

DevPulse

NEDA Development Advocacy Factsheet

Visit the DevPulse Blog at <http://devpulse-neda.blogspot.com>

Vol. XIII. No. 7 April 15, 2009

Empowering People via Farm-to-Market Roads (FMR)

Farm-to-market roads (FMRs) help spur economic growth by providing easier access to basic social services and market facilities thereby benefiting more Filipinos especially farmers in food producing and hunger-prone areas across the country, according to the Department of Agriculture (DA).

Based on the Medium-Term Philippine Development Plan (MTPDP) 2004-2010, from 2004 to 2007, the government has completed the roll-on-roll-off (RORO) system, one of the government's major FMR infrastructure programs. The completion of the RORO system opened up new economic opportunities by reducing transportation and transaction costs and increasing access to social services.

According to reports from the local government units (LGUs), 31,293 kilometers (kms) of provincial roads and 36,885 kms of municipal/city roads have been paved as of September 2007. These, FMRs have been constructed to cost-effectively link production areas with major roads to the markets.



Mindanao) had the most number of roads built (182 kms at PhP1.38 million) followed by Region II (Cagayan Valley, 136 kms at PhP1.42 million) and CARAGA (133 kms at PhP900 million).

Table 1
Completed Farm-to-Market-Road, 2001-2008

	Km-length	Cost
I	85	670,208,797.78
II	136	1,421,301,798.90
III	81	654,367,373.29
IV-A	73	718,416,916.25
IV-B	48	427,440,683.19
V	89	514,035,074.76
VI	103	692,894,477.36
VII	73	397,915,387.38
VII	74	528,200,061.70
IX	103	356,305,514.10
X	182	1,382,462,249.96
XI	109	644,551,648.42
XII	100	528,622,421.58
CARAGA	133	900,540,670.14
ARMM	35	287,268,925.96
TOTAL	1424	10,124,532,000.77

Source: NEDA Infrastructure Staff

From 2001 to 2008, a total of 1,428 FMR projects with a total length of 1,424 kms costing PhP10.12 billion (Table 1) have been built according to the Department of Agrarian Reform (DAR). Among the regions, Region X (Northern

Empowering Farmers via FMR Infrastructure Development in the Agrarian Reform Communities (ARCs)

Through FMRs, farmers are able to produce more crops and earn more money. The construction and rehabilitation of roads in the agrarian reform communities (ARCs), for example, has opened up opportunities for diversifying incomes and providing more jobs as well.

Through the FMRs, combined with capacity building, agricultural technology and local resource mobilization, these ARCs have increased agricultural production, provided employment, improved household income, and strengthened rural institutions.

In 2007-2008, DAR implemented the following projects worth PhP3.59 billion in ARCs: (a) Agrarian Reform Infrastructure Support Project, Phase II (ARISP II); (b) Agrarian Reform Communities Development Project, Phase II (ARCDP 2); (c) Agrarian Reform Communities Project (ARCP); (d) Community-Managed Agrarian Reform Poverty Reduction Project (CMARPRP); (e) Belgian-Integrated Agrarian Reform

Support Programme, Phases I and II (BIARSP I/II); (f) Belgian-Integrated Agrarian Reform Support Programme, Phase III (BIARSP III); (g) Western Mindanao Community Initiatives Project (WMCIP); (h) Mindanao Sustainable Settlement Area Development Project (MINSSAD); (i) Northern Mindanao Community Initiatives & Resource Management Project (NMCIREMP); and (j) Support to Agrarian Reform Communities in Central Mindanao (STARCM).

Table 2
Completed FMR Projects by DAR, 2007 and 2008

Project	2007			2008			Total		
	No. of Subprojects	Physical Indicator (length in kms)	Cost (in PhP billion)	No. of Subprojects	Physical Indicator (length in kms)	Cost (in PhP billion)	No. of Subprojects	Physical Indicator (length in kms)	Cost (in PhP billion)
ARISP II	23	104	0.36	1	5	0.00	24	109	0.36
ARCDP 2	60	327	0.69	56	267	0.60	116	594	1.29
ARCP	80	324	0.92	2	9	0.09	82	332	1.01
CMARPRP	9	44	0.09	-	-	0.00	9	44	0.09
BIARSP I/II	7	31	0.03	-	-	0.00	7	31	0.03
BIARSP III	34	115	0.12	-	-	0.00	34	115	0.12
WMCIP	4	7	0.01	19	65	0.05	23	72	0.06
MINSSAD	24	77	0.23	27	89	0.22	51	167	0.46
NMCIREMP	12	19	0.03	9	26	0.04	21	45	0.07
STARCM	5	22	0.02	16	76	0.09	21	97	0.11
TOTAL	258	1,069	2.51	130	537	1.08	388	1,606	3.59

These FMR projects resulted in improved living conditions of people living in the ARCs and the agrarian reform barangays (ARBs). It also improved the mobility of people in rural areas as well as their farm produce within and outside these areas. Moreover, decreased transportation costs for both agricultural inputs and outputs has helped farmers obtain access to better market for their produce.

Government Starts PhP5.3 Billion FMR Roads Nationwide in '09

According to the DA, the government in 2009 is building 2,000 kms of FMRs nationwide costing PhP5.3 billion. This will benefit more than 212,000 farmers in food-producing and hunger-prone areas across the country.

The FMR infrastructure development complies with Malacanang's order to government agencies last January to invest in infrastructure projects and lead labor-intensive projects in line with its PhP330-billion Economic Resiliency Program (ERP) that is meant to stimulate the local economy and generate about 1.5 million jobs this year.

More than half of the total length of the FMR roads will be constructed in Central Philippines and the Mindanao Super Region where major food production sites are located. In Central Philippines, 567.6 kms of roads will be built and are expected to benefit 56,760 farmers and create 14,190 new jobs. In Mindanao, 536.94 kms of roads will be built and will have 53,694 direct farmer beneficiaries and will require 13,424 workers.

In the Metro Luzon Urban Beltway, 366.8 kms of roads will be constructed that will link Central Luzon, to help 36,680 farmers and create 9,170 jobs. Meanwhile, the North Luzon Agribusiness Quadrangle will have 420.8 kms. of new FMRs that will benefit 42,080 farmers and generate 10,520

jobs. Another 230.8 kilometers of FMRs will be constructed in other priority areas that will benefit 23,080 farmers and create 5,770 new jobs.

Investing in FMRs via ERP

The government will focus on frontloading spending in infrastructure including FMRs, as part of the ERP according to the National Economic and Development Authority (NEDA). The ERP focuses on hiking government spending in the first half of 2009 to boost the local economy. It will focus on investing not only in infrastructure but also in social protection and increasing capital stock.

According to Socioeconomic Planning Secretary and NEDA Director-General Ralph G. Recto, priorities in infrastructure spending include projects such as repair and rehabilitation of roads, hospitals, bridges and irrigation facilities, school and government buildings. These would allow the country to gear up when the world economy recovers, he added.

"We have to make sure these projects have high labor employment, high local value added, so that there is a multiplier effect among the different industries involved to ensure more jobs are saved, secured and created next year," Recto said.

Secretary Recto said the government is accelerating spending for fast, off-the-shelf infrastructure which has simple engineering requirements and no right-of-way problems. "We are encouraging the government financial institutions, government-owned and controlled corporations, local government units and the private sector to participate in these infrastructure projects," he said.

Sources: data from the NEDA-Infrastructure Staff, Department of Agriculture, Department of Agrarian Reform.