

# **Improving Agricultural Productivity of Indigent Farmers through the Provision of 4-wheeled Farm Tractors Sierra Bullones, Bohol Comprehensive Project Profile**

## **I. PROJECT DESCRIPTION**

**Project Title : Improving Agricultural Productivity of Indigent Farmers  
through the Provision of 4-wheeled Farm Tractors**

**Project Type : Capital-forming**

**Project Location : Municipality of Sierra Bullones, Bohol**

## **II. PROJECT STATUS : Proposed Project**

## **III. PROJECT BACKGROUND**

### **Project Background and Relevance to the Local Poverty Reduction Action Plan (LPRAP)/Poverty Database and Monitoring System (PDMS)**

The municipality of Sierra Bullones is a town with a vast agricultural area of about 10,000 hectares and a population of 25,499. At present, 35-40% of this area is tilled by the town's indigent farmers. Hand tractors, domestic animals and even manual labor are still the most readily available and affordable for them to use.

The Local Government Unit of Sierra Bullones, headed by its Chief Executive, in its desire to initiate projects in order to continually provide the needed services to its constituents, which could effectively enhance their productivity and income, believes that such a goal can be achieved through the collaborative efforts of the different concerned government offices, and by soliciting funding from Non-Government Organizations and Foreign Funding Agencies.

A lot of indigent local farmers engage in crop production such as cassava, corn, camote and other upland crops. But considering their minimal land area and the cost to prepare the land using draft carabaos, the farmers end up at the losing end. Some of them enter into contracts to grow their products for Private Feeds Producers (corn) and PhilStarch (cassava), yet sustainability is low, because of the very limited number of farm tractors provided by these private companies. If the Local Government could provide 4-wheeled tractors (to be leased out to these farmers), the upland areas cultivated by these farmers should increase.

The Municipality of Sierra Bullones consists of 22 Barangays. The upland area in the municipality that is suitable for corn, cassava and other upland crops is approximately 5000 hectares. Including private agriculture lands, only about 40%

of this area is fully cultivated. If there are 4-wheeled tractors provided for use in land preparation, this idle land will be fully cultivated, thereby increasing the farmers' volume of production and net income.

This Project has a high probability of success due to the following reasons:

1. There are vast tracts of land owned by farmers that need tractor services;
2. The local farmers are very willing to go into crop production; and
3. There are private companies in nearby towns that are willing to serve as marketing outlets of the farmers' produce.

The acquisition of a 4-wheeled tractor is expected to be an effective strategy for speedy farm operation and 100% utilization of the available farm area. This will serve and support National and Provincial Programs for poverty reduction.

Based on the Poverty Database Monitoring System (PDMS), Sierra Bullones has 2,965 households (64.64%) below the income threshold. This proposed project could help reduce the number of households below such threshold.

Municipality of Sierra Bullones

Rank	Barangay	Year	No. of Households	No. of Households below Income Threshold	Percentage of Households below Income Threshold
1	Nanod	2004	185	161	87.03 %
2	Anibongan	2004	120	103	85.83 %
3	Casilay	2004	73	62	84.93 %
4	Lataban	2004	101	82	81.19 %
5	Cantaub	2004	57	46	80.70 %
6	Matinao	2004	268	202	75.37 %
7	Dusita	2004	111	82	73.87 %
8	Cahayag	2004	91	66	72.53 %
9	Danicop	2004	218	153	70.18 %
10	Villa Garcia	2004	219	149	68.04 %
11	San Isidro	2004	273	173	63.37 %
12	San Jose	2004	150	95	63.33 %
13	San Juan	2004	156	97	62.18 %
14	La Union	2004	107	66	61.68 %
15	Bugsoc	2004	459	283	61.66 %
16	Abachanan	2004	439	268	61.05 %
17	Canlangit	2004	259	153	59.07 %
18	San Agustin	2004	182	107	58.79 %
19	Magsaysay	2004	122	70	57.38 %
20	Salvador	2004	319	180	56.43 %
21	Poblacion	2004	492	268	54.47 %
22	Santa Cruz	2004	186	99	53.23 %
	<b>Total</b>		<b>4587</b>	<b>2965</b>	<b>64.64 %</b>

## **Relevance to the Millennium Development Goals (MDGs)**

This proposed project directly addresses Goal 1 of the MDGs, which aims to eradicate extreme poverty and hunger, by providing target beneficiaries with opportunities to achieve self-sufficiency in food, as well as for augmenting household income and lift themselves out of poverty. The impact will be measured by the LPRAP/PDMS, the same software and database used to obtain the deprivation indicators shown in the above table.

## **Project Linkage**

The proposed project will enhance the Food Security Programs of the Provincial and National Governments.

## **Project Objectives**

The project aims to:

- increase agricultural productivity of the beneficiary farmers;
- increase the household income of these same beneficiaries;
- lessen land preparation cost for indigent farmers; and
- improve their standards of living as a result of improved economic conditions.

## **Sectoral Objectives**

The proposed project will bolster agricultural development in the municipality and enable it to be a primary producer in Bohol of basic and high-value crops.

## **Regional and National Objectives**

The proposed project will support the Regional and National goal of Food Security, as well as the Millennium Development Goals.

## **IV. PROJECT FINANCING**

### **Funds Needed**

The Farm Tractor is expected to cost P3 Million.

### **Project Financing**

The Funding Source is to be solicited from interested Local, National and Foreign Funding Agencies.

## Counterpart Funding

The Local Government Unit of Sierra Bullones is willing to provide as its counterpart 10% of the total project amount.

## Financial Viability

### Schedule of Financial Assumptions:

- Purchase Cost of Tractors - P 3M
- Tractor Operation - 8:00 A.M. - 5:00 P.M.  
8 hrs/day; 26 days/month
- Salary/wages - Tractor Operator: P 6,000/month for the first year, to increase by P300.00 every 2 years thereafter.
- 1 Laborer/Timekeeper - P3,000.00/month for the first 3 years and increase of P200.00 for every two years thereafter.
- Minimum Capacity of Tractor - 30 hectares plowed per month 360 hectares plowed per year

YEAR	1	2	3	4	5	6	7
Salary/month	9,000.00	9,000.00	9,000.00	9,500.00	9,500.00	9,500.00	9,800.00
Salary/year	108,000.00	108,000.00	108,000.00	114,000.00	114,000.00	114,000.00	117,600.00

- Service Income - P 4,200.00/ha. in the first two years  
P500.00 increase for every two years thereafter.

YEAR	1	2	3	4	5	6	7
Salary/month	4,200.00	4,200.00	4,700.00	4,700.00	5,200.00	5,200.00	5,700.00
Salary/year	1,512,000.00	1,512,000.00	1,620,000.00	1,620,000.00	1,800,000.00	1,800,000.00	1,800,000.00

- Tractor Fuel at Minimum Capacity - P 1,300 liters/month on the first 3 years. An increase of 100 liters consumption for every 2 years thereafter.

YEAR	1	2	3	4	5	6	7
Fuel Consumption /month	1,300.00	1,300.00	1,300.00	1,400.00	1,400.00	1,500.00	1,500.00
Fuel Consumption / year	15,600.00	15,600.00	15,600.00	16,800.00	16,800.00	18,000.00	18,000.00

### Parts and Repairs

- 1% of the service income on the 1st year and 2nd year. A certain increase for every 2 years thereafter.

YEAR	1	2	3	4	5	6	7
Parts & Repair	1%	1%	2%	2%	4%	4%	5%
Amount	33,600.00	47,040.00	67,200.00	67,200.00	75,600.00	100,800.00	100,800.00

### 8. Lubricants

- 8 liters/month or 96 liters per year at P140.00/liter - An increase of P 10.00 per liter for every 2 years thereafter.

YEAR	1	2	3	4	5	6	7
Liters of Lubricants per year	96	96	96	96	96	96	96
Price per GaL	140.00	140.00	150.00	150.00	160.00	160.00	170.00
Amount	13,440.00	13,440.00	14,400.00	14,400.00	15,680.00	15,680.00	16,600.00

## V. PROJECT BENEFITS AND COSTS

### Beneficiaries

The direct beneficiaries of this project will be the farmers, notably the indigent ones, of the municipality, who will be the priority users of the 4-wheeled tractor. However, farmers from other municipalities may tap the services of the Farm Tractor, on a second-priority basis.

### Social Benefits

Desirable social effects are expected in the lives of the farmers as a result of the maximization of their productivity, such as enhanced living conditions.

### Economic Benefits

The enhanced family income of the farmers will enable them to engage in other livelihood activities such as food processing, swine and poultry raising and other agri-business activities in the barangay due to the availability of capital.

### Social and Economic Costs

There are no perceived untoward social and economic costs for the barangay.

## **VI. PROJECT IMPLEMENTATION**

### **Responsible Agencies**

The responsible agency in the implementation will be the Municipal Agriculture Office of the Municipality, in close coordination with Municipal Planning and Development Office and the Local Chief Executive.

### **Implementation Schedule**

The implementation schedule will commence after the acquisition of the Farm Tractor.

### **Administrative Feasibility**

The general administrative of the project implementation will be the Local Government Unit headed by the Chief Executive through the Municipal Agriculture Office technician and other personnel thereof.

### **Legal and Political Feasibility**

The project is not expected to generate political opposition or any legal impediment to its implementation.

### **Environmental Clearance**

The project does not need environmental clearance since the farm areas to be plowed are existing farm land, within the alienable and disposable area.

### **Social Acceptability**

This proposed project has been a long-time clamor of the different sectors in the community. Its social acceptability is therefore not an issue.

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