

A CASE STUDY OF THE *PRENDES* SYSTEM ON LOWLAND RICE FARMS IN BARANGAY COGON, BAYBAY, LEYTE, PHILIPPINES

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Portion of BS thesis conducted by the senior author at ViSCA, Baybay, Leyte.

ABSTRACT

For the cropping season covered by the study, the average production of the five rice farmers was 102.72 cavans per hectare. The total net return was P4,285.28. Rice farmers who engaged in the *prendes* system incurred lower labor cost but allotted one fifth of the produce to the *prendes* workers. Using the partial budgeting technique, it was found that farm returns with the *prendes* system decreased in the amount of P507.44. However, the system was found to be beneficial to the farmers because employing contract workers enabled them to attend to more economically beneficial tasks such as working on other farms or working in offices. It also benefited the contract workers because it provided them with an exclusive and guaranteed source of employment and income.

Ann. Trop. Res. 8: 208-213.

KEY WORDS: *Prendes* system. Rice farmers. Contract workers. Partial budget.

While the Philippines has become seemingly self-sufficient in rice since 1976 (PCARR, 1977), the shift from the traditional to the improved production technology has made rice farming a relatively input-intensive enterprise. The high-yielding varieties which were intro-

duced mainly by the International Rice Research Institute (IRRI) to the Filipino farmers through extension workers have their built-in production package. As a result, farmers with limited amount of resources like labor and operating capital that would enable them to follow the

recommended production package, have to find means by which they could meet the required resource inputs.

One such means is the *prendes* system which is actually an arrangement between rice farmers and contract workers whereby the latter provides labor in the rice farmers' field without cash wage in exchange for an agreed share of the harvest. The total labor required from the time the rice seedlings are transplanted until the crop is nearly harvested is supplied by the contract workers.

The existence and proliferation of this *prendes* system have not been clearly ascertained and studied by development workers and researchers. This study, therefore, was conducted to determine whether it was economically beneficial in terms of increased farm return for rice farmers to engage in the *prendes* system.

Five farmers from barangay Cogon, Baybay, Leyte, Philippines who employed contract workers were chosen based on the length of their occupation as rice farmers, on the homogeneity of their cultural management practices, and the similarity of farm conditions like land topography and soil fertility.

Data and information used in this study were gathered through personal interviews using an interview guide and a set of farm records developed for the purpose. The respondents were required to list down all farm operations including

the inputs and supplies or materials used in a particular farm operation.

Keeping of farm records was done mainly by the rice farmers but the researchers also monitored the weekly recording of data and at the same time conducted actual observation and interview especially on matters related to contractual arrangement. Partial budgeting technique was employed to determine the difference in net income of farmers with or without *prendes* workers.

The Farmers. The area operated by each of the five rice farmers who practised the *prendes* system was one-fourth hectare. All the farms were lowland and rainfed and the farmers had been cultivating these areas and practising the *prendes* system for about 10 years already.

The farmers in the area practised the *prendes* system because they had numerous functions to perform and their available labor input was inadequate. Some of the farmers worked on other farms while others were employed as office workers. Another reason for practising the *prendes* system was that the contract workers approached them and requested that they be allowed to weed the rice farm.

The accepted contract workers were required to clean and maintain the farm immediately after the seedlings were transplanted. They were also required to apply fertilizers and pesticides which were provided by the rice farmers.

Sharing of produce was done during harvest. Four fifths of the harvest went to the rice farmers while one fifth went to the contract workers. The benefits gained by the rice farmers out of this system were the assurance that their rice farms will be maintained from transplanting until harvest, and the reduction of operator and family labor requirement and other farm expenses such as food. One of the disadvantages cited by the farmers, however, was that some contract workers are lazy. Sometimes, contract workers fail to accomplish the required farm operations because these are in conflict with their other activities. Furthermore when contract workers become physically ill, the rice farm operations are left unattended to.

Impact of Employing Prendes Workers. The average production of the five rice farmers under the study was 102.72 cavans per hectare. On the average, a total gross receipt of P12,203.12 per hectare was earned by the farmers in the area. Of this, P3,183.84 was from the palay sold, P2,271.44 was for the contract

workers' share and P6,272.64 was for home use. The total expenses amounted to P7,917.84 per hectare (Table 1).

To analyze the effect of employing contract workers on farmers' income, partial budgeting technique was employed to test the difference in net farm returns with or without contract workers (Table 2). On the average, contract workers' share of the harvest amounted to P2,271.44 and the difference in labor cost if a farmer engaged in the *prendes* system rather than hire laborers was P1,764.00 (Tables 2 and 3). Comparing these figures, it can be noted that farm income of the farmers who engaged in the *prendes* system was lower by P507.44 (Table 2). This reduction in income may not be very significant because with the *prendes* arrangement, the farmer can attend to more economically beneficial activities such as working in other farms or working in offices. This provided them additional income which was much higher than the amount they have to pay to contract workers for maintaining their farms.

Table 1. Summary of returns of five rice farmers who practised the *prendes* system in Barangay Cogon, Baybay, Leyte in 1984.

Item	Quantity/ha	Amount/ha
Returns		
A. Cash		
Palay sold	26.80 cavans	P 3,183.84
B. Non-Cash		
Contract workers' share	19.12 cavans	2,271.44
Harvesters'/threshers' share	4.00 cavans	475.20
Home use	52.80 cavans	6,272.64
Total Returns	102.72 cavans	P12,203.12
Expenses		
A. Cash		
Hired labor		P 2,683.20
Fertilizer	1.0 bag	1,140.00
Insecticide	1.0 bot.	168.00
Seeds	15.0 kilos	300.00
Food		880.00
Total Cash Expense		P 5,171.20
B. Non-Cash		
Harvesters'/threshers' share	4.00 cavans	475.20
Contract workers' share	19.12 cavans	2,271.44
Total Non-Cash Expenses		P 2,746.64
Total Expenses		P 7,917.84
Net Farm Return		P 4,285.28

Table 2. Partial budget for *prendes* system on lowland rice farms in 1984.

Partial Budget (P/ha)	
A. Income Decreasing	B. Income Increasing
1) Added Cost:	3) Added Return:
Contract workers' share (19.12 cavans x 118.80/cavan) = 2,271.44	None
2) Reduced Return: None	4) Reduced Cost:
	Labor costs* (4,447.20 - 2,683.20) = 1,764.00
Total (A) = 2,271.44	Total (B) = 1,764.00
Net income change (B-A) = -507.44	

*See Table 3.

Table 3. Partial budget summary for farmers with or without *prendes* workers, 1984.

Item	Labor Cost (P/ha)	
	With <i>Prendes</i>	Without <i>Prendes</i>
Plowing with carabao	480.00	480.00
Plowing with tractor	560.00	560.00
Harrowing with carabao	480.00	480.00
Harrowing with tractor	560.00	560.00
Planting	603.20	603.20
Replanting		312.00
Fertilizer application 1		64.00
Weeding 1		360.00
Cleaning dikes 1		60.00
Spraying insecticide 1		60.00
Weeding 2		360.00
Cleaning dikes 2		60.00
Fertilizer application 2		64.00
Weeding 3		360.00
Spraying insecticide		64.00
Total	2,683.20	4,447.20

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