

PROGRAM FEATURES...

- Fish workers in fishing boats, fishponds or fish processing establishments; or
- Any other individuals who are engaged in small scale fish production, processing and distribution.

2. Loan Facilities

Agricultural Production Loans refer to financing of projects/activities related to the production of crops, livestock, poultry, high value crops and fishery products.

Agricultural Microfinance Loans refer to financing of farm, off-farm/non farm activities of agricultural households using household cash flow lending approach.

3. FINANCING TERMS

3.1. Credit Limits

Based on the existing credit limit set by the cooperative bank.

3.2. Interest Rate

The pass-on rate of cooperative banks to small farmers/fisherfolk borrowers shall be equal to the cost of the special time deposit plus spread not exceeding 12% per annum and provided that pass-on rate to borrowers shall not exceed 15% per annum. Such pass-on rate shall be inclusive of the interest and service charge plus the lender's share in the crop insurance premium and/or guarantee fee.

3.3. Loan Maturity and Mode of Payment

Based on the existing policies of the cooperative bank.

3.4. Security/Collateral

The cooperative bank may impose securities on the sub-loans as they may deem necessary such as deed of assignment of personal assets (e.g. equipment, vehicles, etc) or issuance of post-dated checks.

For more information, please contact



**DEPARTMENT OF AGRICULTURE –
AGRICULTURAL CREDIT POLICY COUNCIL**

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**Department of Agriculture
AGRICULTURAL CREDIT POLICY COUNCIL**

AGRO-INDUSTRY MODERNIZATION CREDIT AND FINANCING PROGRAM – COOPERATIVE BANKS AGRI-LENDING PROGRAM (AMCFP-CBAP)



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The **Agro-Industry Modernization Credit and Financing Program—Cooperative Banks Agri-Lending Program (AMCFP-CBAP)** entails the extension of stable, low cost funding support to eligible cooperative banks that lend to small farmers/fisherfolk. Through the Program, the cooperative banks can expand their agri-fishery loan portfolio while lowering the pass-on rates to farmers and fisherfolk borrowers.

The AMCFP-CBAP is one of the programs under the Agro-Industry Modernization Credit and Financing Program (AMCFP) - the government's umbrella credit program for agriculture and fisheries.

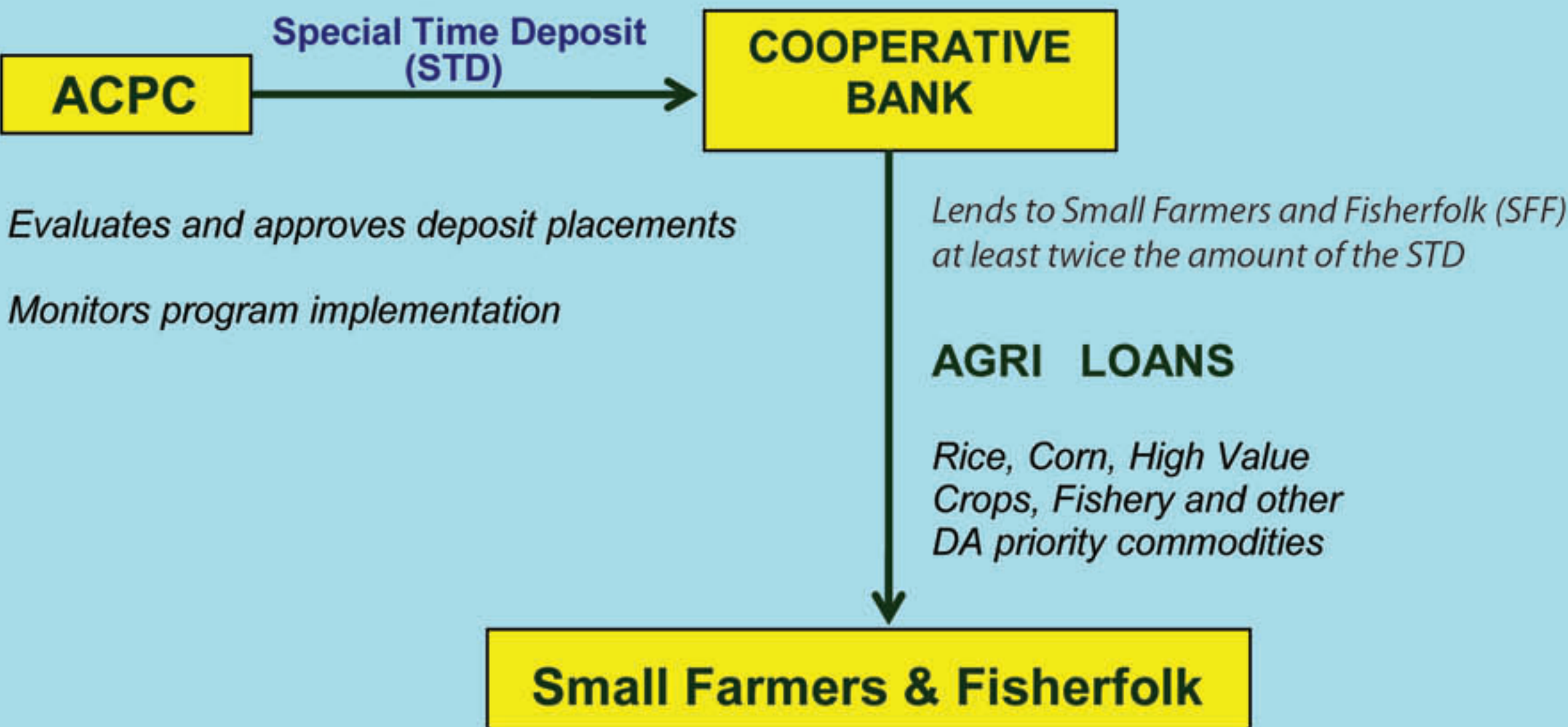
PROGRAM OBJECTIVES

Specifically the Program aims to:

- Provide stable, low-cost funding support to cooperative banks that continually provide appropriate and incremental agricultural loans to small farmers and fisherfolk; and,
- Lower the pass-on rates to small farmers and fisherfolk borrowers;
- Improve AMCFP outreach.

PROGRAM SCHEME

Through the AMCFP-CBAP, the ACPC provides funding support to eligible cooperative banks in the form of short-term deposit placements or special time deposits (STD). The ACPC evaluates potential cooperative bank partners, approves deposit placements to participating cooperative banks, and monitors program implementation.



The cooperative banks shall, in turn, use the proceeds of the STD as well as its own funds to lend to individual small farmers/fisherfolk at least twice the amount of the STD.

PROGRAM FEATURES

A. BORROWER ORGANIZATIONS/INSTITUTIONS

1. ELIGIBLE ORGANIZATIONS/INSTITUTIONS

Eligible cooperative banks are licensed cooperative banks that pass the following basic criteria.

- 1.1 Must have and maintain a CAMELS composite rating of at least 3 and management rating of at least 3 as of latest BSP examination;
- 1.2 Must have satisfactory track record in lending to target beneficiaries;
- 1.3 With good credit standing (i.e., no past due obligations with creditors) including the ACPC and/or DA programs;

2. FINANCING FACILITY

Special time deposit (STD) placements to cooperative banks.

3. FINANCING TERMS

3.1 Credit Limits

The amount of special time deposit placement shall be determined based on the absorptive capacity of the cooperative bank which shall not exceed the following limits: (a) 50% of the submitted loan budget for the cropping period(s) subject of funding support; (b) 60% of actual average agricultural loan portfolio during the year preceding the application; and (c) allowable loan expansion limit. The allowable loan expansion limit shall be computed as: (Net worth x 10) – (Risk Assets).

3.2. Interest Rate

The STD shall have a maturity of one (1) year with interest equal to Philippine Dealing System Treasury Fixing Reference Rate (PDST-F) (one year) plus one percent per annum (1% pa) at the time of fund placement. Such interest, however, shall not exceed 3% per annum.

3.3. Loan Maturity

One (1) year

B. SUB-BORROWERS

1. Eligible Sub-Borrowers

Eligible sub-borrowers are small farmers/fisherfolk and/or their household members.

1.1 Small farming households are defined as those:

- Cultivating not more than seven hectares of land and/or are engaged as small poultry/livestock raisers defined as those raising not more than:
 - Poultry: 1000 poultry layers and 5000 broilers
 - Swine: 10 sow level or 20 fatteners
 - Cattle: 10 fatteners or 5 breeders
 - Dairy: 10 milking cows
 - Goat: 50 heads
- Agricultural workers in farms

1.2 Small fisherfolk refers to:

- Those operating in fishing vessels of not more than three tons capacity;
- Those operating fishponds of less than five hectares or fish cages of less than 400 sq m;