarcane FMR proposals shall be evaluated by the project development, evaluation and monitoring team of SRA.
2. The evaluation team reserves the right to inspect the proposed site and verify the authenticity of submitted documents.
3. The program of works shall be prepared by the SRA civil engineers as basis for the indicative budget of the sugarcane FMR proposals.
4. All proposals that passed the criteria and have complied with all requirements will be endorsed by SRA to DBM or to any funding entity.

VII. Prioritization

In case several sugarcane FMR proposals that have complied with all criteria and requirements fall within the same level of prioritization, and granting that fund allocation for the mill district is insufficient to finance all proposals, the MDDC or the leading planters organization of the mill district in the absence of a MDDC, shall recommend the final line-up of priority proposals for funding subject to SRA approval taking into consideration the prioritization criteria of item III above.

VIII. Unutilized Allocation for Sugarcane FMR

Sugarcane FMR allocation of a mill district which failed to submit sugarcane FMR proposals after the deadline set by DBM, Congress, Senate or OP and any unutilized funds for sugarcane FMR by the end of June of each budget year shall be given or diverted to the mill district with the lowest allocation but with existing sugarcane FMR proposals that passed the criteria and needs additional funding.

IX. Effectivity

This circular takes effect immediately.

By Authority of the Sugar Board:

MA. REGINA BAUTISTA-MARTIN
Administrator