

**R**evitalize



**I**ndigenous



**C**ordilleran



**E**ntrepreneurs

**(RICE) INC 2006  
ANNUAL REPORT**



**Revitalize Indigenous Cordilleran Entrepreneurs (RICE) INC.**

OFFICE ADDRESS: BLOCK 16 LOT 45 MANDARIN HOMES, GMA, CAVITE

PROJECT OPERATIONS: PROVINCE OF IFUGAO & KALINGA

Contact Nos. 046-890 1664/ 0920-587-9656

[www.heirloomrice.com](http://www.heirloomrice.com)

Securities Exchange Commission Registration: CN200511311

**2006 ANNUAL REPORT**

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## WELCOME ADDRESS

Revitalize Indigenous Cordilleran Entrepreneurs (RICE, Inc) had a very modest beginning in 2005 with its incorporation as a legally registered non-stock corporation (non-profit organization). It set a noble vision and mission for the organization. As stated in its articles of incorporation, RICE Inc envisions the indigenous cultures of the northern Cordillera flourishing economically, culturally and in harmony with the natural environment of the revitalized rice terraces. Its mission is to help preserve the heirloom rice of the Cordillera and the culture of community rice production that surrounds it. As we embark on our second year, we are filled with hope and determination that through hard work and commitment, anything is possible.

On behalf of the hundreds farmers, local government and national officials, farmer leaders and elders, volunteers, concerned citizens from all corners of the world, I would like to take this opportunity to share with you the 2006 highlights.

Significant strides were made in 2006. First and foremost, 1,064 terrace farmers collectively organized themselves into the Rice Terraces Farmers' Cooperative with members in both Kalinga and Ifugao. The cooperative made two commercial shipments of Tinawon and Unoy rice, totaling 7,000 kilograms, to the United States.

RICE, Inc firmly believes that it is only through the systematic organization of farmers that the preservation of culture, the terraces and their indigenous heirloom varieties can be possible.

The substance of this 2006 Annual Report tells the story of how these farmers embarked on this remarkable feat. We challenge you to journey with us as we share our consultative, capacity building and community development strategy. Through this report we hope that you can glimpse the tests and trials that testify to these farmers triumphant journey toward hope and potential success.

Maraming Salamat po!



MA VICTORIA C. GARCIA

RICE Inc.  
Executive Director

## BEHIND THE HIGHLIGHTS...are the vigilant staff and volunteers...

### A. RICE Inc.-BOARD OF DIRECTORS:



**LINA C. HERVAS**- newly elected Chairman of the Board. Ms Hervas is a faculty member of Trinity College of Quezon City, College of Arts and Sciences. She is an active member of many civic action organizations including Habitat for Humanity and Philippine National Red Cross. Ms Hervas has extensive experience working with ethnic minorities, tribal groups and refugees. Ms Hervas has close ties to Kiangnan, Ifugao where she attended high school.



**GRACE PASCUA**- Vice Chairman of the Board. Ms Pascua works for National Commission on Indigenous Peoples (NCIP) as Director of the Program Planning and Research Office, and is a native from Kiangnan, Ifugao. She is a graduate of St Louis University, Baguio City with a BA in Psychology; and a MA in Business Management from St. Mary's University of Viscaya.



**VICKY GARCIA**- Secretary of the Board and Executive Director of RICE, Inc, is the project manager, responsible for implementing the project objectives, including oversight of the outreach workers. Ms Garcia has over 20 years of experience in community organizing, capacity building and program planning, monitoring and evaluation both in the Philippines and abroad.



**ANGELINA OPIANA**- Treasurer. A founding board member, Ms Opiana replaces Ms Isai Amor (now in the States) as treasurer. Ms Opiana is program coordinator for the Federation of Free Workers (FFW) and a native from Mt. Province.



**MILAGROS ORDONES**- new board member. Ms Ordones is an elementary school teacher at Esteban International School and is a native from La Union and Benguet.

## B. RICE, Inc STAFF members:

### IFUGAO STAFF



**JIMMY LINGAYO**- Quality Control Officer. A farmer himself, Mr. Lingayo is a graduate of Benguet State University with a bachelors degree in Agriculture. He previously worked with Central Cordillera Agricultural Programme (CECAP), Northern Luzon, as a field agriculturist and is now reviving his farmer connections as quality control manager. Mr. Lingayo is the farmer representative to the Banaue Municipal Agriculture and Fishery Council (MAFC).



**SAMSON CABBIGAT**- Ifugao Provincial Coordinator has a MA in Public Administration (2002) and BA in Economic (1987). Mr. Cabbigat, himself a native Ifugao, has 14 years of experience in project development and community organization within the indigenous Ifugao communities.

### KALINGA STAFF



**LAM-EN GONNAY**- Quality Control Officer. Mr. Gonnay is a certified surveyor, skilled technician, and was an archeology assistant to researchers from the University of Arizona during their extensive research of the clay potters of Pasil, Kalinga. He is a former LGU-barangay captain, and is currently the Chairman of the Pasil Municipal Agriculture and Fishery Council (MAFC) and auditor for the Provincial Agriculture and Fishery Council (PAFC).



**ISABEL AGUSTIN**- Volunteer head of village quality control inspectors. Ms Agustin is a former midwife and community organizer. A former US Peace Corps Consultant on the use of traditional plants by indigenous people, she is a strong advocate for culturally sensitive economic development within the Kalinga community.

### C. US PEACE CORP VOLUNTEER



**ADAM ANGSTEN** graduated from the University of California, Berkeley CA, USA with a bachelor's degree in Economics. Mr. Angsten is helping to implement quality control standards and is developing an economic database of farmers. He is based in Banaue, Ifugao.

## 2006 ACCOMPLISHMENTS

### 1. FARMERS ORGANIZE AS A COOPERATIVE

In early 2006 RICE Inc conducted a series of consultative meetings throughout the many far-flung villages of Kalinga and Ifugao. The purpose of the meetings was to promote the organization of the farmers into a cooperative that would manage the production of **TINAWON AND UNOY**. In March, over 50 farmers from 5 different municipalities gathered in Tabuk, Kalinga for a cooperative membership orientation meeting. These representatives were elected from village meetings that were held throughout the province. The cooperative orientation was conducted in conjunction with the Cooperative Development Authority (Tabuk Office). On far right, representative Mrs. Segundina Magtanao during her presentation to farmers.



After a series of organizational meetings, it was decided that the travel difficulties made it hard to meet regularly as a provincial cooperative. Each municipality then decided to organize their own village associations with elected representatives who would represent their interests on the provincial level with the Department of Agriculture. The Assistant Provincial Agriculturist, Julie Aclam, pledged that her office would coordinate the activities of the municipal associations and cooperatives.



In April, RICE INC sponsored the formation of the cooperative in Ifugao. Farmer representatives, who were elected from village and municipal level meetings, convened for a province wide meeting on cooperatives formation. Vice Governor Prudenciano, now the new Governor of Ifugao (seated in front row with black jacket) witnessed the unified interest of farmers to create a cooperative to organize

farmers and oversee the development of their native tinawon rice for an export market. The Rice Terraces Farmers Cooperative was the name voted the spirit of unity among allow for the possible the inclusion the near future. The cooperative 5 member municipalities. At the RICE, Inc Executive Director Vicky about the need to raise their

upon by members to show TINAWON farmers and of farmers from Kalinga in has 596 initial members from organizational meeting, Garcia spoke passionately



consciousness and take responsibility for revitalization of the terraces. Farmers were encouraged to become entrepreneurial managers of their own product. A draft of the cooperatives articles of incorporation and by laws was presented by a provincial level working group of farmers, assisted by RICE Inc's Ifugao coordinator Samson Cabbigat. Cooperative membership responsibilities were outlined and capital sharing was further discussed. In the formation of this RTF Cooperative, farmers were well aware of their roles and responsibilities as well as the benefits as they joined hands in managing the production growth of their TINAWON AND UNOY.



## 2. RICE TERRACES FARMERS COOPERATIVE OPENED A BANK ACCOUNT

RICE Inc continued its support of the development of the terrace farmers' cooperative by assisting the farmers to raise the needed funds for capitalizing the cooperative. The capital share used to open the cooperative account were raised through an advance payment by Eighth Wonder, Inc on a percentage of the initial pledge by members for selling their rice for export. Prior to the issuance of the cooperative certification from CAR Cooperative Development Authority (CDA), elected cooperative officials, again assisted by RICE Inc's Logistic Coordinator, SAMSON CABBIGAT, opened the

cooperative bank account with Highlands Bank of Lagawe. Mr. Helario Ambojnon (far left) Chairman of the RFC together with Cooperative Treasurer, Municipal Agriculturist-Martha Urbano from Hingyon, signed the bank forms. Membership fee to be collected will be used to finance village level activities.

## 3. US PEACE CORPS ASSIGNED TO RICE INC

In May, **US PEACE CORPS** granted RICE Inc's request for a US Peace Corps volunteer to work on RICE Inc.'s heirloom rice project. PCV **ADAM G. ANGSTEN** was assigned to the field office of RICE Inc. in Banaue, Ifugao.



Adam is a recent graduate of the University of California, Berkeley in Economics. Adam



next to Banaue Mayor Dalipog during the welcome party in Amganad with Tukbuban farmers) will work with RICE's Banaue Municipal Agriculturist Jimmy Cabigat and farmer leaders to assist the farmers in the processing and production of the Tinawon. Adam is working in the five participating municipalities of Hingyon, Hungduan, Mayoyao, Kiangnan and Banaue but is permanently based in Banaue. During his initial 3-month

community and family integration program, he was welcomed into the family of MR. DELFIN & MRS ANA HABBILING, along with the Tukbuban farmers. His primary focus is the development of an economic baseline profile of the farmers participating in the project. Such information is needed in order to document the effects selling Tinawon has on the farmers and their villages. Adam will also be working closely with the Ifugao team to develop and implement the quality control standards for the tinawon rice to be exported. Adam actively participated in the June harvest of tinawon with his host family, the Habbiling's, and was able to experience first hand the typical farm work.

## 4. UNESCO INVITES RICE INC TO PARTICIPATE IN THE IFUGAO STAKEHOLDERS' MEETING ON THE TERRACES

RICE Inc continues to collaborate with different government agencies, private organizations and offices in promoting the preservation of the terraces. Because of this networking, RICE Inc was invited to attend the meeting of the

UNESCO/ICOMOS/IUCN Reactive Monitoring Mission to the World Heritage Site which was held in Banaue 19-21 April, 2006. At the Stakeholders' Workshop on April 18, 2006. Ms. Garcia was given an opportunity to briefly share



how the project would support the initiatives and thrusts of UNESCO in the preservation of the terraces. Indeed, it was a privilege to share RICE's vision and goal of helping the farmers who are the core builders who maintain the terraces. By identifying their tinawon as high value crop and working to involve them in a partnership for an entrepreneurial economic endeavor, RICE believes that it will also help preserve their environment and revitalize their communities.



**5. RICE INC-SPONSORS TINAWON HISTORY CONTEST DURING THE BANAUE TOWN FIESTA**

Banaue is synonymous with the famous rice terraces and being one of the **Eighth Wonders of the World**. RICE Inc continues to promote the preservation of the terraces through the revitalization of the TINAWON and the culture that surrounds it. At the suggestion of Banaue Municipal Agriculturist Jimmy Cabigat, RICE Inc partnered with the

Municipal Agriculture Office to sponsor the first TINAWON CONTEST. RICE Inc sponsored the prizes for the best TINAWON story and for the identification of the best Tinawon variety. The three award winning entries were farmers: Fred Marikano, Ana Habbiling and Linda Butic. There were 13 individual entries from 5 villages in the contest. The winning entry will be reprinted in the CORDILLERA HEIRLOOM RICE PROJECT WEBSITE at [www.heirloomrice.com](http://www.heirloomrice.com).



**6. EIGHTH WONDER, INC PRESIDENT VISITS THE PROJECT IN KALINGA & IFUGAO**

In June 2006, Mary Hensley, president of Eighth Wonder Inc. visited the RICE Inc project. During



her visit, she had the opportunity to see the celebrated harvest of tinawon in the village of ANA HABBILING, one of the cooperative farmer leaders from Tukbuban, Amganad, Banaue, Ifugao. Sixty-two women from the surrounding area worked in the harvest. Many of the women were members of the areas' village association and also had made pledges for the September shipment. Below, Junior, the son of Ana Habbiling, shows Ms. Hensley the high quality of the tinawon donaal bundle that has been freshly harvested.



Ms. Hensley was invited to speak at the **FIRST QUALITY CONTROL INSPECTORS' SEMINAR**, on June 16-17, 2006 held in Banaue. Farmers eagerly questioned her about the plans for marketing the tinawon and unoy in the United States. She outlined in the costs associated with bringing the product to the retail market as well as the mechanics on how Eighth Wonder would be promoting the heirloom

rice to gourmet food stores, restaurants and independently owned organic and natural food stores. Ms Hensley took the opportunity to express her appreciation to the farmers for stepping up to the challenge to be more than mere producers

but to be active partners in this business endeavor. During her two months in the Philippines, Mary joined in more than one meetings conducted by RICE Inc as Ms. Garcia expanded organizational meetings to other villages in Tinglayan, Pasil and Lubuagan, Kalinga.



She saw how the farmers, especially the women, showed their enthusiasm in joining the project. Farmers were interested to know the background for

developing the procedures for processing their rice for export quality. In Pasil, many of the women are also potters of the traditional clay rice and vegetable cooking pots. After the association meeting, the women from the demonstrated their skills as potters. The clay near their village is renowned for its with a piece of freshly dug clay, they crafted While the women were making their pinch Chairman Ellen Manalang, explained how and glazed using sap from a local tree. The were the subjects of an extensive ethno



village of Dangtalan of the Chico River properties. Starting a number of pots. pots, Pasil Unoy the pots were fired potters of Pasil

archaeology study in the late 1970s and 1980s by researchers from the University of Arizona. Although most cooking pots are now metal, these women of Pasil still try to keep the tradition and art alive.

### 7. FIELD INSPECTIONS BY RICE INC TEAM WITH EIGHTH WONDER-PRESIDENT

RICE Inc was very fortunate to have Ms. Hensley visit the project for an extended amount of time. In Banaue she was able to join the inspectors' team and she was able to see first hand the pests problems encountered by farmers. Banaue MAO Cabigat, who is unceasing in his effort to promote ways to improve tinawon production, headed this team. At this field he once again stressed that synchronized planting should be observed in order to minimize



the damage done by birds and pests infesting their fields. The synchronized planting of areas terraces is one of many indigenous practices that should be revived as the planting of tinawon is revived. It has been suggested that this practice be made into an ordinance to be implemented by villages that are under the Tinawon district that supports the **One Town One Product (OTOP)** initiative. Both MAO Cabigat and PAENRO Bahatan support this practice as an effective, natural and ecologically sustainable way to combat pests.



**IFUGAO QUALITY CONTROL INSPECTORS SEMINAR**

tinawon and unoy to the USA, the inspectors will behind the quality control standards that have the training, participants took the bundles of went step by step through the processes needed that will meet international specialty rice threshed the bundles; hand-pounded the palay and wooden pestle, winnowed the rice to remove chaff and broken grain, and adapted a metal sieve to further remove broken grains. At the end of the process, the trainees inspected the grain of the other participants and rated it as to whether or not it was acceptable for export.

### **8. KALINGA AND IFUGAO FARMERS TRAINED AS QUALITY CONTROL INSPECTOR**

Quality Control Inspector Trainings were held in Ifugao on June 16-17 at the old CECAP Bldg, Ilogue, Ifugao and in Kalinga at the Loakan Resort, Tabuk, on August 16-17, 2006. The goal of the seminars was to better equip farmers/inspectors to be inspectors by giving them a complete overview of the entire project. By understanding the requirements of the market, shipment licenses and

permits and other documentation necessary to process and export understand the reasons been established. During palay from their village and to produce processed rice standards. Participants using the traditional mortar



By experiencing the entire process, inspectors gained a better understanding of the amount of work necessary to produce a high quality product. In Ifugao, 15 farmer/inspectors completed the training and received certificates. The newly certified inspectors represented the municipalities of Banaue, Hingyon, Hungduan, Kiangnan and Mayoyao. In Kalinga, 16 inspectors representing the municipalities of Pasil, Tabuk, Lubuagan and Tinglayan were trained and received certificates.

In both of these trainings, local municipal agriculturists were involved and participated in the hands-on processing of the rice. Both provincial agriculturists' Raymond Bahatan (**Provincial Agriculture, Environment and Natural Resources office, PAENRO, Ifugao**) and Gerry Jose (**Office of Provincial Agricultural Services, OPAS, Kalinga**) joined the seminar as participants. The PAENRO Agriculturist, Mr.



**KALINGA QUALITY CONTROL INSPECTORS SEMINAR**

Raymund Bahatan, actively participated in the seminar where he discussed issues and problems encountered by

the tinawon farmers and shared his expertise with an in-depth knowledge of the growth cycle of the tinawon. Both provincial agriculturists stressed that the farmers needed to focus on the quality control standards that must be met in order to have the rice accepted for export. The presence of the provincial agriculturists once again showed their support for the project



### 9. EIGHTH WONDER SPONSORS THE PROCUREMENT OF 2 KALINGA UNOY VARIETIES (MIMIS & INIWOYAN)

In 2005, Eighth Wonder and RICE Inc made the first revolving seed bank investment by giving 182 Ifugao farmers certified tinawon seeds. From those recipients, 50% were able to make their pledges for the 2006 shipment and return their seed bundle for use by other farmers. There are several reasons why so many farmers failed to make their pledges and return the planting seeds. During the past several years, many farmers in the Banawe area had shifted from the native varieties to new hybrid varieties. When RICE Inc introduced the revival of tinawon as a pre-requisite to

interested farmers then had to shift back is not without a crop risk has already been disturbed.

wanted to plant the tinawon as a Although only 50% were able to get sale, the farmers learned much about how to return to growing their tinawon varieties. It has become

clear from their experience that the traditional system of synchronized planting is necessary to avoid the infestation of pests during the Heading stage. PAENRO is looking at ways to support this revival of synchronized planting (see [planting calendar](#)) and their tradition of community farming. Most MAOs agree that support of this effort to will enhance the production level of the farmers.



becoming a farmer member, back to the tinawon varieties. The because the soil and pest balance Despite the risk, farmer members test for both the soil and the rice. a crop that would allow for export



The 50% who were not able to return new seeds kept theirs for this year's planting and will return a seed bundle after next year's harvest, along with their pledges for the 2007 shipment.

During Ms Hensley's visit, she saw the growing number of organized groups of farmers in village after village within the municipalities of Ifugao and Kalinga. In an effort to expand the production of selected native varieties to any interested farmers, Ms Hensley approved the request of farmers from Tabuk, which was made through **Office of Provincial**

**Agricultural Services (OPAS)**, to fund a revolving seed bank for Kalinga. Assistant Provincial Agriculturist Julie Aclam received from Eighth Wonder president, Mary Hensley, a check for thirty thousand pesos (P30,000), endorsed to MAO Gilbert Cawis, Tabuk Municipal Agriculture office. Also overseeing the establishment of the seed bank were Tabuk Unoy Farmers Cooperative Chairman, Imelda Calbuyao and Municipal Agriculture technician Itas Balmores. The money was used to procure 750 kgs of certified Mimis and Iniwoyan seeds (Ulikan Red variety), which were distributed to 112 Tabuk farmers-members of the Unoy cooperative. The Tabuk municipal office provided RICE Inc with a list of recipient farmers as well as the production pledge for shipment in December 2006. Each farmer receiving a bundle of planting seed agreed to return a similar amount after harvest, which will then be available for loan to another farmer.

Out of the 112 farmers, only 17 from the seed recipients group were among the 65 Tabuk farmers who contributed to the December shipment. It was very unfortunate for the Tabuk Unoy Farmers Cooperative as they were only able to complete only about a quarter of their original 4 tons pledge. The frequent typhoons adversely affected not only their harvest but also the roads and ferry systems for crossing the Chico River in order to haul the rice to the buying station. Despite this, the farmers are optimistic that the next planting and harvest will go better. We can only pray and wish for that!!! Let's continue to plow, produce and prepare for the best in 2007!



**10. EXPANSION PROGRAM TO NEW MUNICIPALITIES**

The information campaign continued as RICE's outreach staff and volunteers work hand-in-hand with the farmers to prepare for the 2006 shipments. Since February 2006, RICE Inc, Ms.Garcia has personally met at village meetings 65% of the registered cooperative members in Ifugao and 60% of the members in Kalinga.

In 2006, the municipalities of Asipulo, Aguinaldo and Tinoc, Ifugao and Tinglayan, Tanudan, Pinukpuk, Kalinga expressed Letters of inquiry from the sent to RICE, Inc inviting us to their farmers because they project from other farmers in February, Vicky Garcia and the Tinoc and in July 2006 they

an interest in joining the project. Mayors and Agriculture Office were conduct information meeting to have heard so much about the the province. In Ifugao staff traveled to met with the Asipulo farmers. Both meetings well attended by farmers, officials from local government units (LGU's) and by other government agencies including the Department of Trade Industry. Along with the request for organizing in additional municipalities, farmers submitted additional samples of their tinawon varieties to be included for testing and possible inclusion in the pool of acceptable varieties.



were  
the



Because RICE, Inc has set standards ([see attached Quality Inspection Process](#)) for the acceptability of local tinawon varieties, farmers who wish to participate, must join a cooperative and subscribe to the following criteria: there must be strict compliance to the use of NO CHEMICAL PESTICIDES or inorganic fertilizer; harvested palay must be processed according to market standards of 85 % whole grain, sun-dried and hand-pounded. Farmers must be organized from the village level and must have elected officials to undertake the cooperative functions and work along with the municipal and provincial for consolidation of the product

quota.



**11. FARMERS MEETING ALL YEAR ROUND MONITORING THE PRODUCTION LEVEL**

Prior to harvest months, RICE Inc team continuously met with interested farmers who had made pledges. RICE Inc team did the background logistical planning for the eventual collection of rice. New rice bags were distributed to farmers based on pledges. Quality control inspectors were trained and returned to their villages to assist the farmers with the drying and processing of rice from their area.

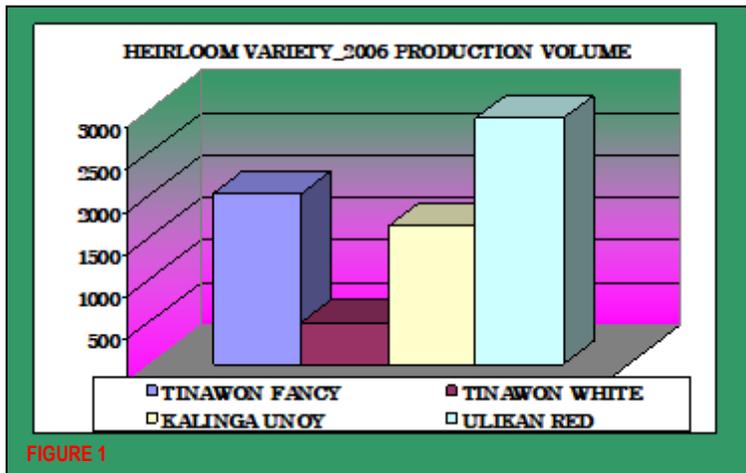
Farmers were guided every step involvement as member producer RICE Inc coordinated plans with Agriculturists, as well as to the office.



of the way on how their were important in the process. participating Municipal provincial agriculture services

**12. FARMERS' COOPERATIVE SHIPS 7 METRIC TONS OF HEIRLOOM RICE TO USA**

**RICE TERRACES FARMERS COOPERATIVE** through the leadership of RICE, Inc. made its first commercial shipments of heirloom rice to Eighth Wonder, Inc in Montana, USA. A total of 7,000 kilograms of rice was shipped in two installments: **September 17, 2006** and **December 17, 2006**.



**Figure1** shows the production volume that Kalinga and Ifugao Rice Terraces Farmers Cooperative successfully



collected, processed and shipped. The heirloom rice was classified as **TINAWON WHITE, TINAWON FANCY, KALINGA UNOY AND ULIKAN RED**. Several similar varieties were collected under each product line name in order to include as many farmers and rice varieties as possible.

The collection, processing and shipment of 7 tons of rice is a remarkable feat for the Cordillera farmers. Not only is this the first time that these varieties have been sold on a commercial scale, but this was accomplished by farmers working cooperatively across village, municipal and provincial lines in order to produce the volume necessary for commercial sales. Not only have they shown the power to produce commercial volumes, but they also have demonstrated their ability to learn how to participate in the business beyond that of mere suppliers. The

farmers wish to continue to learn new skills so that they can participate more fully in the different aspects of the

business endeavor. From the village to the municipal level, cooperative farmers have embraced the vision of the project as a long term means to change their quality of life.

The process (see attached [Export Shipment/ Documentation](#)) of getting the rice from the field to the loading dock is long and tedious, but the farmers have the support at every level... planting-harvesting, processing-inspection, shipment documentation, and packaging and distribution. The September shipment of 5 tons was a learning experience for everyone-- farmers and RICE support staff. Systems were set up, followed, revaluated and then modified for the December shipment.



Board of Directors Treasurer, Ms. Angelina Opiana (a native of Mt. Province) joined the September effort and interacted with the inspection team and farmers. She said she came with a distinct purpose of learning the entire process for exporting rice by following the quality control standards. This will give her a better understanding of how she can support the farmers through her work on the board. Farmers will get additional technical support through the planting to harvesting stage. RICE staff will work with the MAO's to make technical assistance more accessible for the farmers. Cooperative members will work together to plan planting and harvesting within local areas. Village inspectors will work with farmers on improving drying and hand-hounding techniques. The final inspection is done by the RICE, Inc inspection

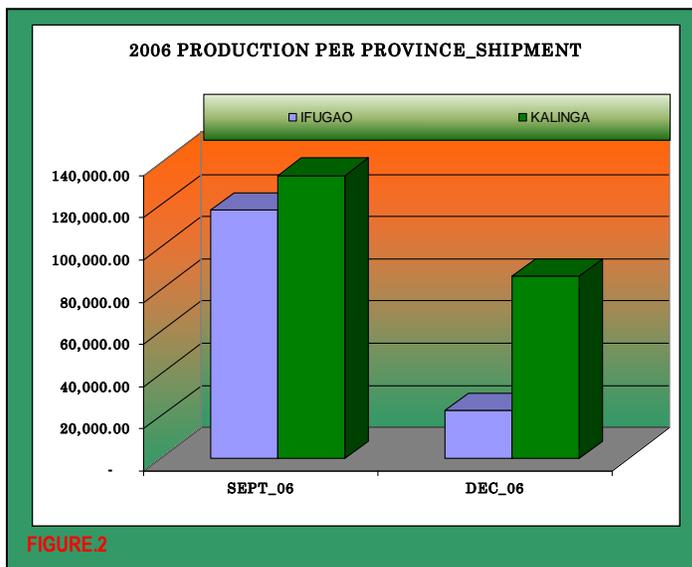


FIGURE.2

team...checking for foreign object, right moisture content, cleanliness of the product, right variety to be sold and recording dates of when it was planted/harvest.

**September 2006 Shipment.**

Farmers from eight municipalities consolidated their harvest to give a total 4960 kilogram (approximately 5 metric tons). Ifugao's production total was of 2674.5 kilograms, while Kalinga had a total of 2329.4 kilograms. Seventy seven (77) farmers from Kalinga and eighty-nine (89) farmers from Ifugao participated in processing, inspecting and bagging their rice during the 8-day collection period. Farmers were paid in full for their harvest at the time of collection. Php251,257.00 was paid directly to the farmers at the time of collection. In addition, fifteen (15) certified

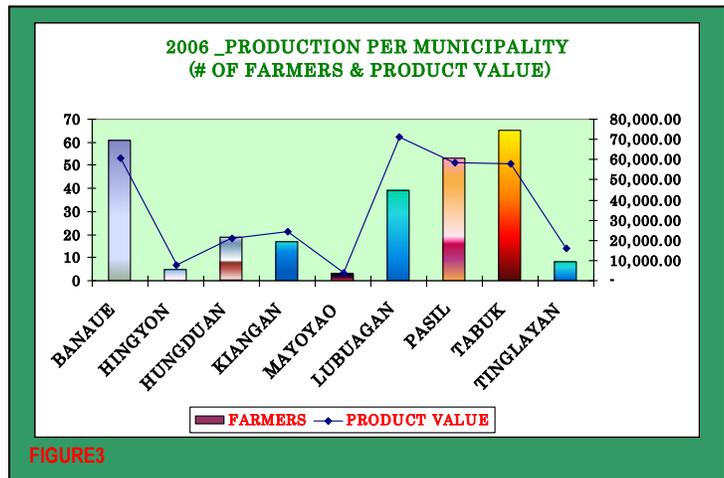


FIGURE3

quality control inspectors were paid a total amount of P8,200 for their work during the inspection and collection period. Figures 3 and 4 give the monetary breakdown by municipality for the September shipment.

**December 2006 Shipment.**

Three months later, the lower elevation Tabuk farmers tried to consolidate their October harvest. There are two shipping cycles due to the difference in the planting calendar between Kalinga and Ifugao. The December shipment was a primary consolidation effort of the Tabuk farmers, although Pasil (Kalinga) and Banaue (Ifugao) were also able to include additional rice from their July harvest in this shipment. The total amount shipped was 2 tons of heirloom rice.

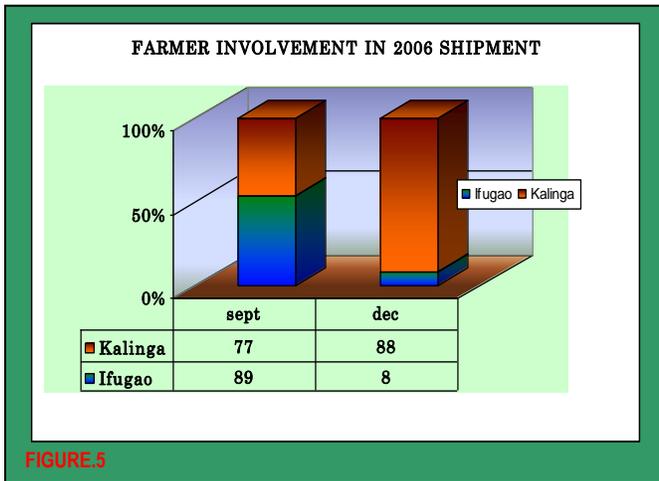


FIGURE 5

During this shipment, farmers in the municipality of Tabuk experienced difficulties in hauling and transporting their rice to the collection site. Farmers from three remote villages, who had pledged approximately 2 tons, were unable to cross the swollen Chico River and were not able to get to the buying station. However, 97 farmers were able to bring in their rice. There was a total of 1163.8 kilos purchased with a total value of P58,190.

In 2006, a total of 7,1689 kilograms were purchased and shipped. The Kalinga municipalities of Lubuagan, Pasil, Tinglayan and Tabuk combined to contribute 4,050 kilograms from 165 Kalinga farmers; the Ifugao municipalities of Banaue, Hingyon, Hungduan, Kiangnan & Mayoyao combine to contribute 3,119 kilograms from 97 farmers.

The target quota for 2006 was 10 tons. This means that Eighth Wonder, Inc had guaranteed that it would purchase up to 10 tons of rice that met the agreed upon quality control standards. Actual pledges from the farmers' amounted to 12 tons from 9 municipalities in the 2 provinces. However, due to an unusually high number of typhoons, production and processing were adversely affected.



**13. FOUR KALINGA MUNICIPALITIES DESIGNATE UNOY FOR THEIR "ONE TOWN ONE PRODUCT" INITIATIVE**

Municipalities in Kalinga showed their unified support for the heirloom rice project when four out of eight municipalities identified UNOY as their "ONE TOWN ONE PRODUCT" (OTOP) in 2006. OTOPI is a government program that seeks to promote entrepreneurship and create jobs through identification by local government units of specific products and services that have competitive advantage. Those municipalities were Lubuagan, Pasil, Tabuk and Tinglayan. The designation of Unoy as an OTOPI initiative was a breakthrough for farmers because it was the first time that

the native rice was recognized for support from their local government officials.

In March in the Municipality of Pasil, more than 100 farmers with their families gathered



together in support of the project and the OTOP designation of Unoy. Farmer representatives from 5 villages were elected to a municipal Unoy association. Pasil Mayor Dalsen sworn in these newly -elected representatives during the festivities. The municipality of Pasil collected 1125 kilos of KALINGA UNOY for the 2006 shipments from 40 farmers. The total value of their produce was P58,297. Their native variety "Chong-Ak" was the selected variety from among the 18 varieties they submitted during the early screening of variety in 2005.

Likewise, on the left hand side, Tabuk Mayor Lummawin, Jr. led his farmers from 6 villages in the establishment of the Tabuk Municipal Unoy Growers. In Lubuagan, Municipal Agriculturist Eudy Aboli supervised the election of officers from 3 villages: Poblacion, Upper Uma and Lower Uma villages.

Lubuagan collected from its three participating villages a total of 1419 kilograms of Ulikan Red from 39 farmers. This amount had a total value of P71,024. Tinglayan, although not fully organized, had 8 farmers participate through the leadership of the farmer-trained inspector, Tammy Liw-agan. They were able to contribute 306 kilograms of Unoy. The Tinglayan group managed to haul their rice over the worst road conditions to arrive at the central buying station. Their persistence and determination to have their municipality included in the first commercial shipment is a shining model for all farmers.



#### **14. RICE IN THE NEWS**

Oct 8, 2006 -- **The Philippine Star**

##### **Cordillera Heirloom Rice Project**

By Preciosa Soliven (Secretary-General, UNESCO National Commission of the Philippines) With the UNESCO Decade of Education for Sustainable Development (DESD), we were looking for a model of a community project in the Ifugao Rice Terraces to be added to the UNESCO World Heritage Site (WHS) Endangered List

**Oct. 10, 2006** -- Sun-Star Baguio

##### **Ifugao exports 2.5 tons of 'tinawon' rice**

A total of 2.5 tons of "tinawon" rice (Ifugao native rice) were sold to the US.

**August 20, 2006** -- Sun-Star Baguio,

**3rd shipment of Kalinga 'unoy' rice to US readied** KALINGA province is preparing the third shipment of its renowned Unoy rice to the international market in Montana in the US after its demand has remarkably increased

#### **15. RICE, INC RECEIVES U.S. NON-PROFIT EQUIVALENCY STATUS**

RICE Inc applied for and received United States non-profit equivalency status under the umbrella of the Tides Foundation of San Francisco, California. Because RICE Inc, as an international charitable organization, meets the United States IRS exempt equivalency test for non-profits and fits within Tides' mission, it has been able to establish a Global Support Fund within the foundation. A Global Support Fund (GSF) allows RICE Inc to raise charitable donations in the United States and gives US donors the means to make tax-deductible international contributions.

By establishing a GSF for RICE, Inc, the Tides Foundation is giving their unqualified support for our work. A GSF is a huge step toward our goal of building a sustaining donor base to support our charitable work. US citizens can now make charitable contributions to RICE's Global Support Fund, just like any duly registered non-profit organization in the US, and your donation is tax-deductible to the full extent of the law.

The Tides Foundation is a duly registered public charity, exempt from Federal income taxation under Sections 501(c) (3) and 509(a)(1) of the US Internal Revenue Code. The charitable and educational purposes of the Foundation are to promote innovative philanthropic activity, nationally and internationally. Its principal areas of interest include: social justice, community affairs, economic public policy and enterprise development, international

affairs, and the environment. The Tides Foundation currently houses over 300 philanthropic funds. More information on the Tides Foundation can be found at: [www.tidesfoundation.org](http://www.tidesfoundation.org).



### **16. COURTESY CALLS TO DIFFERENT OFFICES: DEPARTMENT OF AGRICULTURE, NFA, PHILRICE, BPHRE, UNESCO ETC...**

During her visit to the Philippines, Ms. Hensley assisted in the on-going effort to promote the project on behalf of the farmers. Together, Director Garcia and Ms Hensley began contacting every government agency, NGO and international development agency that should be interested in hearing of the effort to promote the native rice as a means revitalizing the magnificent terraces of the Cordillera and their remote indigenous communities. Because of favorable newspaper coverage (see articles at [www.heirloomrice.com](http://www.heirloomrice.com)) and

networking at the provincial and regional levels, a number of meetings were arranged.



#### **DEPARTMENT OF AGRICULTURE, Philippine National Government**

The meeting with the Secretary Panganiban was arranged by UNESCO Chairman Padilla. Included in the meeting was Marta Pardo Tavera (The Source-Organic Alternative), the founder of the organic agriculture movement in the Philippines. During that meeting, Secretary Panganiban pledged his support of our effort and personally called upon the regional and bureau offices to assist the project. He then referred us to the director of the National Food Authority.



#### **NATIONAL FOOD AUTHORITY (NFA) ENDORSED RICE INC TO ITS PROVINCIAL OFFICES**

Secretary Panganiban extended his courtesy to introduce us to NFA Administrator Gregorio Tan. We met with Administrator Tan and his Assistant Administrator Jarina and discussed the NFA policies and procedures for processing agricultural products; for example, securing transport permit for the exportation of rice. Through Administrator Tan, we were endorsed the regional NFA offices.

These contacts were very valuable during our September and December shipment, as they helped us identify honest and reliable truckers for picking up the rice from the buying station and hauling it to Manila for shipping. Mabuhay to the management of Department of Agriculture!!!



#### **MEETING WITH UNESCO AMBASSADOR PRECIOSA V. SOLIVEN**

Through the contacts made at the UNESCO Stakeholders' workshop in Banaue, a meeting was arranged with Ambassador Preciosa Soliven, Secretary-General UNESCO National Commission of the Philippines. Ambassador Soliven gave generously of her time and we were able to share with her our project vision and activities. She, in turn, offered her support to collaborate with us for the cause of the Ifugao farmers. She generously shared with us her many contacts, and she helped arranged a meeting with the National Secretary of Agriculture, the honorable Domingo Panganiban.

### **VISITED GRACIA PLANA ADVOCATING FOR THE CAUSE OF ORGANIC FARMERS**

While volunteering for the PREDA Foundation Fair Trade Project (Olongapo City) in 2002, Ms Hensley attended an organic training session for mango farmers at the training site of Gracia Plena/Full of Grace Organic Agriculture Producers. She was able to introduce me to their Executive Director, Ross Quin, and we were able to make an impromptu visit to their office. It is helpful to connect with organizations' with whom we share common goals. Gracia Plena is a leader in the Philippine organic agriculture movement and Mr. Quin shared with us both his triumphs and trials as he managed farmers' initiatives for the past fifteen years. Kudos, Mr. Quin!



### **VISITED THE NATION'S RICE GRANARY PROVINCE OF NUEVA ECIJA: PHILRICE**



RICE Inc. continues to network with consultants both in the Philippines and abroad. Ms Hensley had been communicating with Merle Shepard, a former IRRi consultant, who is also professor of Entomology at Clemson University, South Carolina USA and on the board of directors of the Carolina Gold Rice Foundation. The Carolina Gold Rice Foundation is supporting a revival of American heirloom rice. Dr. Shepard made an introduction for us to Mr. Dong Arida at the Philippine Rice Research Institute (PhilRice) in Nueva Ecija. In June we had an opportunity to visit PhilRice to meet Mr. Arida, as well Dr. Leo Sebastian, director-general of Phil Rice. Mr. Arida was able to show us different milling machines and their post harvest facilities. We have asked their assistance in helping us identify milling machines, which can process the heirloom rice to international quality whole grain standards and replicate the quality of hand-pounding that leaves bran partially intact.

### **RICE INC BECOMES A MEMBER OF THE ASIA RICE FOUNDATION**

The Asia Rice Foundation (ARF) <http://www.asiarice.org> brings together institutions and individuals interested and concerned about 'rice'. It is a regional nonprofit organization that works for an Asia that can feed itself, treasures the rich heritage of its rice cultures, cares about the well-being of both its rice consumers and producers, and values its rice-growing land as a precious commodity to be shared with future generations. With these goals in common, the RICE Board of Directors felt that an organizational membership was appropriate to further the interests of the terrace farmers and make the larger rice community aware of the unique contributions of the Cordillera farmers.

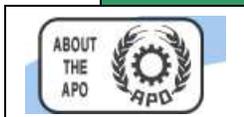


### **BUREAU OF POST HARVEST AND RESEARCH EXTENSION (BPRE) and RICE INC**

Networking with regional government agencies has connected RICE Inc with the Bureau of Post Harvest Research Extension (BPRE). Initial contact was made with Dr. Estigoy of the Planning and Design office. Together with Executive Director Cachuela, we have discussed a potential partnership in which BPRE would help identify and design appropriate post harvest equipment for the terrace farmers.

### **17. RICE INC EXECUTIVE DIRECTOR INVITED AS GUEST SPEAKER TO APO TRAINING**

On September 7, Ms. Garcia was invited by former DTI officer Ms. Pineda to be a resource speaker at the Asian Productivity Organization's (APO) training course on the Development of Niche Markets for Agricultural Products which was being held in Manila. The training



**TRAINING COURSE ON THE DEVELOPMENT OF NICHE MARKETS ON AGRICULTURAL PRODUCTS SPONSORED BY ASIAN PRODUCTIVITY ORGANIZATION (APO), LEGEND HOTEL, MANILA , SEPTEMBER 4-12,2006**

was sponsored by APO, a regional governmental organization, in partnership with the Development Academy of the Philippines (DAP). Participants were from 12 Southeast and South Asian nations. (Check website at [www.apo-tokyo.org](http://www.apo-tokyo.org)).



MULTI-COUNTRY MISSION ON BEST CASE OF NICHE AGRICULTURAL MARKETS, SPONSORED BY ASIAN PRODUCTIVITY ORGANIZATION (APO), TOKYO, JAPAN, OCTOBER 31-NOVEMBER 8, 2006

It was a privilege to share the vision and mission of the Cordillera Heirloom Rice Project as well as its business model framework, which intends to be more than a fair trade partnership but model for a vertically integrated, shared equity business.

A month after the APO training workshop, DAP nominated Ms. Garcia to represent the Philippine NGO sector at a

study mission study in Tokyo, Japan. The study mission provided new knowledge on Niche Marketing from participating countries, as well as new contacts. As one of participants, Ms Garcia was also able to again share the project's shared equity model framework as new approach to fair trade production, distribution and marketing.



#### 18. STRATEGIC PLANNING WITH IFUGAO CORE STAKEHOLDERS

In November 2006, Ifugao team convened all key stakeholders composed of PAENRO Bahatan, MAO's of the 5 participating municipalities, RTFC cooperative (unfortunately only 3 officials came), farmer leaders of each municipality and the RICE Inc team. During this meeting we have evaluated the goals of 2006, assessed the September shipment benefits VS challenges; and drafted the 2007 activities. Director Garcia, also shared to the team the lessons she learned from the Study Mission she attended in Tokyo, Japan (See attached goals and activities).



#### 19. THE WORKFORCE BEHIND FARMING IN IFUGAO...

**More and more women attend meetings and taking an active role in the cooperative...** Sally Donque (standing on the far end) is a retired elementary teacher who joined the project in early 2005 when she heard that *her Tinawon could be her passport to do business...* she is an active farmer leader and has been instrumental in organizing the farmers in Amganad with other Tukkuban farmers. She is a vocal advocate of the project vision, and has helped develop the local farmers association's plan of action.



**BANAUE-** Although women farmers attended the early consultative meetings, their numbers have continually increased. Mary Hangdaan attended her first meeting with her two-month-old baby; now she is the secretary of the BPKI farmers association in Banaue ... *"attending your meeting allows me to see my value as a person not just as a mother but as an economic builder for my family and the whole community" ... "by joining this project, our contribution maybe matched with dividend if we reach our quota, which for most of us is a new idea of doing*

business...our capital is only our tinawon but they consider it as our capital investment and so we are a valued part of this project”.

**KIANGAN-** with village captain Eddie Balog (at the foot of the hill) **Mary Pindug** one woman saying “...we have long forgotten our dreams but now with this project we can see a glimpse of hope for our children’s future...”

**HUNGDUAN-** In the beginning, these women were skeptical of this project and were not interested in attending meetings. But after hearing from Dolores Melong, how RICE Inc truly valued the skills and contribution of farmers, they attended this meeting to see for themselves how this could be possible... “we are here trying our best to keep our families together by continually nurturing our paddies, however small or tiny they maybe...now in this project we will strive to meet our goals; for in the end, it will be for our own betterment.” Lola Victoria (Tacing).



**HINGYON-** Mrs. Catalina Tuguinay shared-“this project was once in my dream that one day our native rice will be sought by many people from every race and nation...because its unique!”



**TINOC-**During our visit in early February 2006, there was a huge landslide on the road between Hungduan and Tinoc. We thought that no one would be able to come, but six brave women came to meet with us. They were very interested in joining the



initiatives but there is a problem of accessing support in this municipality that is quite remote to central Ifugao. RICE Inc will begin lay the ground work for networking with the local governments units in Tinoc so that interested farmers can be included in next year’s activities.

## 20. INSIGHTS FROM KALINGA FARMERS

**PASIL-**Rowena Gonnay, agri-technician working for Unoy ...” I grow up as a farmer, my parents and family are all into farming because rice is our life...then as an agriculturist myself, I hope to find a better way from farming until this project came along- they showed us a way to benefit from our rice...not just as a food supply but also for capital gain for our other needs...



**PASIL-** Mayor Dalsen during the launching of Unoy is why I am an agriculturist by profession....and as all I want to do is help my people farmer to be of the variety they own... we believe our varieties only in our area and through it we can be known to have...were blessed farmer to have our very own



in Pasil...”I love being a farmer that both a farmer and a public servant, proud of the resources they have- are one of a kind which is available the outside world what we CHONG-AK...our source of pride”.

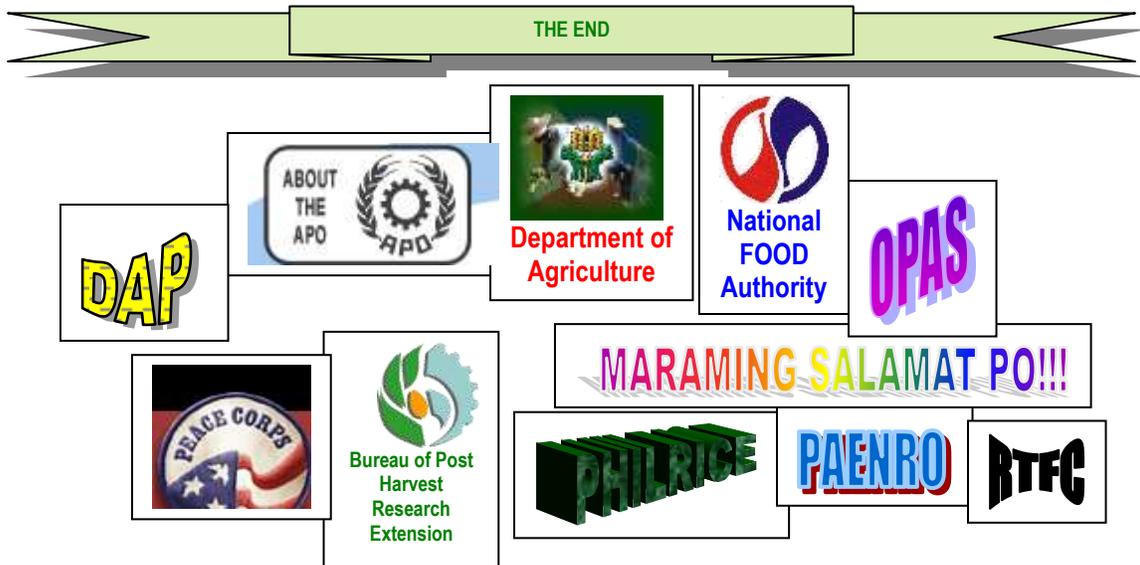


**LUBUAGAN-** Jenny Rosite, farmer inspector... “ I grew up knowing there was this peace corps volunteer in our area (in Uma) and we wonder how many of these American would come back to see our life again...not long after twenty some years, Mary Hensley came back with the desire to help us help ourselves...this means using our very own resources from our backyard- and asked us if we wanted to share with others the ulikan and unoy variety she once ate...and how could be possible is now the story...we valued our rice even more

not just as a source of food but also source for everything we need-should we plant more”...during the September shipment, Jenny has collected from her group of farmers a ton and a half...



**TINGLAYAN-** Tammy Liw-agan... “at first when I heard about the idea of exporting Unoy, I could not believe it because many of the produce from our province like coffee and pots were sought by many but did not thrive...so I joined this project to see for myself to learn more about our Unoy...how we should process it and process it right for the market”...



## 2007 Action Plan

1. Strive for more active participation by women farmers
2. Increase the cooperative's participation in (pre-post) production decisions through regular meetings and workshops;
3. Increase the number of farmers association and village associations.
4. Establish farm support networks within the producer communities to assist with the logistics of increased production and necessary record keeping.
5. Continue workshops on organizational development, quality control and agricultural methods that will allow for eventual certification as organic;
  - a. Adopting the SRI- method
  - b. Organic Certification Standards as coop- initiative
  - c. Basic Budgeting and Resource Mapping
  - d. Cooperative Management & Leadership
6. Expand the Rice Terraces' Farmers Cooperative to include more members from both Ifugao and Kalinga in order to support the buying and selling of traditional rice varieties and marketing it domestically
7. Expand the production from 7 tons of rice to up to 20 tons through increase farmer and village membership
8. Include landowner in the production capacity training
9. Conduct up to two field trips for farmers: post harvest milling options and visit to other NGOs that are working with organic farmers
10. Attend Phil Export Food trade fair and participate in regional agricultural product exhibits
11. Identify other heirloom variety from other municipalities to expand and increase volume of production;
12. Establish a data bank of farmers economic profile
13. Involve the Board of Directors more actively in fundraising for the organization (Send out appeals letter to take advantage of the US non-profit equivalency status).
14. Work with international organizations such as UNESCO and UNDP to obtain identified post-harvest equipment.
15. Work closely with BPRE and PhilRice to identify suitable post-harvest equipment i.e. milling machine and dryer.
16. Increase by 100% the number of farmers who contribute to the export shipment from 162 to 350 farmers.

# THE COMMUNITY OF KALINGA AND IFUGAO FARMERS... IN ACTION



**REVITALIZE INDIGENOUS CORDILLERAN ENTREPRENEURS (RICE, INC.)**

**STATEMENT OF ACTIVITIES**

**For the year ended December 31, 2006**

**Support and Revenue**

Contributions	PHP 550,000.00	
Memberships		
Donations		
		PHP 550,000.00

**Less: Expenses**

Fare	PHP 32,411.50	
Meals	PHP 20,193.05	
Communication Expense	PHP 27,024.85	
Postage & Telephone	PHP 30,638.30	
Training Expense	PHP 75,798.20	
Documentation Expense	PHP 15,228.10	
Salaries & Allowances	PHP 235,100.00	
Employees' Benefits	PHP 60,000.00	
Registration & Accreditation	PHP 12,095.00	
Office Supplies	PHP 11,163.00	
Trucking & Shipping Costs	PHP 1,590.00	
Advertisement	PHP 600.00	
Repairs & Maintenance	PHP 2,650.00	
Professional Fees	PHP 12,000.00	
Taxes & Licenses	PHP 7,335.00	
Representation	PHP 1,178.00	
Medical Benefits	PHP 650.00	
Bank Charges	PHP 240.00	
		PHP 545,895.40

**Cash on Hand**

PHP 4,104.60

Prepared by:

**Lourdes R. Cruz**

Accountant

Noted by:

  
MA VICTORIA C. GARCIA

RICE, Inc. – Executive Director

**REVITALIZE INDIGENOUS CORDILLERAN ENTREPRENEURS (RICE, INC.)**  
**STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2006

**ASSETS**

Cash in Bank	PHP 108,057.09
Cash on Hand	PHP 4,104.60
Seedlings	PHP 52,485.00
Tools & Equipments	PHP 17,830.00
Packaging Supplies	PHP 7,541.00
Cooperative Capital	PHP 19,000.00
<b>TOTAL ASSETS</b>	<b>PHP 209,017.00</b>

**LIABILITIES & CAPITAL**

Capitalization, Beginning	PHP 71,667.26
Addition Contributions	PHP 137,350.43
Capitalization, Ending	PHP 209,017.69

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**TOTAL LIABILITIES AND CAPITAL** **PHP 209,017.00**

Prepared by:

**Lourdes R. Cruz**  
Accountant

Noted by:



MA VICTORIA C. GARCIA

**MA. VICTORIA C. GARCIA**  
RICE, Inc. – Executive Director