

Republic of the Philippines
Department of Agriculture
FIBER INDUSTRY DEVELOPMENT AUTHORITY
Door 2, SBR Apartment, Fernandez Homesite
Libertad, Butuan City

REGIONAL AGRIBUSINESS INVESTMENT PROFILE

I. General Information

a. Climate

Caraga, with its Type II climate, has no pronounced dry season. Maximum rainfall is around November to March with rainy days ranging from 18-25 days per month. Minimum and maximum temperatures are recorded at an average of 22.4 degrees centigrade and 32.4 degrees centigrade, respectively.

b. Land Resources

1. Land Classification

Forest lands comprised 71.2% of the total land area and 28.8% were alienable and disposable (A&D) land. Of its forestland, 993,000 hectares or 52.7% were established timberlands, representing 9.9% of the country's total, the third largest, following Regions II and XI.

2. Land Use

Agricultural land and open spaces measured about 452,600 hectares which was 23.9% of its land area and 82.7% of the A&D land. Other dominant land uses were forestland at 30.7%, grassland at 9% and shrubland at 5.3%. Agro-industrial and industrial areas cover 3.3% of its total land area.

3. Forest Lands

The Philippine forests may be classified into six (6) broad types according to composition of stands, namely, dipterocarp, molave, pine, mangrove, mossy type and beach. Dipterocarp forest is the biggest source of lumber

supply and its conversion to other uses reflects the ability to maintain enough forest resources for timber production and other environmental benefits. In 1996, dipterocarp forest covered 3.62 million hectares or 22.8% of the total forest area. For Caraga, dipterocarp forest covers stand at 662.8 hectares or 49.4% of region's total forestland. This represents 18.3% of the country's forestland area. Among the provinces, Agusan del Sur and Surigao del Sur had the largest dipterocarp covers at 55.6% and 52.0%, respectively.

4. Swamplands, Rivers and Lakes

There are eighty-four (84) rivers and thirty-three (33) lakes in the region. The Agusan River, Agusan Marshland and Lake Mainit are considered as major ones.

5. Minerals

Metallic and non-metallic mineral deposits are found in the area. Metallic deposits include gold, nickel, chromite, copper and iron, among others. Of these, nickel is the largest, accounting for 9.73% of the country's estimated deposits of bauxite and refractory are also of significant quantities.

c. Boundaries and Topography

The region is characterized by mountainous areas, flat and rolling lands. Mountain ranges divide the Agusan and Surigao provinces and sub-ranges agricultural area of the region lies along the Agusan River Basin. The famous Agusan Marsh also sits in the middle of Agusan del Sur. Among the lakes in the region. Lake Mainit is the widest, covering eight municipalities: Alegria, Tubod, Mainit and Sison in Surigao del Norte and Tubay, Santiago, Jabonga and Kitcharao in Agusan del Norte.

d. Land Area

The region occupies a land area of 1,884,697 hectares, representing 6.3% of the country's total land area and 18.5% of Mindanao.

e. Population Size

The region's 1995 population of 1,942,687 comprised 2.83% of the country's total population. The total number of households was 362,665 which was 2.68% of the Philippine's 13,508,055. Average household size was 5.35 persons per household. Sex ratio was recorded at 103.9 indicating that there were slightly more males than females. Caraga is still one of the most sparsely populated regions in the country, having a population density of 103 persons per square kilometer.

II. Agricultural and Market Information

a. Principal Market Centers

1. RCY Store, Marihatag, Surigao del Sur - Class A Trader
2. Arnulfo Posesano, Mangagoy, Bislig City – Class A Trader
3. Riza Store, Taglatawan, Bayugan, Agusan del Sur – Class A Trader
4. Innovative Trader Multipurpose Cooperative, Ampayon, Butuan City – Class A Trader
5. Al-an Enterprises, Marihatag, Surigao del Sur – Class A Trader
6. Melodio Villocino, Tago, Surigao del Sur – Class A Trader
7. Auxtero Enterprises, Mangagoy, Bislig City – Class A Trader
8. Juniel Abaca Trading, Lucena, Prosperidad, Agusan del Sur – Grading & Baling Establishment (GBE)

III. Support Services

a. Infrastructure

The infrastructure sector will ensure that there are sufficient and well-maintained infrastructure facilities that will strengthen intra- and inter-regional linkages and ensure mobility, flow of goods and access of services. The subsectors under the infrastructure are: Roads and Bridges, Ports and Airports, Irrigation, Power, Telecommunication/ Communication Facilities, Water Supply and Sanitation, Schools and Public Buildings, Flood Control and Drainage and Waste Management.

b. Communication

The region has improved its telecommunication facilities over the past year, especially in the cities of Butuan, Surigao, Cabadbaran, Bayugan and Tandag and the urban towns like Nasipit and San Francisco. There are four (4) TV relay stations in the region and it can be reached by telecast from Cebu and Cagayan de Oro City. The region is serviced by three (3) telephone companies, namely, CRUZTELCO, Bayantel and PHILCOM. Four (4) cellular phone companies also have facilities in the region. Internet providers are also present in the region.

c. Transport

1. Roads and Bridges

The region is connected to the major center of its neighboring regions by the Maharlika Highway that runs from Davao City to Butuan, Cagayan de Oro and Surigao City. The provinces are interlinked with concrete roads, except for Surigao del Sur. Total road length of the region runs to 7,515.596 kilometers. Road density was at 0.3988 as of 1995.

The region had bridges with the combined length of 23,775.49 linear meters. Surigao del Norte and Surigao del Sur had the longest bridge length at 9,288.520 In. m. and 7,853.4 In. m., respectively.

2. Ports and Airports

As the overland gateway to Visayas and Luzon, the region is accessible by sea through the baseport of Nasipit, Agusan del Norte ; Lipata Ferry Terminal in Surigao City; and other terminal ports of Surigao City, Tandag and Bislig. Fast craft ferry services regularly ply Surigao City to Cebu. The region is also serviced by commercial flights to and from Manila and Cebu through the airports of Butuan, Surigao and Tandag.

d. Educational/ Research Institution

The region's literary rate of 93% in 1990 was marginally higher than the national average of 92.57%. Supporting the educational system of the region in 1997 were the 1,478 public and 49

private elementary schools, 110 public and 71 private secondary schools, 26 secondary school annexes and 7 vocational schools.

Participation rate for public elementary schools was 93.65%. For public secondary schools, it registered a lower rate of 56%. The teacher-pupil ratio for both levels were within the standard of one (1) teacher per forty (40) pupils. Cohort survival rates were considered low for both the elementary and secondary levels at 66.23% and 68.93%, respectively. For the school year 1996-97, dropout rate in the secondary level was high, especially in Butuan City (9.5%) and Surigao del Sur (7.8%).

The region has a total of 50 Higher Education Institutions (HEIs) comprising 41 Private Higher Education Institutions, 4 CHED-supervised institutions and 5 State Universities and Colleges.

Technical – vocational education and training in the region is producing 1,942 graduates of various non-degree courses per year. Contributors in the development of the region's middle-level human resource are the 50 technical vocational institutions (including colleges), 2 TESDA training centers, other government agencies, LGUs and NGOs.

e. Banking / Credit

The region has many banks strategically established in various locations in the cities and some big municipalities in the region.

IV. Agribusiness Investment Opportunities

a. Cost and Return Analysis in Establishing a One-Hectare Abaca Farm.

A. Establishment/ Development (First Year)

Particulars	Quantity	Unit	Unit Price	Amount
1. Land Preparation				
-Underbrushing and cutting of unnecessary trees	30	MD*	P150.00	P4,500.00
-Burning and piling of debris	8	MD	P150.00	P1,200.00

2. Planting				
-Lay-outing and shaking	5	MD	P150.00	P750.00
-Distribution of seedpieces, digging of holes and planting	25	MD	P150.00	P3,750.00
-Hauling of seedpieces from the source of the farm site	2,500	Seedpcs	P1.50	
3. Inputs/ Others				
-Seedpieces	2,500	Seedpcs	P5.00	P12,500.00
-Stakes	2,500	Seedpcs.	P0.75	P1,875.00
-Farm tools and equipments				P1,225.00
TOTAL ESTABLISHMENT COST				P29,550.00

MD = Man Days, labor costs varies by location.

B. MAINTENANCE AND OTHER COST (YEAR 1)

Particulars	Quantity	Unit	Unit Price	Amount
1. Labor				
-Underbrushing, ringweeding and removal of dry leaves	75	MD	P150.00	P11,250.00
-Replanting	3	MD	P150.00	P450.00
2. Additional Inputs				
-Seedpieces for replanting	250	Seedpcs	P5.00	P1,250.00
-Fertilizers	12	bags	P600.00	P7,200.00
-Cost of hauling of fertilizers and seedpieces				P675.00
-Application of fertilizer	6	MD	P150.00	P900.00
3. Harvesting Cost				
-Stripping knives				P400.00
-Tuxying knives				P400.00

4. Land Tax				P400.00
TOTAL MAINTENANCE & OTHER COST				P22,925.00

C. MAINTENANCE AND OTHER COST (YEAR 2)

Particulars	Quantity	Unit	Unit Price	Amount
1. Inputs				
-Fertilizers	12	bags	P660.00	P7,920.00
-Cost of hauling of fertilizers and seedpieces				P330.00
-Application of fertilizer	6	MD	P165.00	P990.00
2. Marketing Cost				
-Hauling Cost				P562.50
-Transportation Cost				P120.00
3. Land Tax				P400.00
Total Establishment and Other Cost				P10,322.50

D. MAINTENANCE AND OTHER COST (YEAR 3)

Particulars	Quantity	Unit	Unit Price	Amount
1. Inputs				
-Fertilizers	12	bags	P726.00	P8,712.00
-Cost of hauling of fertilizers and seedpieces				P363.00
-Application of fertilizer	6	MD	P181.50	P1,089.00
2. Marketing Cost				
-Hauling Cost				P1,687.50
-Transportation Cost				P330.00
3. Land Tax				P400.00
Total Maintenance and Other Cost				P12,581.50

E. MAINTENANCE AND OTHER COST (YEAR 4)

Particulars	Quantity	Unit	Unit Price	Amount
1. Inputs				
-Fertilizers	12	bags	P798.60	P9,583.20
-Cost of hauling of fertilizers and seedpieces				P399.30
-Application of fertilizer	6	MD	P199.65	P1,197.90
2. Marketing Cost				
-Hauling Cost				P2,250.00
-Transportation Cost				P450.00
3. Land Tax				P400.00
Total Maintenance and Other Cost				P15,398.51

F. MAINTENANCE AND OTHER COST (YEAR 5)

Particulars	Quantity	Unit	Unit Price	Amount
1. Inputs				
-Fertilizers	12	bags	P878.46	P10,541.52
-Cost of hauling of fertilizers and seedpieces				P439.30
-Application of fertilizer	6	MD	P219.62	P1,317.69
2. Marketing Cost				
-Hauling Cost				P2,250.00
-Transportation Cost				P450.00
3. Land Tax				P400.00
Total Maintenance and Other Cost				P15,398.51

Summary: Cost of Abaca Fiber Production

Particulars	Y1	Y2	Y3	Y4	Y5	Total
Expenses						
Supplies & Materials	23,625	7,920	8,712	9,583	10,542	60,382
Labor	27,225	2,003	3,470	4,297	4,457	41,451
Depreciation Cost	165	165	165	165	165	825
Land Tax	400	400	400	400	400	2,000
TOTAL COSTS	51,415	10,488	12,747	14,445	15,564	104,658
Break-even Cost	n/a	27.97	11.33	9.63	10.38	
Fiber yield/ ha./ yr (in kgs.)	none	750	2,250	3,000	3,000	9,000
(Equivalent share: 50% for the owner)	none	375	1,125	1,500	1,500	4,500
Total Income	-	13,125	39,375	52,500	52,500	157,500
Net Income/ Loss	(51,415)	2,628	26,629	38,055	36,936	52,842
Return on Investment	n/a	20	68	72	70	34

(Assumption Price per Kilogram P35.00)

B. Geographical Flow of Mindanao Abaca Fiber.



C. DIRECTORY OF FIBER INDUSTRY PARTICIPANTS
(Traders, Processors, Grading/Baling Establishment, and Classifiers)

Name of Trader/Establishment	Address	Class	Category
1. Odelon T. Nocete	Manat, Trento, Agusan del Sur	-	Classifier
2. Agumil Fiber Trading	Manat, Trento, Agusan del Sur	C	Trader
3. RCY Store	Marihatag, Surigao del Sur	A	Trader
4. RJB Abaca Trading	Alegria, Surigao del Sur	D	Trader
5. Abarico Store	G. Flores Avenue, Butuan City	D	Trader
6. Jose Mondala	Lucena, Prosperidad, Agusan del Sur	-	Classifier
7. Jaime Singson	Lucena, Prosperidad, Agusan del sur	-	Classifier
8. Del Rosario Abaca Fiber Production	Nasipit, Agusan del Norte	C	Trader
9. Arnulfo Posesano	Mangagoy, Bislig City	A	Trader
10. New Hervic Commercial	Prosperidad, Agusan del Sur	D	Trader
11. Riza Store	Taglatawan, Bayugan, Agusan del Sur	A	Trader
12. Innovative Trader Multi-Purpose Cooperative	Ampayon, Butuan City	A	Trader
13. Alzel Enterprises	Tina, San Miguel, Surigao del Sur	D	Trader
14. Kapunungan sa mga Mag-uuma sa Surigao del Sur (KAMASS)	Marihatag, Surigao del Sur	D	Trader
15. Fibers Trading Inc	Bayugan, Agusan del Sur	3rd	Buying Station
16. Manuel Padonat	San Juan, Bayugan, Agusan del Sur	D	Trader
17. Reynaldo Bao	Anticala, Butuan City	D	Trader
18. MGT Trading	Mangagoy, Bislig City	4th	Buying Station
19. Sibagat Abaca Weavers Association	Sinai, Sibgat, Agusan del Sur	D	Processor
20. Felicidad Espera	Tubotubo, Cagwait, Surigao del Sur	D	Trader

Name of Trader/Establishment	Address	Class	Category
21. Al-an Enterprises	Marihatag, Surigao del Sur	A	Trader
22. Ryan Magallanes	Ampayon, Butuan City	-	Classifier
23. Dodong Abaca Buyer	Post 23, Tabon, Bislig city	C	Trader
24. New Hervic Commercial	Bayugan, Agusan del Sur	C	Trader
25. Melodio Villocino	Tago, Surigao del Sur	A	Trader
26. D Heroes Marketing	Prosperidad, Agusan del Sur	B	Trader
27. Kenn Marketing	Prosperidad, Agusan del Sur	B	Trader
28. Ronel Engroba	Lucena, Prosperidad, Agusan del Sur	-	Classifier
29. Nestor Florida	Sumilihon, Butuan City	-	Classifier
30. Erwin Burgos	San Francisco St. Butuan City	-	Classifier
31. Agusan Christian General Services Corp.	Butuan City	D	Trader
32. San Isidro Upland Farmers Multi-Purpose Cooperative	San Isidro, Santiago Agusan del Norte	D/Coop	Trader
33. Veloso's Abaca Fiber Buy & Sell	Matin-ao, Mainit, Surigao del Norte	D	Trader
34. Kenchen Variety Store	Diatagon, Lianga, Surigao del Norte	D	Trader
35. Celebes Oil Mill	Comagascas, Agusan, Agusan del Norte	4th	Grading & Baling Establishmet (GBE)
36. Kapunungan sa mga Kababayan-an sa Mahaba Para sa Kalambuan (KKMPK)	Mahaba, Cabadbaran, Agusan del Norte	D/coop	Trader
37. Juniel Abaca Trading	Lucena, Prosperidad, Agusan del Sur	4th	Grading & Baling Establishment (GBE)
38. Auxtero Enterprises	Mangagoy, Bislig City	A	Trader
39. TAG Fibers Inc.	Mangagoy, Bislig City	4th	Buying Station (BS)