

How to Make Entrepreneurs Out of Agrarian Reform Beneficiaries: The Case of the Abaca Production Cum Processing Project in Boac, Marinduque, Philippines

Rolando T. Bello

Institute of Governance and Rural Development, CPAF

Amelia L. Bello

Department of Economics, CEM

University of the Philippines Los Banos

- “Abaca Capital of the World”, 87% of total world abaca fiber production
- US\$ 77 million annually in export earnings
- Employs about 1.5 million Filipinos
- Used for cordage, filter paper, cigarette papers, and currency papers
- Novelty items such as handbags, footwear, baskets, wall coverings, and draperies
- Exports to the USA, UK, Japan, West Germany, et al



- Department of Agrarian Reform (DAR)
- CARP has 3 components which includes delivery of essential support services
- Mandate – to improve the over-all socio-economic well-being of agrarian reform beneficiaries (ARB) by exploiting agricultural opportunities and maximizing the use of their land
- Agrarian Reform Community Connectivity and Economic Support Services (ARCESS)

- Objectives of the paper– describe the entrepreneurial project of the Tanikala sa Pagkakaisa MPC and evaluate the proposed slipper project using a needs assessment framework
- Needs Assessment Framework – identifies nature and scope of social problem, the reasons causing the outcomes, defines the target population, and to determine the services needed
- The Cooperative was organized in 2006 and operates in Boac, Marinduque
- Initial activity was copra trading and lending
- Started with 35 members, now has 111 members

- Share capital of over PhP275 thousand, savings of PhP46 thousand
- Activities – expanded to include abaca production, production of abaca fiber crafts like slippers, scrunch, macrame bags, abaca twine, upland rice production (organic rice)
- The Cooperative has been a recipient of many trainings – silk screening, simple bookkeeping, cooperative management, etc.

- Environmental scan – hilly and mountainous terrain, lengthy, snake-like, earth-gravel roads
- Coconut farming is the main livelihood, monocropping is the usual farming system, households also engage in backyard livestock raising and butterfly culture
- As of 2011, the average annual household income was PhP 143 thousand (US\$3,337), average household size is 5
- Schoolchildren walk 4 km (one way) to go to the nearest elementary and high school

- The proposed project - PhP1.73million (US\$41,161)
- 10 years, production and processing of abaca, expand production from 10 hectares this year to 50 hectares in 2017, to construct a fiber production center, to acquire several equipment, to generate some 50 rural employment opportunities



Constraints

1. Raw materials
2. Power
3. Equipment
4. Market and Product Development
5. Costing
6. Organizational Management