



EXTENSION PROGRAM/PROJECT PROPOSAL

Program Title : Agro-enterprise Clustering Approach (AECA) for
Inclusive Vegetable Production and Marketing

Proponents :

Project Leader

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Co-project Leader

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Implementing Unit: Ecological Farm and Resource Management
Institute (Eco-FARMI), Visayas State University

Collaborating Units/Agencies:

Name of Agency:	JOLLIBEE GROUP FOUNDATION INC.
Nature of Involvement:	Partnership
Address:	6/F Jollibee Plaza Building 10/F Ortigas Jr. Ave. Ortigas Center San Antonio Pasig City 1605
Email Address:	

Name of Agency:	CALCOA Coop
Nature of Involvement:	Partnership
Address:	Cabintan, Ormoc City
Contact Number:	
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Development Thematic Area:	Agricultural Science and Technology-based Livelihood/Entrepreneurship
Project Sites:	Cabintan, Ormoc City
Duration:	12 months
Proposed Budget:	Php 311,400.00

I. TECHNICAL INFORMATION

A. Rationale

In many emerging nations, especially in the Philippines, the economic prospects of many rural areas are not getting any better. Although food crop yield has increased significantly, farm households' incomes are often declining over time due to a combination of slow local economic development and rising worldwide market competitiveness. The true cost or worth of most agricultural products has, regrettably, decreased during the past two to three decades. Due to competition from medium-sized to large-scale farms, smallholder farmers are becoming increasingly threatened. As a result, the majority of small farming families are trapped on a production "treadmill", in which many millions of individual farmers use conventional, low-input systems to create the same homogenous commodities. Because of their constant emphasis on increasing production, these farmers are inevitably price takers in the market, which might further deteriorate the state of the market (crs.org).

Thus, Agro-Enterprise Clustering Approach (AECA) is being pushed to improve the competitiveness of farmers' products in local, national, and regional markets, achieve economies of scale through collective action for production and marketing, gain access to business development services that improve access to higher value and/or more competitive markets and provide employment opportunities, add value to products by changing farming practices to access higher-income markets, enhance product quality, and incorporate processing activities, and able to enter new types of business agreements based on forward sales (contract farming) that "lock in" buyers over longer time periods at advantageous rates. This AECA Approach has incorporated basic production, marketing, and business principles in a stepwise process that facilitates production and market engagement. The approach is mainly (1) non-commodity specific, (2) supports a balance between on- and off-farm interventions, and (3) supports collective action, diversification, and "added value" as viable pathways out of poverty.

B. Objectives

This extension project aims the following;

1. To form at least 1 active cluster of small-holder farmers for collective vegetable production and marketing
2. To help small-holder cluster of farmers establish and sustain linkages to institutional buyers

C. Beneficiaries

The target beneficiaries under this extension project are the small-holder farmers

D. Expected Outcome

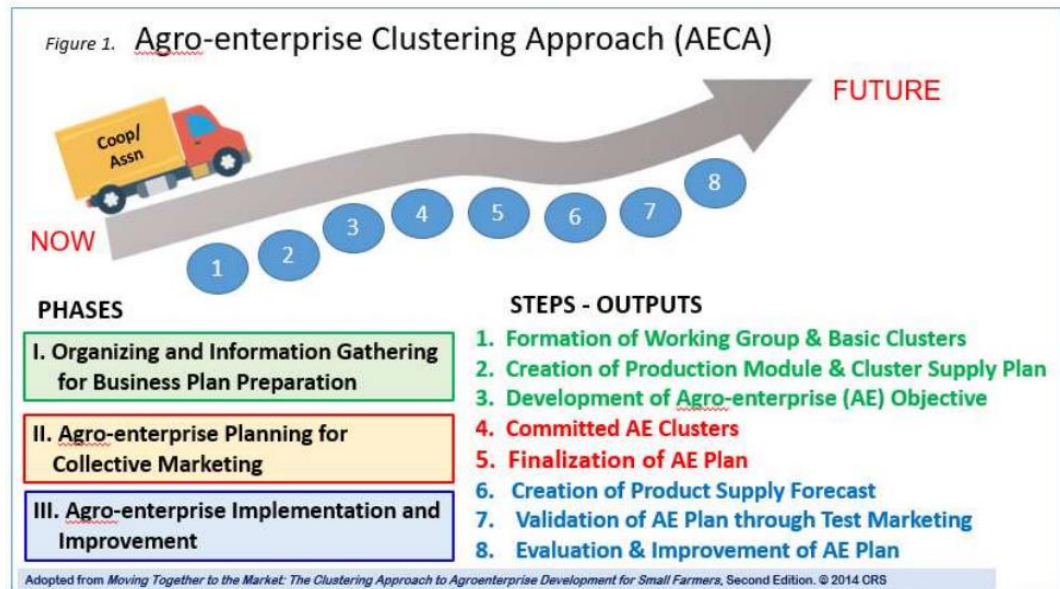
- a. Improve knowledge, skills, and abilities on employing AECA
- b. Increase the number of farmers willing to be clustered for AECA
- c. Increase the income of farmers

E. Potential Impact

1. Another AECA implementation in other areas organized by LGU as an expansion

G. Methodologies/Strategies

The clustering approach is envisioned to be a farmers' journey of learning. It is a sequence of eight (8) steps that a lead or support institution can be used as a guide as the farmers go through group learning and action in farming as a business and in collective marketing (figure 1). Each step in the AECA specifies the activities facilitated by a dedicated extension agent or field staff from a lead institution that works directly with the farmers. The process is sequential so that the results of each step constitute the starting point for the succeeding steps.



1. Formation of Working Group and Basic Cluster Rehabilitation and improvement of farm facilities and production areas
 - It involves Identification, orientation, and securing commitment of stakeholders, Formation and profiling of at least 1 initial cluster (10-15 members per cluster), Identification of cluster officers: cluster leader, production coordinator, postharvest coordinator, secretary, food safety officer, Site appraisal of the farmers and the farming community and formation of study teams: Supply Study Team and Market Study Team
2. Creation of Production Module and Cluster Supply Plan
 - It involves discussion and agreement of priority product for collective marketing, a gathering of information on production practices with cost and profit by the Supply Study Team -Discussion on initial cluster supply plan of product agreed by the farmers -Approval and adoption of the production module and supply plan
3. Development of an Agro-enterprise (AE) Objective
 - It involves market chain mapping, market chain study (market visits and interviews) and price monitoring by the Market Study Team, consolidation of information gathered, comparison and analysis of the market that was interviewed, selection of target market and value chain mapping, and presentation of the AE Objective to the officers and the members

4. Formalization of Committed Clusters

- It involves analysis and approval of the AE Objective, discussion, and signing of committed members on the cluster supply plan, drafting of initial policies and agreements related to production and collective marketing, and presentation of initial policies to the members

5. Finalization of Agro-enterprise (AE) Plan

- It involves drafting of the AE Plan by the study teams and cluster officers presentation of the AE Plan to the members and approval of the AE Plan

6. Creation of Supply Forecast

- It involves regular field monitoring of the field facilitator and the production coordinator, interview with cluster members to update the supply plan, cluster supply plan updating by the production coordinator and field facilitator, and presentation of the supply forecast to officers and working group

7. Validation of Agro-enterprise (AE) Plan through Test Delivery

- Must secure all delivery requirements of the buyer -Secure all packaging and logistics requirements -Consolidation and quality assurance of the product by the postharvest coordinator and cluster officers -Actual delivery to the market

8. Evaluation and Improvement of Agro-enterprise (AE) Plan

- Reporting of the actual delivery to the members and working group, assessment of the test delivery based on the AE Plan, and revision of the AE Plan based on the actual experience must be done

H. Detailed Work Plan Schedule

PROGRAM TIMETABLE OF ACTIVITIES

Activities	Duration	2023								2024					
		M a y	J u n e	J u l y	A u g	S e p	O c t	N o v	D e c	J a n	F e b	M a r	A p r	M a y	J u n e
Assist in the Working group and cluster formation	1 month	/	/												
Assist in the Development of Production Module and Supply plan	1 month		/												
Assist in the Development of AE objective	1 month		/												
Assist in the Finalization of cluster members	1 month		/												
Assist in the Finalization of AE Plan	1 month		/												
Assist in the Supply forecasting and test marketing	1 month		/	/											
Field monitoring	Monthly		/	/	/	/	/	/	/	/	/	/	/	/	/
Capacity-building trainings on agro-entrepreneurship for the LIP and Farmer Group	3x			/											
Assist in Onion Production (Sowing to Harvest)															
A. Nursery and Seedling Prep	2 weeks									/					
Plowing (2X), Harrowing (2X), Bed preparation, Vermicompost, rice hull application															
Seed sowing	1 week									/					
Seedling care - watering, etc.	1 week									/					
B. Land Preparation	2 weeks									/					
Plowing (1st), Harrowing (1st), Plowing (2nd)										/					
Harrowing (2nd), Harrowing (3rd)	1 week									/					
Drainage canals/trenching, Vermicompost & rice hull application	1 week										/				
Watering and herbicide spraying (1st)	1 week										/				
C. Transplanting and Crop Care	1 week										/				
Pulling of seedlings and transplanting	1 week										/				
Herbicide spraying (2nd)	1 week										/				
Herbicide spraying (3rd)	1 week										/				
Weeding (manual)	1 week										/				
Granular fertilizer application (1st)	1 week										/				
Spraying - fertilizer + chemicals (1st)**	1 week											/			
Granular fertilizer application (2nd)	1 week											/			
Spraying - fertilizer + chemicals (2nd)	1 week											/			
Spraying - fertilizer + chemicals (3rd)	1 week											/			
Spraying - fertilizer + chemicals (4th)	1 week												/		
Spraying - fertilizer + chemicals (5th)	1 week												/		
Granular fertilizer application (3rd)	1 week												/		
D. Harvesting and Postharvest Handling	1 week													/	
Harvesting, cutting of leaves, cleaning, sorting and bagging														/	
Hauling (farm to consolidation area)	1 week													/	
Facilitate in Test Marketing (Sampling until Delivery to JFC)															
1. Product sampling	1 week													/	
2. Local market supply testing	1 week													/	
3. Delivery to JFC	1 week													/	
4. Supply commitment to JFC	1 week													/	/

I. Line Item Budget

LINE ITEM	FOUNDATION	LIP (VSU)	TOTAL
Mobilization Grant	PHP 60,000.00	PHP 146,400.00	PHP 206,400.00
Production Grant	PHP 30,000.00	PHP 138,270.24	PHP 168,270.24
Test Marketing Grant	PHP 75,000.00	PHP 0.00	PHP 75,000.00
TOTAL	PHP 165,000.00	PHP 284,670.24	PHP 449,670.24

J. Logical Framework

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
Goal: Increased Farmers income through AECA	*10% increase in income/year	*Impact evaluation report	The project management and LGU commit to support AECA
Purpose: Improved vegetable production and marketing through AECA	*form at least 1 active cluster employing AECA	*Monitoring and evaluation report	*Continued constant monitoring by project implementers *Project fund is released on time
Outcome: Improve knowledge, skills, and abilities on employing AECA	* 1 cluster composed of 10-15 farmers will be trained and adopting AECA	* Terminal reports	* Farmers sustained the adoption of AECA

<p>Increase number of farmers willing to be clustered for AECA</p> <p>Increase income of farmers</p>	<p>* Conducted 5-10 hands-on training on AECA</p> <p>* Conducted 2 cross site visits</p>	<p>*Documentation reports</p> <p>* Quarterly report</p>	
<p>Activities:</p> <ol style="list-style-type: none"> 1. Assist in the Working group and cluster formation 2. Assist in the Development of Production Module and Supply plan 3. Assist in the Development of AE objective 4. Assist in the Finalization of cluster members 5. Assist in the Finalization of AE Plan 6. Assist in the Supply forecasting and test marketing 7. Field monitoring 8. Capacity-building trainings on agro-entrepreneurship for the LIP and Farmer Group 	<p>Inputs:</p> <p>*Training supplies and materials</p> <p>*Trainors/facilitators</p> <p>*Fuel & Oil</p> <p>*Food</p> <p>*TEV (Driver, trainors, facilitators)</p>	<p>Vouchers, acknowledgment receipts, modules of AECA production, photodoc, and progress reports</p>	<p>* Farmers are willing to attend trainings</p> <p>* LGU is willing to support AECA</p> <p>*Farmer are willing to attend cross site visit</p>

References

Shaun Ferris, Elly Kaganzi, Rupert Best, Carlos Ostertag, Mark Lundy, and Tiago Wandschneider. 2008. A Market Facilitator's Guide to Participatory Agroenterprise Development. Reprint edition published by Catholic Relief Services, Baltimore, 2008. ISBN 0-945356-36-6.