

MEMORANDUM CIRCULAR

No. 04

May 20, 1992

SUBJECT : Activities and Procedures to Strengthen Marketing Activities in Social Forestry Projects

Pursuant to Department Administrative Order No. 4, Series of 1991 and in line with the objectives of the Integrated Social Forestry (ISF) Program to provide its beneficiaries with marketing assistance through effective marketing system, the following guidelines and procedures are hereby promulgated:

Sec. 1 General Policy. The marketing of products from ISF projects shall be pursued with the general policy of ensuring economic viability of areas under the Program. To achieve this desired goal, provision of essential marketing support shall be continuously extended to ISF beneficiaries.

Sec. 2 Specific Objectives. The marketing of products under the ISF program aims to achieve the following objectives:

- a. Increase and sustain income of ISF Program participants through the sale of products;
- b. Promote socio-economic development within project areas through income generating activities and provision of essential marketing support and assistance;
- c. Encourage and sustain participation of program participants in a systematic way of marketing through effective market planning and identification of viable markets; and
- d. Establish effective linkages among participants, the government and other concerned institutions.
- e. Provide participants with market information necessary for making marketing designs or strategies.

Sec. 3 Operating Procedures. The following procedures shall be adopted in the marketing of agroforestry products:

A. Product Identification

Based on the crops raised or to be raised in the project areas, the quality of products that will be produced shall be identified and the approximate/projected quantity of production for each product shall be determined by the Community Development Assistant (CDA) in consultation with the ISF program participants. This inventory of harvestable products shall be reflected for each participant in ISFP-FLD Form No. 1 and summarized for each ISF project site in ISFP-FLD Form No. 2.

The CDO shall also take the initiative to coordinate with concerned GOs, NGOs and business enterprises in determining commodities with market potential for specific geographic areas.

B. Market Identification

1. In order to ensure market viability of ISF products, an inventory of existing and potential markets shall be maintained as ready reference for the selection of appropriate markets for specific ISF products. The list shall be entered into the Market Information Sheet (ISFP-FLD Form No. 3).
2. Market identification shall be conducted by the CDO in coordination with the CDA using ISFP-FLD Form No. 3.
3. All identified markets shall be entered into a Market Catalogue (ISFP-FLD Form No. 4). The catalogue shall be prepared and updated by CDO twice a year to reflect new market developments.
4. A summary catalogue containing a list of all identified markets in all regions shall be compiled and updated yearly by the Social Forestry Division (SFD) in every Regional Offices and furnish a copy of each to the SFD, Central Office.
5. The Forest Livelihood Development Section of the SFD, Central Office shall likewise identify markets in Metro Manila for products of large volume, prepare

market catalogues and thereafter provide Regional Offices copies of the same.

C. Market Planning

Upon identification of the products to be produced and the possible markets, the CDA with the assistance of the ISF project participants shall prepare a marketing plan for the products of the project area. The plan shall contain a description of the products, possible markets and marketing strategies. This shall be incorporated in the Project Development Plan.

D. Market Negotiations

1. Small quantities of products, such as agricultural crops, may be marketed directly in local outlets where the sale negotiations can take place if it is the usual practice in the locality.
2. For products of large quantities or where a marketing agreement/contract is necessary, concerned members of the ISF association shall negotiate with the identified buyers assisted by the concerned CDO and CDA.
3. The terms and conditions stipulated in the marketing agreement/contract shall be made understandable to both parties. It shall cover product specifications, quantity, buying terms, delivery date, transportation and other relevant information.

E. Price Information System

1. A weekly/monthly price bulletin for each ISF project shall be prepared by the CDA to provide the participants with updated price information of the major products in season from different identified markets. The frequency of updating shall depend on the information needs of the community. This may be presented in the form of leaflets, bulletin boards or any other appropriate forms.

The price information will provide the ISF participants options so they may choose their market outlets and increase their bargaining power.

Sec. 4 Support Activities. To ensure a proper and effective system of marketing, the following shall be conducted in support to market related activities of Social Forestry projects.

A. Strengthening Existing Associations and/or Formation of Cooperatives.

The CDA shall:

1. Encourage and assist the group, association or cooperative to pool their products together and initiate collective disposal for increased bargaining capacity with prospective buyers. The concept of Bagsakan Center could be initiated at this stage.
2. Facilitate trainings for program beneficiaries on cooperative development, processing and packaging of products, entrepreneurship and other related subjects to improve marketing of their products in close coordination with other government agencies, non-government organizations and institutions.

B. Establishment of Linkages with Service Agencies

1. The RED shall be responsible in establishing linkages with service agencies like DA, DTI, and private business industries. Linkage shall be expressed in Memorandum of Agreement (MOA).
2. The PENRO and CENRO shall be responsible in the implementation of the MOA in the field level. MOA may also be executed at the PENRO/CENRO level whenever necessary.

Sec. 5 Completion of Marketing Forms and Report Submission.

- A. The inventory of marketable products (ISFP-FLD Form No. 1) shall be accomplished by each project participant with the assistance of the CDA once every six months.

Based from the data in ISFP-FLD Form No. 1; a summary report of product inventory (ISFP-FLD Form No 2) for every ISF project shall be prepared by the CDA once every six months, and a copy to the Regional Office and Central Offices.

- B. The Market Information Sheet (ISFP-FLD Form No. 3) shall be accomplished by the CDO in collaboration with the existing and potential buyers of ISF products and in coordination with the concerned CENRO.

A compilation of all market information within each region shall be prepared every six months by the SFD, Regional Office using ISFP-FLD Form No. 4 or the Market Catalogue.

All Market Catalogues in the different regions shall be consolidated by their respective Social Forestry Divisions, copy furnished the Social Forestry Division, Central Office. This information will serve as basis for analysis, further studies and to plan marketing strategies for Social Forestry products.

Sec. 6 Effectivity. This Circular shall take effect immediately.

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Undersecretary