

PROJECT PROFILE

PROJECT TITLE : **SPDA VITALI FISHPOND ESTATE**
LOCATION : Vitali, Zamboanga City, Region IX
DATE ESTABLISHED : 1980
PROJECT COST : P23,950,000



DESCRIPTION

- ❖ Created by virtue of Presidential Letter of Instruction No. 1061
- ❖ The project aims to provide sources of livelihood to rebel returnees and their families who are dislocated and affected by civil strife by developing an area of 1,200 hectares of mangrove swamps into family-sized fishponds for distribution to local beneficiaries and enhances food

production within the area thereby promoting the well being and self-sufficiency of the beneficiaries.

- ❖ Total land area is 1,144.9821 hectares
- ❖ Only 600 hectares has been developed with 338 hectares effective pond areas subdivided into 10 zones
- ❖ Zone 1 is the facility site and part of the retained fishpond areas
- ❖ Zone 2 to 10 were distributed to stewardship beneficiaries
- ❖ Eight (8) fishponds of Zone 9 are also retained by SPDA for corporate use
- ❖ Having been prioritized as one of those corporate projects identified for re-operation/rehabilitation following SPDA's reactivation on August 29, 2006 through Executive Order No. 560, the recommended projects and activities which are implementable are the rehabilitation of the areas in Zone 1 and 9 for production and culture of pangasius, prawns and bangus. These activities are income generating and contribute to livelihood efforts of the local populace as well as contribute to food production.

ACCOMPLISHMENTS

CY 2008-CY 2009

- Rehabilitation of production areas (initial area of 34 hectares)
- Construction of warehouse/field office
- After the partial rehabilitation works were done, the initial seeding of ponds for pilot production with pangasius fry started on November 7, 2009 for the 1.4 hectare pond (RP 104). Total pangasius fry seeded as of December 9, 2009 was 97,358 pieces.
- Seeding of prawn fry for the remaining ponds were made during the first week of December 2009 with a total of 220,000 pieces seeded for rearing ponds 101, 105A and B, 106, 107, 108 and RPs 8 and 9 in Zone 1. Seeding of bangus was on a minimal scale due to off-season.

CY 2010

1. Prawn: Target production in kg. = 5,280
Target Sales = P1,108,800.00
Actual production in kg. = 485.49
Actual Sales = P102,048.80

2. Bangus: Target production in kg. = 12,000
Target Sales = P600,000.00
Actual production in kg. = 8,088
Actual Sales = P377,766.63

3. Pangasius: Target production in kg. = 74,254
Actual production in kg. = 69,886

4. Harvested and processed about 28,558 pieces of live pangasius into fillet which yielded about 5,556 of cream dory
Actual Sales of pangasius products (Fillet) = P141,950.00
Actual Sales of pangasius By Products = P 17,626.40

Unfavorable results of production was attributed to high salinity due to increased temperature; salinity shock due to abrupt decrease in salinity from the introduction of river water as a measure to counteract the high salinity in the ponds and rapid increase in pond salinity due to evaporation of water brought about by the warm climate; high temperature brought about the El Nino phenomenon; and, thermal shock due to the occurrence of sudden rainfall in the midst of a drought which causes instant decrease of pond water temperature.

CY 2011

1. The experimental bangus and prawn production in 2010 that likewise resulted in negative variance accomplishment was due to the presence of ammonia and nitrate as analyzed by the Bureau of Fisheries and Aquatic Resources (BFAR-IX) on the water samples taken from the ponds. According to BFAR, the presence of ammonia and nitrate are indicators of organic pollution as these chemicals are by-products of decomposition or organic matter. Decomposition competes with cultured aquatic species in the consumption of Dissolved Oxygen (DO). Sources of organic matter include unconsumed commercial feeds dissolved and settled at the pond bottom, organic matter inherent to the sourced water and dead cultured species. Organic matters could have also been embedded and accumulated in the pond bottom during the time the ponds were not operational for many years during SPDA's deactivation.

As remedial measures, minimal rehabilitation of main dike and secondary dike at the north wing of RP 8 at Zone 1 Module 1 has been employed by the project management.

2. On October 2011, a total of 81,300 pieces of milkfish juvenile in the sixteen (16) rearing ponds of Zones 1 and 9 has been seeded. The project is expected to generate a total revenues in the first semester of 2012 of about P863,812.50 and a gross profit of P432,784.36 after deducting cost of direct materials and share of pond laborers, a sharing scheme adopted by the project to minimize on overhead expenses.

CY 2012

1. Scarcity in the propagation of natural foods (lumot/algae) resulted to the non-attainment of targets of the stocks seeded in the last quarter of 2011.
2. To respond to the scarcity of bangus fry in the area, a nursery operations has been effected.
3. ATRO-Mining Vitali, Inc. has signified intention in a letter dated March 12, 2012 to a joint venture with SPDA in an aquaculture project, particularly, prawns and milkfish after the ocular inspection on January 2012 by the top management of ATRO to assess the project. The Chairman and President of ATRO have met with the SPDA Administrator in March 20, 2012 at Davao City to finally discuss the terms of partnership. On June 15, 2012, a Memorandum of Agreement for a Public-Private Partnership has been signed between SPDA and ATRO.

CY 2013

1. The signed Memorandum of Agreement between SPDA and Atro Mining-Vitali that will pursue and engage into aquaculture and agricultural activities lead to the projected income share for the year. However, the engagement has been deferred due to some problems encountered by the proponent.
2. While scouting for other proponents thru publication/negotiation for a PPP, the Authority decided to facilitate the full operation of the project's facilities through the proposed Crab Fattening Project that necessitated the repair of the Rearing Pond Nos. 105A and 105B with a land area of about 3.1 hectares.
3. However, the proposed Crab Fattening Project implementation was suspended in August 2013, after receiving the intention of a private investor for a PPP thru the Honorable Chairman of the Board. An ocular

inspection of the project area has been conducted by the technical people of the proposed investor and while negotiation was ongoing, the Zamboanga siege/crisis occurred that again hampered the negotiation and the scheduled visit by the proposed investors in the project area.

4. A letter dated 3 December 2013 from the Governance Commission for GOCCs (GCG) addressed to the Chairman and the Administrator/CEO was received re: "Abolition of the Southern Philippines Development Authority (SPDA)".

It was stated in the GCG letter that "Through a Memorandum from the Executive Secretary dated 26 November 2013, the Commission was informed by His Excellency the President has abolished the SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY (SPDA)". In addition, "The Commission has been directed to create a Technical Working Group (TWG) that shall coordinate with the Commission and implement the following activities: a) Winding down the operations, disposition of the assets and settlement of the liabilities of SPDA; b) Transfer of its functions and programs as well as its remaining assets to the Mindanao Development Authority and c) Settlement of the retirement/separation benefits of affected employees of SPDA."

5. In the light of these developments and issues confronting SPDA, the Agency's interim corporate directions and plans for now shall be towards the maintenance of the administrative and operational requirements of its existing projects and properties/assets until the matter is resolved.

NATIONAL GOVERNMENT BUDGETARY ALLOCATION AND RELEASES:

	<u>CY 2008</u>	<u>CY 2009</u>
Allocation	P10,000,000.00	P 7,416,998.00
Releases	P 9,473,000.00	P 4,000,000.00

PROJECT COSTS STRUCTURE BY EXPENSE CLASS (In Thousand Pesos)

	2006- 2013	2014	2015	2016	2017	TOTAL
Personal Services	2,000	343	327	327	327	3,324
MOOE	1,487	0	0	0	1	1,488
Capital Outlay	8,434	453	0	0	0	8,887
Production Cost	4,747	0	0	0	0	4,747
TOTAL	16,668	796	327	327	328	18,446

PLANS AND PROGRAMS (2018-onward)

- Rehabilitation of the existing corporate ponds
- Will be operated and pursued through a joint venture tie-up with a private investor for aquaculture production and processing based halal standards for fishponds.
- The land-based area will be developed for poultry meat halal production and processing through joint venture partnership for both local and international investors. (Raw Material: Chicken; Product: Canned Chicken)

PLANS AND PROGRAMS:

Detailed Activities	Timetable	Cost/Unit	Funding Requirement
1. Preparation of Feasibility Study	March-June 2018		
➤ Estimated Expenses for preparation of feasibility		600,000.00	
➤ Mobilization Expenses		300,000.00	
➤ Contingencies		100,000.00	1,000,000.00

2. Upgrading of the project's 67 has. Corporate areas and Negotiation with proposed Joint Venture Partner	July-December 2018		
➤ Total Upgrading of Zone 1 corporate fish farm areas comprising about 50 has. (excavation, cleaning, side and top filling of dikes, replacement of slabs and nets, picking of shells, seepage repair)		100,000.00	5,000,000.00
➤ Total Upgrading of Zone 9 corporate fish farm areas comprising about 17 has. (excavation, cleaning, side and top filling of dikes, replacement of slabs and nets, picking of shells, seepage repair)		100,000.00	1,700,000.00
3. Contingencies			300,000.00
4. Prawn and Milkfish Production within the 67 has. Corporate areas under Public-Private Partnership or by management	January 2019 onwards		
5. Development of the inland area into a Halal Aquaculture and Processing Plant and Broiler and Egg Production Facility	January-June 2019		
		GRAND TOTAL	8,000,000.00

ASSUMPTION FOR PROJECTED REVENUES:

The Corporate Fish Farms to be managed are in Zones 9 and Zone 1. Zone 9 is suitable for intensive farming while Zone 1 is suitable for extensive farming. Shown below are the assumptions for each type of aquaculture:

	Intensive Culture	Extensive Culture
Area	Zone 9 (RPs 101-109)	Zone 1 (RP 1 to 8)
Production Area (in hectares)	17	16
No. of Crops per year	2	2
Days of culture/crop	120	120
Prawn Stocking Density (fry/ha)	250,000	10,000
Bangus Stocking Density (fry/ha)	1,500	1,500
Survival rate of prawn	70%	60%
Survival rate of bangus	80%	80%
Feed Conversion Ratio	1.9	
Ave. body weight of prawn at harvest (g)	30	30
Ave. body weight of bangus at harvest (g)	250.00	250.00
Production of prawn per ha. per crop (kg)	5250	180
Farmgate price of prawn (P/kg)	250	250
Production of bangus per ha. Per crop (kg)	300	300
Farmgate price of bangus (P/kg)	50.00	50.00

At full operation, the project will generate as much as P39,684,600 in sales. The production cost rate is around 45% resulting to a gross profit margin of 55% and net profit margin of 20%.