

## IV. DISCUSSION OF SURVEY RESULTS

### HOUSEHOLD CHARACTERISTICS (Tables 1 - 7)

#### Average Household Size and Membership by Sex

- **The average size of farm households nationwide was 5.07.** About 52 percent of the household members were males. The biggest household size was recorded in ARMM at 5.67 while the smallest was in Central Visayas at 4.80. The average household sizes in CAR, MIMAROPA, Bicol, Eastern Visayas, Northern Mindanao and ARMM were above the national average.

#### Household Heads

##### Age and Educational Attainment

- **Across the country, the average age of household heads was 49 years.** ARMM recorded the youngest group of household heads with an average age of 44 years while Central Visayas recorded the oldest at 53 years.
- **About 16.45 percent of the household heads were elementary school graduates, 14.13 percent were high school graduates and 4.67 percent were college graduates.** Quite a big proportion at 40.38 percent of the household heads had some elementary education. Another 14.13 percent reached high school and 5.17 percent reported to have some college education. Some 2.06 percent took vocational courses and 0.16 percent underwent post graduate studies.
- At the regional level, more than half of the household heads in Central Visayas, Eastern Visayas and Davao Region had some elementary education. On the other hand, 26.20 percent of the household heads in Bicol were elementary school graduates while 25.65 percent in Central Luzon finished high school education.

## Occupation

- **Expectedly, farming was the main occupation of household heads.** About 35.77 percent of household heads were palay farmers; 12.01 percent, corn farmers; 12.44 percent, coconut farmers; and 18.83 percent were engaged in other crops production. Fishing was reported by 5.79 percent of the household heads.
- Few household heads reported to have secondary occupation; these included technicians / associate professionals and businessman / storekeeper. These were gathered from 1.37 percent and 1.10 percent of the household heads, respectively.
- Among regions, more than one-half of household heads in CAR, Ilocos Region, Central Luzon and Western Visayas were palay farmers. About 42.27 percent of household heads in Central Visayas were corn farmers. In ARMM, 30.06 percent of household heads were coconut farmers and 36.52 percent were involved in the production of other agricultural crops.

## Membership in Organizations of Household Heads

- **Nationwide, only 6.33 percent of household heads were members of community development organizations and 4.39 percent, of multi-purpose cooperatives.**
- About 10.31 percent to 18.44 percent of household heads in MIMAROPA, Zamboanga Peninsula and Davao Region were involved in community development organizations. In CAR, almost 10.91 percent of household heads were members of multi-purpose cooperatives while 8.33 percent of household heads in SOCCSKSARGEN were members of service cooperatives.

## Household Members

### Educational Attainment

- **At the national level, 6.65 percent of the household members were elementary school graduates, 9.29 percent were high school graduates and 5.10 percent were college graduates.** There were 33.55 percent of the household members who reached elementary school, 19.83 percent reached high school and 6.96 percent reached college.

- At the regional level, MIMAROPA had the highest percentage of household members who were elementary graduates at 9.19 percent. The lowest was reported in CAR at 3.68 percent.
- Ilocos Region reported the biggest percentage of household members who were high school graduates at 16.39 percent. On the other hand, Davao Region reported the smallest at 4.98 percent.
- Around 7.79 percent of household members in CAR were college graduates while 2.49 percent only was reported in Davao Region.

## Employment

- **Nationwide, 29.83 percent of the household members were employed as farmers, forestry workers and fishermen.** Laborers and unskilled workers were 32.17 percent while service workers and shop and market sales workers were 13.32 percent.
- Less than 1 percent of the household members had secondary job as technician, associate professional, businessman and storekeeper.
- At the regions, majority or 52.08 percent of the household members in CAR and 64.19 percent in ARMM were employed as farmers, forestry workers and fishermen. In Northern Mindanao, 51.11 percent were laborers and unskilled workers.

## Membership in Organizations of Household Members

- **Nationwide, only a small percentage of household members aged 15 years old and above were members in an organization.** Only 7.11 percent were members in community development organization, 2.37 percent in multi-purpose cooperatives and 1.82 percent in credit cooperatives.
- In terms of membership in community development organization, Davao Region showed the highest percentage of household members at 22.70 percent. On the contrary, Central Luzon accounted for 1.43 percent only of the household members. In MIMAROPA, 5 percent of household members belonged to credit cooperatives.

## FARM CHARACTERISTICS (Tables 8 - 13)

### Type of Farm Enterprise

- **At the national level, 93.18 percent of farm households were engaged in crop production, 72.42 percent in livestock and poultry raising, 13.32 percent in capture fishing and aquaculture, 1.89 percent in special agricultural activities and 0.85 percent in home processing of agricultural products.**
- Across regions, more than 90 percent of farm households were into crop farming except those in Central Luzon, MIMAROPA and ARMM. Farm households who were involved in livestock and poultry raising ranged from 42.28 percent in Central Luzon to 91.92 percent in Central Visayas.
- ARMM reported the biggest proportion of farm households at 33.72 percent which were into capture fishing and aquaculture production. The least was recorded in Davao Region with only 4.96 percent of farm households reporting said enterprise.

### Average Farm Size and Number of Parcels Operated by Households

- **The national average farm size operated and managed by households was 1.63 hectares.** The biggest average farm size was noted in ARMM at 2.98 hectares while the smallest was in Ilocos Region at 0.73 hectare.
- Farm households operated and managed an average of 1.66 farm parcels. Among regions, farm households in CAR operated the most number of farm parcels at 2.68 while those in ARMM had the least at 1.27 parcels.

### Farm Parcels by Location and Main Use

- **About 97.56 percent of farm parcels operated by farmers across the country were located within the city/municipality of the farmers' residences.** In Davao Region, all farm parcels operated by farmers were found within the city or municipality of their residences.
- At the national level, 55.15 percent of the farm parcels were planted to temporary crops, 21.35 percent had permanent crops and 21.34 percent

were used as home lots. The remainder were devoted to the production of livestock, poultry, aquaculture and other farm and non-farm enterprises.

- At the regional level, 62.65 percent to 69.23 percent of the farm parcels in CAR, Ilocos Region, Cagayan Valley, Central Luzon, Western and Central Visayas, and SOCCSKSARGEN were cultivated to temporary crops.
- In Davao Region, 50.94 percent of the farm parcels were under permanent crops.

### **Farm Parcels by Tenurial Status**

- **At the national level, 44.13 percent of the farm parcels were fully owned and 23.66 percent were tenanted, having average sizes of 1.08 hectares and 1.03 hectares, respectively.** About 5.55 percent were being leased or rented with an average size of 0.83 hectare. Another 8.88 percent of the farm parcels were classified as rent-free having an average size of 0.56 hectare. Some 13.31 percent of the farm parcels were operated under owner-like possession other than CLT/CLOA while 4.46 were under CLT/CLOA and had average sizes of 0.81 hectare and 0.98 hectare, respectively.
- ARMM reported the highest percentage of farm parcels that were fully owned at 79.46 percent. The smallest was noted in Western Visayas at 27.92 percent.
- Tenanted parcels in Ilocos Region comprised 41.46 percent while ARMM registered the smallest percentage of tenanted parcels at 3.93 percent.
- The highest number of farm parcels with characteristics of owner-like possession other than CLT/CLOA was reported in Central Visayas at 27.29 percent. It was lowest in ARMM at 3.63 percent.
- In Western Visayas, leased/rented farm parcels accounted for 14.55 percent. It was only 2.09 percent in CAR.
- Among fully-owned farm parcels, the biggest size was reported by farmers in ARMM at 2.59 hectares. Ilocos Region reported the smallest at 0.32 hectare.
- Tenanted farms in ARMM recorded an average size of 2.28 hectares while Ilocos Region reported only 0.35 hectare.

- Large parcels of leased/rented farms were prevalent in MIMAROPA and Northern Mindanao with average sizes of 1.72 hectares and 1.71 hectares, respectively.

### **Irrigated Farm Parcels by Source of Irrigation**

- **About 35.69 percent of the irrigated farm parcels in the country were supplied by communal type of irrigation while 34.35 percent had individual sources of water supply. The remainder or 29.96 percent were covered by the National Irrigation Administration (NIA).**
- Among regions, 55.00 percent to 62.20 percent of irrigated farm parcels in CAR, CALABARZON and Caraga used the communal type of irrigation. Around 72.58 percent of farm parcels in Northern Mindanao were dependent in NIA system while 76.80 percent of those in Ilocos Region had their own irrigation system.

### **Average Farm Investments**

- **The biggest farm investments of households were in machineries and transport equipment.**
- The average farm investments of households were P6,258 in machineries and transport equipment, P2,057 in farm buildings and structures, and P1,216 in farm tools, equipment and other supplies, and P83 in fishing gear.
- The survey noted bigger average investments of households in CAR, Ilocos Region, Cagayan Valley and Central Luzon in farm machineries and transport equipment, these ranged from P11,922 to P16,023. Lower investments in farm machineries and transport equipment were reported in Central and Eastern Visayas.
- Investments on farm building and structures was found biggest in CAR at P9,349. Farm households in other regions reported average investments ranging from P448 in Northern Mindanao to P4,434 in Cagayan Valley.
- Average investments of farm households in tools, equipment and other supplies ranged from P389 in Caraga to P3,086 in Central Luzon.

## CROP FARMING (Tables 14 - 16)

### Temporary Crops

- **Close to 60 percent of the farm households in the country planted palay.** About 35.70 percent of households produced corn while 12.18 percent planted cassava. Other crops grown by farmers were sweet potato, stringbeans, eggplant, gabi, tobacco, squash and tomato as reported by some 2.21 percent to 9.50 percent of farm households across the country.
- The survey showed that all farm households in CAR, Ilocos Region and Western Visayas planted palay. On the other hand, 97.23 percent of farm households in Central Visayas cultivated corn. In ARMM, 59.21 percent reported cassava production while 32.56 percent of farmers in Ilocos Region planted tobacco.

### Permanent Crops

- **At the national level, 43.03 percent of farm households were coconut growers; 23.85 percent, banana growers; and 13.52 percent, mango growers.** Other crops grown by some 2.13 percent to 5.78 percent of the farm households were jackfruit, lanzones, santol, coffee, avocado, marang and calamansi.
- Among regions, Eastern Visayas recorded the highest percentage of farm households which were classified as coconut growers at 85.20 percent. Central Luzon had the least at 9.06 percent.
- Central Visayas posted the biggest percentage of banana growers at 38.75 percent. The smallest was Central Luzon at 4.09 percent.
- In ARMM, 35.96 percent of farm households were growing mango, 25.88 percent, marang and 22.81 percent, lanzones.

### **Households Who Use / Sell Crop by-products**

- **By-products from coconuts were commonly used and sold by households.**
- In MIMAROPA, Eastern Visayas, Zamboanga Peninsula and Davao Region, 10.79 percent to 20.80 percent of households used/sold coconut by-products such as broom, charcoal, shells and husk. On the other hand, 9.30 percent of households in Ilocos Region utilized/sold rice straw. Corn by-products were used/sold by 8.65 percent of farm households in Central Visayas and fire wood by 5.47 percent in Davao Region. Other by-products used/sold were banana blossoms, banana leaves and camote leaves.



## **LIVESTOCK AND POULTRY RAISING**

**(Tables 17 - 19)**

### **Households Who Raised Livestock / Poultry**

- **Majority of farm households were into livestock and poultry raising.** There were 82.79 percent which raised livestock while 76.09 percent raised poultry. Across regions, 74.27 percent of farm households in Western Visayas and 90.48 percent in Davao Region were into livestock raising. On the other hand, about 59.54 percent of households in CALABARZON and 91.58 percent in Central Visayas were engaged in poultry raising.

### **Households Raising Livestock by Type and Purpose**

- **Hogs were the common livestock raised by households nationwide.** About 52.92 percent of households raised hogs on backyard scale, 10.81 percent for subsistence and 2.50 percent on commercial scale.
- Carabao raising for subsistence was reported by 33.64 percent of households. Only 6.80 percent of households raised carabao as backyard enterprise and 0.37 percent as commercial enterprise.
- Cattle and goat were raised mostly on backyard scale as reported by 23.42 percent and 13.53 percent of households, respectively. Only 2.81 percent raised cattle and 2.01 percent raised goat for subsistence while less than 1 percent raised these types of livestock on commercial scale.

### **Households Raising Poultry by Type and Purpose**

- **More farm households raised native chicken than other types of poultry.** This was reported by 52.20 percent of households which grow chicken on backyard scale, 31.06 percent for subsistence and by 1.11 percent on commercial scale.
- Other types of poultry raised by the households were chicken layer, by 8.94 percent; broiler, by 3.49 percent; mallard, by 7.86 percent; and muscovy, by 2.72 percent. Different types of poultry such as game fowl, pigeon, dove, lovebirds, quail and turkey were raised by 4.68 percent of households.

- At the regional level, farm households which raised native chicken as backyard farming ranged from 30.25 percent in SOCCSKSARGEN to 79.73 percent in ARMM. Households that raised it for subsistence ranged from 12.16 percent in ARMM to 54.13 percent in Central Luzon.

## **CAPTURE FISHING AND AQUACULTURE**

**(Tables 20 - 23)**

### **Households Engaged in Capture Fishing**

- **Among the farm households engaged in capture fishing nationwide, 64.81 percent were in marine fishing, 31.71 percent in inland fishing and 16.27 percent in gathering of shells, aquarium fish, etc.**
- The survey noted that of farm households involved in capture fishing, 100 percent in Central Visayas, Eastern Visayas and Davao Region were into marine fishing. There were 95.65 percent in CALABARZON and 89.47 percent in CAR which were engaged in inland fishing. In Central Visayas, 43.33 percent were involved in gathering of shells, aquarium fish, etc.

### **Capture Fishing as Main Source of Income**

- **About 51.46 percent of farm households engaged in capture fishing nationwide considered it as their main source of income.** In Caraga, 80 percent of households engaged in capture fishing were mainly dependent on this activity. On the other hand, Cagayan Valley recorded the smallest proportion of households at 28.07 percent reporting capture fishing as main source of income.

### **Peak Months of Fishing**

- **The peak fishing months were from March to May as reported by 20.58 percent to 27.68 percent of farm households nationwide.**
- Peak fishing months in Central Visayas were April and May with 66.67 percent and 60.00 percent of farm households reporting, respectively. In Davao Region, 57.14 percent of farm households reported the month of May as their peak fishing month. On the other hand, the peak fishing months in CAR were March and April with 55.26 percent each of farm households reporting.

## Households Engaged in Aquaculture

- **Of the farm households engaged in aquaculture nationwide, 15.24 percent were into fishpond operation and 13.73 percent into seaweed farming.** In Cagayan Valley, 41.67 percent were engaged in fishpond operation. On the other hand, 70.59 percent of farm households in Zamboanga Peninsula and 73.53 percent in ARMM were engaged in seaweed farming. Other types of aquafarm operated by farm households were fishpen in MIMAROPA, fishcage in Caraga and hatchery in Davao Region.

**SPECIAL AGRICULTURAL ACTIVITIES AND HOME PROCESSING OF AGRICULTURAL PRODUCTS**  
(Table 24)

- **Few farm households were engaged in special agricultural activities and home processing of agricultural products.** Less than a percent each was reported to be into cutflower production and ornamental gardening and handicrafts making. There were 1.06 percent of the farm households which were involved in activities such as honey and bee wax making, and mushroom and tuba gathering. Again, less than a percent reported home processing of cereal-based products, fishery products, meat products and other products such as ice cream and pili nut candies.
- In CALABARZON, about 2 to 6 percent of the farm households reported cutflowers and ornamental gardening and handicrafts making. Other special agricultural activities were reported by 4.71 percent and 4.25 percent of households in Central and Eastern Visayas, respectively.
- In Eastern Visayas, 1.49 percent of farm households processed cereal-based products while in Western Visayas, 1.35 percent processed fishery products. Meat processing was undertaken by 0.24 percent of farm households in Bicol and by 0.22 percent in Western Visayas.

## CULTURAL MANAGEMENT

(Tables 25 - 28)

### Households Using High Yielding Variety of Seeds

- **Across the country, 50.68 percent of farmers used high yielding variety (HYV) of seeds for palay, 50.00 percent for permanent crops, 41.26 percent for corn and 17.24 percent for other temporary crops.**
- By region, Central Luzon recorded the highest proportion of HYV users for palay and corn at 74.71 percent and 92.31 percent of farmers reporting, respectively. ARMM registered the lowest proportion of HYV users for palay at 13.38 percent while Eastern Visayas had the lowest proportion using HYV seeds for corn at 15.00 percent.
- In Central Luzon, CALABARZON and Davao Region, all farmers reported to be using HYV for permanent crops. The same was true for temporary crops in MIMAROPA and Western Visayas.

### Source of Seeds Used for Palay and Corn Farms

- **Majority of farmers nationwide produced their own seeds.** This was reported by 66.71 percent of palay farmers and by 58.74 percent of corn farmers. Some 23.32 percent of palay farmers purchased their seeds while 9.97 percent got their seeds from other sources such as relatives, co-farmers, etc. On the other hand, 32.28 percent of corn farmers purchased their seeds and 8.98 percent got their corn seeds from other sources.
- In Ilocos Region, 84.77 percent of palay farmers produced their own seeds while in Cagayan Valley, 39.26 percent of farmers purchased seeds.
- In Central Visayas, 77.55 percent of corn farmers and in Davao Region, 77.86 percent produced their own seeds. On the other hand, 85.43 percent of corn farmers in Cagayan Valley purchased their seeds.

## **Inorganic Fertilizers Used**

- **Among palay farmers in the country, 55.56 percent applied urea and 40.63 percent also applied various types of inorganic fertilizers.** Some 18.17 percent also used ammonium phosphate; 12.40 percent, complete fertilizer; and 1.85 percent, potassium chloride.
- Central Luzon was found to have the most farmers using urea at 81.90 percent. In ARMM, only 16.56 percent of palay farmers used urea.
- About 42.80 percent of corn farmers in the country applied urea and 33.29 percent applied other types of inorganic fertilizers. Specifically, 20.43 percent of farmers also applied ammonium phosphate; 9.65 percent, complete fertilizer; and 0.80 percent, potassium chloride.
- In SOCCSKSARGEN, 85.59 percent applied urea. In Eastern Visayas, only 2.50 percent reportedly used urea.
- Application of potassium chloride was reported in Western Visayas, Zamboanga Peninsula, Northern Mindanao, SOCCSKSARGEN and ARMM. The survey respondents in Central Luzon, CALABARZON and Central Visayas did not report the application of ammonium phosphate.

## **Type of Pesticides and Chemicals Applied**

- **In palay farms, insecticides and weedicides/herbicides were the major pesticides applied by most farmers.** Around 60.34 percent of palay farmers nationwide applied insecticides and 33.16 percent applied weedicides/herbicides in their farms. Across regions, Central Luzon had the biggest proportion of farmers at 85.63 percent who applied insecticides while SOCCSKSARGEN had the biggest proportion at 60.12 percent who applied weedicides/herbicides. On the other hand, Central Visayas recorded the least proportion of farmers using insecticides and weedicides/herbicides at 16.36 percent and 1.21 percent of farmers reporting, respectively.
- **In corn farms, 11.86 percent of farmers nationwide applied insecticides and 5.29 percent applied weedicides/herbicides.** Among regions, Central Luzon reported the biggest percentage of corn farmers at 92.31 percent who applied insecticides. The least proportion was in Central Visayas where only 1.02 percent of farmers used insecticides. Application of weedicides/herbicides was not reported in CALABARZON, MIMAROPA, Bicol, Visayas regions, Zamboanga Peninsula, ARMM and Caraga.

## MARKETING INFORMATION

(Tables 29 - 30)

### Factors Influencing the Valuation of Produce

- **Majority of farm households nationwide were influenced by traders, farmers' need for money, quality of produce and co-farmers in the valuation of their output.**
- Other contributing factors in the pricing decisions of farm households were market information, 49.19 percent; conditions in food market, 45.12 percent; quantity harvested, 42.25 percent; radio and other media, 36.10 percent; agricultural technicians, 29.45 percent; and local government units, 28.13 percent.
- Cagayan Valley had the biggest proportions of households at 50.51 percent to 80.34 percent reporting all the above factors, except traders.
- In Davao Region, 90.07 percent were influenced by traders in the valuation of their produce. This was reported by 34.72 percent in Caraga.
- Farm households in Central Visayas were the least influenced by agricultural technicians, quality of produce, quantity harvested and market information in their valuation of produce with only 13.13 percent to 27.95 percent of households reporting.
- In Caraga, need for money and conditions in food market were reported by 22 to 29 percent of the farm households.
- Northern Mindanao farmers were apparently the least affected by local government units in determining the value of their produce with only 14.17 percent of households reporting.



## Procedure in Selling Produce

- **About 56.39 percent of farm households nationwide brought their produce to traders or buying stations.** However, 35.08 percent of households asked or waited for traders/buyers to come to the farm. Households comprising 5.06 percent stored their produce and waited for better price. About 2.28 percent of households waited for other farmers to sell their produce and joined them while 1.19 percent asked commission agents to look for buyers.
- Across regions, majority of households brought their produce to traders or buying stations except Central Luzon and Ilocos Region. In Central Luzon, 50.58 percent of farmers asked or waited for traders/buyers to come to farm. In Ilocos Region, 41.08 percent of households delivered their produce to traders or buying stations and another 36.54 percent asked or waited for traders/buyers to come to the farm.
- The biggest proportions of households which stored their produce for better prices were reported in Ilocos Region at 18.98 percent, Central Luzon at 11.19 percent and Cagayan Valley at 10.00 percent.

## **PARTICIPATION IN GOVERNMENT PROGRAMS**

**(Tables 31 - 32)**

### **Awareness of Farm Households on Government Programs**

- **At the national level, 59.57 of households were aware of government programs in crop farming. Government programs on livestock and poultry raising was known by 15.84 percent. Awareness of programs on capture fishing and aquaculture was least at 4.91 percent of households.**
- At the regional level, awareness of households on programs in crop farming was highest in Ilocos Region and Cagayan Valley at 81.53 percent and 81.69 percent of households, respectively. On the other hand, awareness was lowest in Caraga at 37.74 percent.
- Familiarity of households on government programs in livestock and poultry raising was highest in Central Visayas at 27.61 percent and lowest in Central Luzon at 7.60 percent.
- Awareness on government programs in capture fishing and aquaculture was highest in ARMM at 15.33 percent and lowest in Davao Region at 0.35 percent.

### **Farm Households as Recipients of Government Programs**

#### **Crop Farming**

- **Among crop farming households nationwide, 6.28 percent were recipients of government programs on crop management and 2.07 percent on input subsidy.**
- At the regional level, Cagayan Valley recorded bigger proportions of farmers at 15.28 percent who received government programs on crop management and 8.74 percent on input subsidy. However, farmers in ARMM did not reportedly receive any benefits on crop farming programs of the government.

## **Livestock and Poultry Raising**

- **At the national level, 4.91 percent of farming households were recipients of animal dispersal program of the government.** About 1.99 percent benefited from production programs such as nutrition, vaccination and deworming while 0.38 percent benefited from artificial insemination program.
- In Eastern Visayas, 13.24 percent of farm households were recipients of animal dispersal program while in Cagayan Valley, 7.48 percent benefited from production programs.

## **Capture Fishing and Aquaculture**

- **Nationwide, 5.46 percent of farming households benefited from development programs of the government.** In MIMAROPA and Northern Mindanao, 14.71 percent and 16.13 percent of farm households, respectively, reported to have benefited from the programs of the government.
- Government extension program on tilapia culture was reported in CAR by 33.33 percent of farm households; Ilocos Region, 16.67 percent; and Cagayan Valley, 40.00 percent.
- Provision of fish cages was extended to 2.17 percent to 14.29 percent of farm households in CAR, Bicol, SOCCSKSARGEN and Caraga. On the other hand, credit assistance was provided to 3.23 percent of farm households in Northern Mindanao.

## CREDIT INFORMATION

### (Tables 33 - 45)

#### Availment of Loan

- **The survey found that 77.05 percent of the farm households nationwide did not borrow money.** Among those who borrowed, 22.34 percent availed of loans worth less than P100,000, 0.59 percent got P100,000 to P599,000 and only 0.02 percent received P600,000 and above.
- Big proportions of households which borrowed money worth less than P100,000 were reported in Cagayan Valley and SOCCSKSARGEN at 58.64 percent and 49.24 percent, respectively. The smallest proportion was recorded in ARMM at 3.45 percent.
- There was 0.32 percent of farm households in Ilocos Region which availed of loans amounting to P600,000 and above.

#### Loans by Purpose

- **Some 52.32 percent of farm households in the country availed of loans for agricultural production purposes.**
- SOCCSKSARGEN and Cagayan Valley posted the highest proportion of households which obtained loans for agricultural production such as crop and livestock and poultry raising at 78.46 percent and 78.42 percent reporting, respectively. The lowest percentage was reported by households in Bicol at 19.05 percent.

#### Use of Collateral

- **At the national level, 88.22 percent of the farm households obtained loans without collateral.** The rest put up collateral to obtain loans.
- In Zamboanga Peninsula, 32.65 percent obtained loans with collateral.
- It was noted that all farm household-borrowers in ARMM did not put up any collateral for their loans.

## Use of Guarantor

- **Majority of households obtained loans without guarantor.**
- About 90.22 percent of the borrowers did not have guarantors.
- Among regions, ARMM recorded the highest proportion of households which needed guarantor at 33.33 percent. It was lowest in Cagayan Valley at 2.63 percent.

## Loan by Type of Amortization

- **There were 84.53 percent of the farm household-borrowers who amortized their payments in cash. Some 11.46 percent amortized in-kind and the rest paid through both in cash and in-kind.**
- At the regional level, 66.39 percent of borrowers in Central Luzon and 97.14 percent in CALABARZON paid their amortizations in cash.
- Central Luzon reported the highest proportion of borrowers who paid their amortization in kind at 24.37 percent, as well as in cash and in kind at 9.24 percent.

## Actual Usage of Loans

- **About half of the farm households around the country used their loans for agricultural production.** More than 10 percent of the households utilized their loans for education, business and other purposes. The rest of the households used it for emergency, house construction/repairs and payment for other loans.
- More than 60 percent of households each from Ilocos, Cagayan Valley, Central Luzon and SOCCSKSARGEN used their loans for agricultural production. About 26 percent of households in Central Visayas and 22 percent in CALABARZON utilized the proceeds of their loans for business while 16 percent of households in Bicol used their loans for house constructions and repairs.

## **Diversion in the Use of Loans**

- **It was found that 3.87 percent of borrowers diverted the use of the proceeds of loans to buy basic necessities. There were 1.38 percent who invested in non-farm business, 0.74 percent used loan proceeds for emergency needs and some 0.37 percent utilized loan proceeds for other purposes such as purchase of school supplies, clothes and food preparations during special occasions, etc.**
- In Zamboanga Peninsula, 27.91 percent of the borrowers and in ARMM, 11.11 percent used their loan proceeds in buying basic necessities. Meanwhile, 6.35 percent of the borrowers in Northern Mindanao used their loans in investing business.

## **Loans Covered by Contract**

- **Around 42.47 percent of farm household-borrowers nationwide had their loans covered by contract.** This condition was reported by 16.92 percent of household-borrowers in SOCCSKSARGEN to 78.26 percent in Caraga.

## **Payment of Amortization on Time**

- **Majority of farmers in all regions paid amortization on time.** This was reported by 74.21 percent of farm household-borrowers in Cagayan Valley to 94.74 percent in Central Visayas.

## **Period of Loan Repayment**

- **More than half (54.07 percent) of farm household-borrowers paid their loan amortizations in less than 6 months while 27.04 percent amortized their loans within 6 months to one year period.** About 18.89 percent repaid their loans for more than a year.
- Among regions, SOCCSKSARGEN and Davao Region had the biggest proportions of farm household-borrowers who amortized in less than 6 months at 85.07 percent and 73.08 percent, respectively. It was smallest in Bicol at 27.08 percent.
- In CALABARZON, Bicol, Central Visayas and ARMM, around 40.32 percent to 44.44 percent of borrowers repaid their loans within 6 months to one year period. No farm household-borrower in ARMM paid back their loans for more than one year.

## Frequency of Payment

- **Daily amortization was reported by 44.82 percent of farm household-borrowers across the country.** However, 29.25 percent had irregular/indefinite period of payment and 12.65 percent paid loans after harvests. Payments in weekly, bi-weekly, monthly, quarterly and semi-annually were observed by 0.87 percent to 5.22 percent of the farm household-borrowers.
- From 56.25 percent to 78.85 percent of farm household-borrowers in CAR, Ilocos Region, Bicol, Zamboanga Peninsula, Northern Mindanao and Caraga paid amortizations daily. However, 57.58 percent of farm household-borrowers in Cagayan Valley and 52.59 percent in Central Luzon reported irregular payments.

## Material Inputs Obtained on Credit

### Palay

- **Of the total value of planting materials used in palay farming nationwide, 1.76 percent were obtained on credit with 63.38 percent of farm household-borrowers obtaining credit from informal sources and 36.62 percent from formal lending institutions.**
- Among regions, the value of planting materials obtained on credit ranged from zero percent in ARMM to 6.77 percent in SOCCSKSARGEN.
- All borrowers in CALABARZON, MIMAROPA, Central Visayas, Zamboanga Peninsula and Davao Region obtained credit from informal sources. On the other hand, farm households in Northern Mindanao sourced credit only from formal lending institutions only.
- Of the total value of inorganic fertilizers used nationwide, 7.67 percent were covered by credit. About 69.01 percent of borrowers acquired credit from informal sources and 30.99 percent from formal lending institutions.
- Among regions, 21.59 percent of inorganic fertilizers used in SOCCSKSARGEN were on credit whereas none was reported in Caraga.
- All farm household-borrowers in CALABARZON, Central and Eastern Visayas, and ARMM obtained credit from informal sources.

- Of the total value of pesticides and chemicals used nationwide, 5.23 percent was covered by credit with 28.04 percent of borrowers resorting to formal lending institutions and 71.96 percent from informal sources.
- In SOCCSKSARGEN, 19.29 percent of the value of pesticides and chemicals used were on credit. However, households in Central Visayas did not avail these inputs on credit.
- All farm household-borrowers in CALABARZON, MIMAROPA, Northern Mindanao and ARMM acquired credit from informal sources.

## Corn

- **Nationwide, 6.19 percent of the value of corn planting materials used was covered by credit.** Informal lending institutions were the sources of 51.64 percent of farm household-borrowers.
- It was noted that 23.70 percent to 26.53 percent of the value of planting materials used in corn farms in SOCCSKSARGEN and Cagayan Valley were on credit. On the other hand, corn farmers in CALABARZON, MIMAROPA, Bicol, Western Visayas and Eastern Visayas did not avail of planting materials on credit.
- Of the total value of inorganic fertilizers used nationwide, 7.96 percent were covered by credit. Informal lending institutions were the sources of 61.68 percent of the farm household-borrowers. The rest went to formal lending institutions for this purpose.
- About 26.84 percent and 32.09 percent of the value of inorganic fertilizers used in corn farms in Cagayan Valley and SOCCSKSARGEN, respectively, were covered by credit. On the other hand, MIMAROPA and Eastern Visayas did not avail of credit.
- Households in Central Luzon, CALABARZON, Davao Region and ARMM obtained credit through informal sources. Meanwhile, those in Bicol obtained credit from formal lending institutions.
- Of the total value of pesticides and chemicals used nationwide, 2.48 percent was on credit. Majority or 80.39 percent of the farm household-borrowers acquired loans from informal sources.



## HOUSEHOLD INCOME (Tables 46 - 48)

### Average Annual Income of Households by Source, July 2002 – June 2003

- Farm households across the country registered an average annual income of P106,181. Income derived from farming accounted for 54.27 percent, non-farm income contributed 29.56 percent, off-farm income shared 6.37 percent. The remaining 9.80 percent came from other sources such as pensions, remittances from abroad, donations, contributions, etc.
- At the regional level, average annual income of farm households ranged from P72,177 in Central Visayas to P158,130 in Central Luzon. In all regions, the biggest portions of farm household income came from farming except in Central Visayas where the biggest contribution was income derived from non-farming activities.
- The percentage contribution of farm income to total income of farm households ranged from 38.90 percent in Central Visayas to 68.36 percent in Davao Region. Non-farm income contributed at least 16.43 percent in ARMM to 43.02 percent in Central Visayas. Off-farm income contributed at least 3.67 percent in Ilocos Region to 13.15 percent in ARMM.
- Income from other sources shared at least 5.26 percent to total income in SOCCSKSARGEN to 22.49 percent in Ilocos Region.

### Percentage Distribution of Farm Income by Enterprise

- About 73.21 percent of farm income during July 2002 – June 2003 were derived from crop production, 13.82 percent from livestock and poultry raising and 12.05 percent from capture fishing and aquaculture. Other sources of income such as special agricultural activities and home processing of agricultural products accounted for 0.92 percent.
- At the regional level, income from crop farming contributed at least 52.39 percent to total farm income in Central Visayas to at least 88.95 percent in Davao Region.

- Contribution of livestock and poultry raising to total farm income of households averaged from 7.26 percent in ARMM to 33.28 percent in Central Visayas.
- Capture fishing and aquaculture shared 0.38 percent of farm income in CAR to 33.26 percent in Zamboanga Peninsula.

### Percentage Distribution of Income from Crop Farming

- **Of the income from crop farming during July 2002 – June 2003, 47.49 percent was from palay production, 18.65 percent from other permanent crops, 11.84 percent from corn production, 11.35 percent from coconut and 10.05 percent from other temporary crops.** The remaining 0.62 percent came from crop by-products such as banana blossoms, charcoal, corn husk, firewood, rice straw, etc.
- The percentage contribution of income from palay production to total income derived from crop farming was highest in Central Luzon at 87.20 percent and lowest in ARMM at 14.20 percent.
- The share of corn production to total crop farming income was higher in Northern Mindanao at 41.11 percent and in Cagayan Valley at 36.60 percent. In other regions, percentage contributions ranged from 0.40 percent in MIMAROPA to 23.12 percent in Central Visayas.
- Contributions of income from other temporary crops to total farm income from crop farming were high in CAR, CALABARZON and Central Visayas at 43.24 percent, 26.23 percent and 23.76 percent, respectively. In other regions, these ranged from 2.08 percent in Davao Region to 15.61 percent in ARMM.
- Shares of income from coconut production were high in Eastern Visayas at 42.80 percent, in ARMM at 34.06 percent and in Bicol at 27.14 percent.
- In Davao Region, income from other permanent crops accounted for 62.98 percent of the average household income derived from crop farming. In other regions, it ranged from 2.71 percent in Central Luzon to 33.64 percent in Ilocos Region.

## **INCOME AND EXPENSES OF FARM HOUSEHOLDS BY ENTERPRISE (Tables 49 - 54)**

### **Farm Households Engaged in Crop Farming**

- **The national average gross income of farm households engaged in crop production during July 2002 – June 2003 amounted to P45,280. Production expenses averaged P27,268 and were distributed as follows; 31.07 percent, cash outlays; 49.26 percent, non-cash costs; and 19.67 percent, imputed costs.**
- Farm households registered average receipts of P36,807 after deducting cash costs from gross income while net income averaged P18,012.
- At the regional level, average gross income of farm households ranged from P15,113 in Central Visayas to P76,485 in SOCCSKSARGEN.
- On the other hand, production expenses incurred by farm households ranged from P10,406 in Central Visayas to P50,830 in SOCCSKSARGEN. Cash outlays averaged P2,228 in Central Visayas to P18,428 in Davao Region.
- Returns above cash costs averaged P12,885 in Central Visayas to P64,776 in SOCCSKSARGEN. Net income averaged P4,495 in Bicol to P35,459 in Cagayan Valley.

### **Farm Households Engaged in Livestock and Poultry Raising**

- **The average national gross income of farm households engaged in livestock and poultry raising during July 2002 – June 2003 was P11,010. Costs of production amounted to P9,608. Cash outlays accounted for 58.43 percent of all costs or P5,614 and P3,994 were imputed costs.**
- Returns above cash costs averaged P5,396. Farm households netted P1,402.
- Across regions, average gross income of farm households was highest in Central Luzon at P35,383. It was lowest in ARMM at P5,594.
- Average costs of production were found highest in CALABARZON at P31,294 and lowest in ARMM at P3,832.

- Average returns above cash costs were biggest in Central Luzon at P16,053 and smallest in Caraga at P2,979.
- Net income of farm households were likewise highest in Central Luzon averaging P6,702 and smallest in Caraga at P458.
- A big part of the total production expenses was in the form of cash outlays. However, in CAR, Northern Mindanao, Davao Region and ARMM, cash outlays accounted for 43.67 percent to 48.70 percent.

### **Farm Households Engaged in Capture Fishing and Aquaculture**

- **The average national gross income of farm households engaged in capture fishing and aquaculture during July 2002 – June 2003 amounted to P45,878. Production expenses totalled P21,974. Cash outlays at 43.68 percent of all costs were the biggest cost component. Non-cash expenses accounted for 36.31 percent while imputed costs shared 20.01 percent.**
- When cash outlays were deducted from gross income, farm households were found to have recorded returns of P35,402. Average net income settled at P21,896.
- At the regional level, average gross incomes of farm households were highest in MIMAROPA and Zamboanga Peninsula at P114,772 and P107,052, respectively. It was lowest in CAR at P1,706.
- Production expenses averaged P38,644 in MIMAROPA. Cash outlays accounted for 46 percent of all costs while non-cash and imputed costs shared 41 percent and 13 percent, respectively.
- In Zamboanga Peninsula, production expenses averaged P50,543. Of this amount, 35.82 percent were cash outlays; 55.09 percent, non-cash; and 9.09 percent, imputed costs.
- High returns above cash costs were recorded by farm households in MIMAROPA and in Zamboanga Peninsula at P96,996 and P88,947, respectively.
- The average net incomes of farm households were high at P76,128 in MIMAROPA and P56,509 in Zamboanga Peninsula.
- Average net income of farm households in CAR was lowest among regions at P161.

## HOUSEHOLD EXPENDITURES (Tables 55 - 59)

### Average Annual Household Expenditures

- **At the national level, the average annual household expenditures on food during July 2002 – June 2003 amounted to P40,187. Recurring and non-recurring expenses averaged P9,726 and P12,629, respectively.**
- Farm households in CAR, Ilocos Region, Cagayan Valley and Central Luzon spent more than P50,000 annually for food. The rest of the regions spent P30,458 to P44,901 yearly.
- Central Luzon reported the biggest average annual amount of recurring expenses at P17,921 whereas Caraga registered the smallest at P4,941.
- For non-recurring expenses, Ilocos Region recorded the biggest average amount spent at P21,533 annually. It was smallest in Northern Mindanao at P5,630.

### Household Expenditures on Food

- **At the national level, cereals accounted for the biggest share in food expenditure of households at 30.10 percent.** This was followed by meat and meat preparations at 19.82 percent while fish and marine products accounted for 15.58 percent. The remainder was distributed among other food and food preparations such as dairy and eggs, cereal based products, vegetables and spices, etc., 23.51 percent; and, tobacco and beverages, 10.99 percent.
- In all regions in Visayas and Mindanao except ARMM, and in MIMAROPA in Luzon, the shares of household expenditures for cereals exceeded that of the national level.
- In the case of the percentage share in food expenditures on meat and meat preparations, the levels in all regions in Visayas and Mindanao, including MIMAROPA and Bicol in Luzon, were below the annual average.
- Percentage shares in food expenditures of fish and marine products in Luzon except CALABARZON, MIMAROPA and Bicol, and in Northern Mindanao were below the national average.

## **Distribution of Households and Average Expenditures on Food by Type of Occasion**

- **At the national level, bigger proportion of households spent on food during Christmas at 74.61 percent and during New Year at 74.44 percent.** Smaller proportions prepared food during fiestas and other occasions with 58.44 percent and 43.03 percent of households reporting, respectively.
- Average costs of food preparations were higher during fiestas at P2,668 and during other occasions at P1,645. It was lower during Christmas and New Year at P848 and P837, respectively.
- At the regional level, more than P1,000 were spent during Christmas by 80.53 percent of households in CAR, 80.52 percent in Central Luzon, 77.08 percent in CALABARZON, and 74.16 percent in Western Visayas.
- During New Year, an average of P1,294 was spent by 73.16 percent of households in CAR and P1,424 by 84.56 percent of households in Central Luzon.
- Farm households in all regions spent more than P1,000 during fiestas and other occasions.

## **Household Expenditures on Recurring Expenses**

- **Of the average annual recurring expenses of households nationwide during July 2002 – June 2003, fuel, light and water proved to be the leading expense items accounting for 24.67 percent.** Household operations shared 23.88 percent; pocket money of children, 18.82 percent; and transportation and communication, 18.30 percent. Personal care and effects, and leisure and recreation accounted for 11.52 percent and 2.81 percent, respectively.
- In CALABARZON, fuel, light and water contributed 32.65 percent to total recurring household expenses. In SOCCSKSARGEN, these accounted for 12.54 percent. On household operations, Eastern Visayas spent the biggest portion at 28.78 percent whereas Caraga recorded the smallest at 15.77 percent.
- Households in CAR had the biggest proportion of expenditures for pocket money of children at 22.99 percent. The smallest proportion was recorded in Central Visayas at 13.69 percent.

- The proportion of transportation and communication to total recurring expenses ranged from 15.78 percent in Cagayan Valley to 21.35 percent in Western Visayas. Expenditures for personal care and effects shared 7.06 percent in MIMAROPA to 15.47 percent in Northern Mindanao. For leisure and recreation, share to expenses in recurring items ranged from 0.52 percent in ARMM to 5.55 percent in Davao Region.

### **Household Expenditures on Non-Recurring Expenses**

- **Nationwide, education took the biggest proportion at 42.30 percent of the total non-recurring expenditures of households during July 2002 – June 2003.** Other expenditure items such as recreation, medical care, clothings, etc., shared 0.58 percent to 12.05 percent only.
- In Central Luzon and Bicol, the bulk of non-recurring expenses of farm households went to education at 50.96 percent and 50.70 percent, respectively. Other regions allocated 30.28 percent to 48.25 percent only.

## **SAVINGS OF FARM HOUSEHOLDS**

**(Table 60)**

- **Farm households nationwide realized an average savings of P8,786 during July 2002 – June 2003.** This was generated from an average gross income of P106,181 and average expenditures of P97,395.
- Of the total expenditures, 64.22 percent was accounted by household expenses. The remainder was contributed by farm expenses.
- Among regions, average annual savings of farm households in Luzon, excluding those in CAR and Bicol, ranged from P14,789 to P27,716. The rest of the regions reported average savings of P1,660 to P9,522.
- The proportion of household expenses to total expenditures of the farm households ranged from 50.08 percent in Davao Region to 77.40 percent in Ilocos Region.