

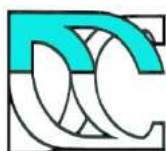


Republic of the Philippines  
Department of Agriculture  
Agricultural Credit Policy Council



# **ASSESSMENT OF THE CAPACITY OF COOPERATIVES AS LENDERS TO SMALL FARMERS AND FISHERS**

**FINAL REPORT  
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**MULTI-SECTORAL MANAGEMENT AND  
DEVELOPMENT CORPORATION**  
2nd Floor, ONE JOROMA PLACE, Congressional Ave., Quezon City

## **PREFACE**

Access to formal sources of credit is a major factor that contributes to farmers and fisherfolks specially the small farmers' low productivity and farm incomes. The most common sources of credit for agriculture and fishery are the traders, input suppliers and private money lending who charged exorbitant interest rates and who dictates the farm gate prices of farm products.

Among the rural financial institutions, the cooperatives are the most accessible to agriculture borrowers. These cooperatives like the multipurpose and credit provide loan only to members. There are however, big majority of farmers who are not members of coop and therefore not eligible to borrow from the cooperatives.

In line with the national goal of promoting inclusive growth, credit must be provided to small farmers to enable them to join in the development happening in this country. The Agriculture Credit and Policy Council (ACPC) has budget that will be used for agriculture lending using the cooperatives as the conduit.

A study on the assessment of the capacity of coops to be used as the conduit and the potential for expanding agri lending was conducted. The study analyzed the profile of the MPC and credit coops; study lending operations (successful lending program; factors that contribute to success); assess the current state and performance of the coop; review the policy and regulatory environment including the functions roles, programs and support services provided by CDA; assess the potential for expanding lending operations; and assess the absorptive capacity of the coops.

## **FOREWORD**

The study on the assessment of the capacity of cooperatives as lenders as lenders to small farmers and fishers was commissioned by ACPC to the Multi-Sectoral Management and Development Corporation (MMDC). The primary data were collected thru personal interviews with the samples of multi-purpose (MPC) and credit coops. The CDA provided the list of MPC and credit coops from where the samples were taken. The respondent coops are those with agriculture lending and/or extending loans to farmers and fishers. The selected samples were from Luzon, Visayas and Mindanao.

Focus group discussions participated by officers and members of coops; leaders of farm based organization and other rural financial institutions .were conducted to augment the data from the primary survey.

## **ACKNOWLEDGMENT**

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# ASSESSMENT OF THE CAPACITY OF COOPERATIVES AS LENDERS TO SMALL FARMERS AND FISHERS

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## **EXECUTIVE SUMMARY**

1. *The general objective of the study is to determine the potential of credit and multipurpose cooperatives with lending services to be effective conduits of lending to small farmers and fishers.*
2. *The primary data came from survey of sampled MPC and credit coops and thru focus group discussions (FGD). Additional secondary data on the registered Multi-Purpose Cooperatives (MPC) and credit cooperatives were gathered from the Cooperative Development Authority (CDA). Research was also done in the internet for the general profile of coop and the regulatory environment.*
3. *There were changes in the sample coops that were surveyed. Those coops that are not extending agricultural loans and those with no farmers as members were replaced. Of the 125 coops surveyed, 97 are MPC and 28 are credit coops. In terms of location, 60 are in Luzon: 46 are MPC and 14 are credit coops; 31 are in Visayas and 34 in Mindanao.*
4. *There are 23,672 cooperatives serving the needs of 17 regions and over a hundred provinces and chartered cities in the country. Region 4 has the highest number followed by the National Capital Region (NCR). The MPC accounts for 62% while the credit coop is 12.5%.*
5. *The total assets of the coops amount to an average of P266.8B or an average of P11.27M per coop. NCR has the highest with P63.3B followed by Region 4 with P25.8B. In terms of number by size, the micro is the biggest accounting for 76%; small, 15%; medium, 6.62% and large, 1.76%. Although the large is the least in number, its total asset accounts for 65%; medium, 23%; small, 9% and micro, 4%. Nationwide, there are 12,676,828 coop members with an average of 543 per coop. NCR has the highest at 19% followed by Region III, with 11%.*
6. *In terms of O&M profile, the MPC have longer years registered with CDA and has higher incidence of being issue CGS. The MPC have more BOD members than the credit coops. On the other hand, there is higher percentage of BOD members with college education in credit coops than the MPC. There is higher percentage of MPC conducting monthly meeting of BOD. In terms of receiving honorarium and officers/staff receiving salaries, MPC have higher percentage than credit. Both coops provide other benefits to officers and staff. Similarly, both coops possess equipment needed for the lending operation.*
7. *In Luzon, all the large and small MPC provided honorarium to BOD; in Visayas and Mindanao only the micro does not all provide honoraria. In Luzon, all the small provide salaries to officers and staff; for Visayas, only the medium and small; for Mindanao only the large and micro.*
8. *The MPC and credit coops have almost the same membership requirements. Both coops mostly have one satellite office. The financial statement is mostly done once a month for both coops. A big majority of both coops complied with CDA and BIR requirements.*

9. *The MPC have higher assets and short term liabilities compared to credit coops. The member's equity of MPC is almost twice than the credit. Both coops have almost the same net surplus. The credit coops are more liquid and has higher current ratio than the MPC, The net worth ratio however, of MPC is better than the credit coops.*
10. *There is an average asset of P73.62M for all MPC surveyed. Luzon MPC registered the highest asset of P96.1M; Mindanao, P60.25M; and Visayas, P38.9M. Of the total assets, P54.3M is current assets. On liabilities, the short term amounted to P29.03M while the long term is P33.55M. The average members equity is P31.8M. The net surplus from operation (before distribution) is P3.4M. The coops are very solvent with current ratio of 1.87. The most solvent is Luzon with current ratio of 2.44. The net worth ratio is 0.43. Mindanao has the highest with 0.57 while Visayas has the lowest with 0.35.*
11. *There is an average asset of P55.80M for all credit coops surveyed. Mindanao registered the highest asset of P225.67M; Luzon, P21.26M; and Visayas, P14.87M. Of the total assets, P49.44M is current assets. On liabilities, the short term amounted to P11.15M while the long term is P4.11M. The average members equity is P 14.82M. The net surplus from operation (before distribution) is P3.84M. The coops are very solvent with current ratio of 4.43. The most solvent is Mindanao with current ratio of 9.92. The net worth ratio is 0.27. Luzon has the highest with 0.44 while Visayas has the lowest with 0.11.*
12. *The large coops have the biggest asset and the micro the smallest. The large coops have the highest short term liabilities; the micro has the smallest. The large coops followed by the medium have the biggest surplus except Visayas with medium having negative surplus. Liquidity does not depend on the size. In Luzon, the most liquid are the micro; in Visayas, the small; in Mindanao, the micro. The same is true for the net worth ratio: the micro has the highest in Luzon, Visayas and Mindanao.*
13. *The large MPC in Luzon are engaged in agri- inputs and farm products trading. In Visayas, however, only the medium, small and micro are engaged; the large are not engaged. The large and micro in Luzon are engaged in the processing of meat products; in Visayas, the medium are in animal products and the micro on fishery.*
14. *For the 94 MPCs reporting fund sources, 16% sourced their funds from external sources only, 26% from internal funds only and 59% from both internal and external funds. Of their total funds, 27% came from external sources and 74% from internal sources. For the Mindanao coops only 7% of the funds came from external source with 93% coming from internal sources. For the micro and large coops, almost all funds were from internal sources. For the small and medium coops, a larger proportion of the funds came from external sources, accounting for 46% and 34%, respectively. Cooperatives from the Visayas reported that 36% of the funds came from external and 64% from internal sources. For the large coops, 80% of the funds were from internal sources and only 29% from external. Inversely, for the rest of the size categories, a larger proportion was from external sources ranging from 54 to 76%. The Luzon coops sourced a larger proportion of their funds from external sources accounting for 56% and only 44% from internal sources. This proportion holds true*

*for all the size categories, except for the medium coops where only 29% of the duns came from external sources and 71% from internal sources.*

15. *Of the 22 credit coops who reported their sources of funds, 18% sourced their funds from external sources only, 45% from internal funds only and 36% from both internal and external funds. Of their total funds, majority (80%) came from internal sources. This situation holds true for Mindanao while for Luzon, almost all (99%) funds came from internal sources. Inversely, coops from the Visayas sourced majority (83%) of their funds from external source.*
16. *The large MPC coops have the highest internal fund. The lowest is micro in Luzon and Visayas. In Mindanao, the micro has higher internal fund than the small. The large MPC are the biggest borrowers from LBP followed by the medium. Mindanao micro does not have loan from LBP. ACPC is the biggest fund source of medium MPC in Luzon; .in Visayas, DAR-ARCP-LBP; in Mindanao, DTI provides fund to large coops.*
17. *The credit coops have higher internal fund compared to MPC. The MPC have more bank loans. The LBP provided loans to both coops. Its loan however, to MPC is bigger than the credit coops.*
18. *The average loan portfolio of MPC at end 2013 was P37.09M. Mindanao has the highest at P52.27M followed by Luzon, P35.93M and Visayas, P21.19M. In 2013, the total amount of loan approved was P56.96M. Mindanao has the highest at P95.63M followed by Luzon; P54.17M and Visayas, P17.68M. The total amount of loan released was P57.08M. Mindanao has the highest at P95.63M followed by Luzon, P 54.38M and Visayas, P17.8M. The total amount of outstanding loan is P44.78M. Mindanao has the highest at P78.92M followed by Luzon, P34.47M and Visayas, P28.35M. On the average, agriculture and fishery loan constitute 48 % of the total loan. Luzon has the highest share at 55%; Mindanao, 51% and Visayas, 31%.*
19. *The large MPC coops have the highest loan portfolio; the lowest is the micro. The large have also the biggest amount of loan approved while the micro has the lowest. The large has also the biggest outstanding loan; micro has the lowest. The percent for agriculture and fishing varies by size. In Luzon, the small has the highest at 73%; Visayas, small at 35%; and micro in Mindanao.*
20. *The average loan portfolio of credit coops at end 2013 was P 43.66M. Mindanao has the highest at P 171.83M followed by Luzon, P 22.11M and Visayas, P 7.37M. In 2013, the total amount of loan approved was P 26.39M. Mindanao has the highest at P 73.36M followed by Luzon, P 18.11M and Visayas, P 8.22M. The total amount of loan released was P 23.57M. Mindanao has the highest at P 57.84M followed by Luzon, P 10.06M and Visayas, P 8.14M. The total amount of outstanding loan is P 50.58M. Mindanao has the highest at P 204.07M followed by Luzon, P 20.3M and Visayas, P 8.8M. On the average, agriculture and fishery loan constitute 65 % of the total loan. Visayas has the highest share at 81%; Mindanao, 69% and Luzon , 55%*
21. *The credit coops have slightly bigger loan portfolio. The MPC however have almost twice as much loan approved and loan released than the credit coops. The credit*

*coops have higher loan outstanding. It is surprising, that the credit coops have higher per cent of loan for agriculture/fishery (65%) compared to 48% by the MPC.*

22. *There are more MPC coops reporting lending for crop production, providential and commercial projects. About 50 or 51% of the coop surveyed provided crop loan with an average amount of P164,712; with 11 months repayment and interest of 29%/year. In case of providential loan, about 54 or 56% of the coop surveyed loan with an average amount of P 272,231; with 12 months repayment and interest of 23%/year. For commercial loan, the average amount is P388,097; 15 months maturity and 245/yr interest. For livestock loan, the average amount is P 646,521; 14 months maturity and 26/yr interest. For fishery loan, the average amount is P 112,154; 11 months maturity and 26/yr interest.*
23. *In Luzon and Mindanao, the large MPC extend the highest loan amount of loan for crop and livestock. In both regions, the large also extend the highest loan to commercial and providential. In the Visayas, the small extend the highest loan on fishery. On the other hand, the medium has the highest loan on livestock.*
24. *There are more credit coops reporting lending for crop production, providential and commercial projects. Crop loan has an average amount of P 89,500; with 9 months repayment and interest of 25%/year. Providential loan has an average amount of P178,375 with 13 months repayment and interest of 26%/year Livestock loan has an average amount of P 64,200; with 8 months repayment and interest of 22%/year. Fishery loan has an average amount of P 134,500; with 9 months repayment and interest of 32%/year.*
25. *The MPC provided higher loan amount on crop production, providential and commercial than the credit coops. Similarly, the MPC provided much higher loan for livestock compared to the credit coops. The loan collection performance of the MPC is better than the credit coops. Both coops adopted the same practices in their lending operation.*
26. *The MPC and credit coops have almost the same successful and unsuccessful lending program. Both coops used the same criteria in considering successful lending program are: repayment performance, positive impact on members; good income of members. Strict monitoring/ collection and stringent loan evaluation are the major factor for success. Problem on marketing, bad weather and character are the major cause of unsuccessful lending.*
27. *Only the PESOS data were obtained and very few provided the data. In general, both the MPC and credit coop have scores lower than the standard set by CDA. For P which is portfolio quality the average score is 9 lower than the prescribed of 25%. For E which is efficiency, the score of both coops is 4.85 which are below the 20%. For S which is stability, the average score is 7.24 lower than the prescribed of 30%. For O which is operation, the score of both coops is 3.09 which are below the 10%. For S which is structure of assets, the average score is 3.5 lower than the prescribed of 15%.*

28. *The Cooperative Development Authority (CDA) is the government agency tasked to register and regulate the operation of cooperatives in the Philippines. It was created under Republic Act 6939 of March 10, 1990.*
29. *The CDA is concentrating on the regulatory functions like: registration of coops; monitoring of coops and imposing many reports which takes so much time for coop to comply; imposition of mandatory training- the coops spent for attending the trainings which are not done by CDA but by service providers; issuance of certificate of good standing. There is practically no developmental assistance provided to coops.*
30. *Results of the survey show that coop monitoring, technical assistance thru training/seminar; assistance in preparing required reports and evaluation of coop performance are the major assistance provided by CDA. They suggested that the CDA should provide the training to lessen their cost. They indicated that they pay for the training attended and that the trainings are not done by CDA but by service providers. They also suggested that CDA develop financial linkages and should have closer monitoring. At a scale of 1-10, 24% of the MPC rated 8 as CDA performance; 12%, 9; and 11%, 7. Only 9% gave a rating of 6.*
31. *A big majority of farmers who need financial assistance in their farm operation are not members of coop and therefore unserved by formal credit source. Among the several credit sources available to them, most farmers go to informal sources in spite of the higher interest rates they charge compared to formal sources. The marginal farmers and fisher folks with no access to formal credit will not have chance to be included in the development happening in the country.*
32. *The credit supply and demand study in the survey shows that for MPC, 73% perceived that there are more unserved borrowers. They also think that there are more small farmers and fisher folks not yet assessing from formal credit source. The projects that they plan to provide more financing are agricultural production loan livestock and poultry and input supply. About 92% indicated that they are willing to avail of external fund. About 69% thinks that there is an increasing trend in credit demand from members. The most common purpose of the loan is farm inputs/supplies and equipment; family needs and business.*
33. *General projection is that demand for credit will go up in the coming years. Projected increase for 2015 varies widely, from as low as 10% to as high as 100%. Among the farmers, they estimate an increase in membership of up to 100%. For this reason, cooperatives have plans to expand lending provision to this sector.*
34. *The expressed need for additional loan by the cooperatives ranged from a low of P0.5M to a high of P150M. Most of them were in the range of P3m to P20M.*
35. *Cooperatives are willing to relax their membership requirements to encourage more people to join. Some of them are doing it already, e.g. payment of paid up capital on installment. They recall that starting cooperatives have few and simple requirements for membership. But as they grow bigger, membership requirements become more difficult to comply with.*

36. *In general, the coops have the capacity to absorb additional supply of credit fund. Many of them, especially the small ones, need to make some changes to improve their operation (especially on credit management and leadership). They need assistance to become more effective financing conduits. This assistance can be provided by relevant government agencies, e.g. CDA, LGUs, NGAs and NGOs towards building the capacity of cooperatives and making them effective ACPC partners in its financing program.*
37. *There is potential for expanding agriculture lending to small farmers and fisher folks as there are still many with no access to formal credit sources and got loan from non formal sources despite high interest rate; there are many coops especially the micro and small with limited internal fund and have difficulty of securing funds from GFIs like LBP and therefore can not meet the demand for credit of members and there are coops that plan to expand lending to agriculture projects like organic farming, input supply and product trading.*
38. *The coops have the capacity to absorb additional credit funds as i) they have trained staff on lending and they have credit policies, systems and procedures for effective lending. However, they need training from the government to improve performance and recognize the need to hire additional lending staff to handle lending.*
39. *The supply of credit is not the problem. The GFIs and some government agencies have big loanable fund. The problem is how to deliver this fund to small farmers and fisher folks.*
40. *ACPC should establish guidelines and criteria on the eligibility of coops to be granted credit. Such criteria can include: performance of coops- using COOP PESOS data; loan recovery performance (past due rate, PAR); financial indicators ( net surplus, current ratio, networth ratio) The selected GFI who will manage the fund shall based on the loan application of borrower coops determine the type and amount of credit line that should be granted.*
41. *ACPC has to actively monitor the program and conduct at lease yearly assessment of the performance of the program. Fine tuning or revisions of guidelines and policies shall draw from the results of the performance evaluation.*
42. *Although capacity building is not a mandated function of ACPC but should be the responsibility of CDA, it is recommended that ACPC will assume such assistance to ensure sustainability of the lending program. Provision of credit fund alone with no capacity building assistance will result to unsustainable program. The ACPC should continue to use the coaching and mentoring approach in capacity building specially on bookkeeping; financial management; loan evaluation and loan monitoring.*
43. *CDA in fulfillment of its mandated development and capacity building assistance should design programs; prepare budgetary proposal for action by congress so that it will have funds included in the GAA.*
44. *CDA need to screen coops seeking registration and approve only those with officers that are trained and competent to run the business and affairs of the coops. CDA should aim for quality coops and not quantity in the registration.*

# **ASSESSMENT OF THE CAPACITY OF COOPERATIVES AS LENDERS TO SMALL FARMERS AND FISHERS**

## **1.0 INTRODUCTION**

Cooperatives are being looked at to having potential to serve as effective vehicles to providing much-needed financial services to small farmer and fisher folks, most of whom cannot access such services from banks and other formal sources. Normally, banks seldom lend to individual farmer-borrowers because of high administrative costs they incur in servicing small, individuals loans.

Through cooperatives, small farmers have a means of gaining access to formal credit by bank at a much lower interests compared to informal lenders. For this reason, cooperatives have played a pivotal role as channels of credit to farmers and fishers under the Agro-Industry Modernization Credit and Financing Program (AMCFP). Under the program, cooperatives participate as retailers of credit to their farmer members, funds that they borrowed from wholesaler banks or depository banks accredited by ACPC.

Since ACPC envisions cooperatives to be sustainable conduits of lending to the small farming and fishing sector, it is important to assess their capacity to access and manage credit funds and serve as effective channels of credit to small and fisher borrowers.

## **2.0 OBJECTIVES OF THE STUDY**

As per the Terms of Reference (TOR), the general objective of the study is to determine the potential of credit and multipurpose cooperatives with lending services to be effective conduits of lending to small farmers and fishers.

The specific objectives of the study are:

- a) To prepare the profile of the cooperatives included in the study;
- b) To analyze the successful lending program;
- c) To assess the current state and performance of the coop;
- d) To review the policy and regulatory environment including the functions roles, programs and support services provided by CDA;
- e) To assess the potential for expanding lending operations; and,
- f) To assess the absorptive capacity of the coops.

## **3.0 ANALYTICAL FRAMEWORK**

The study will establish he profiles of the multipurpose and credit coops which includes the organization and management structure and financial conditions and lending operations. There will be analysis of the successful lending programs measured in terms of indicators like number of borrowers, amount of outstanding loan, and loan recovery, among others. The strategies and policies adopted which contribute to success will also be analyzed.

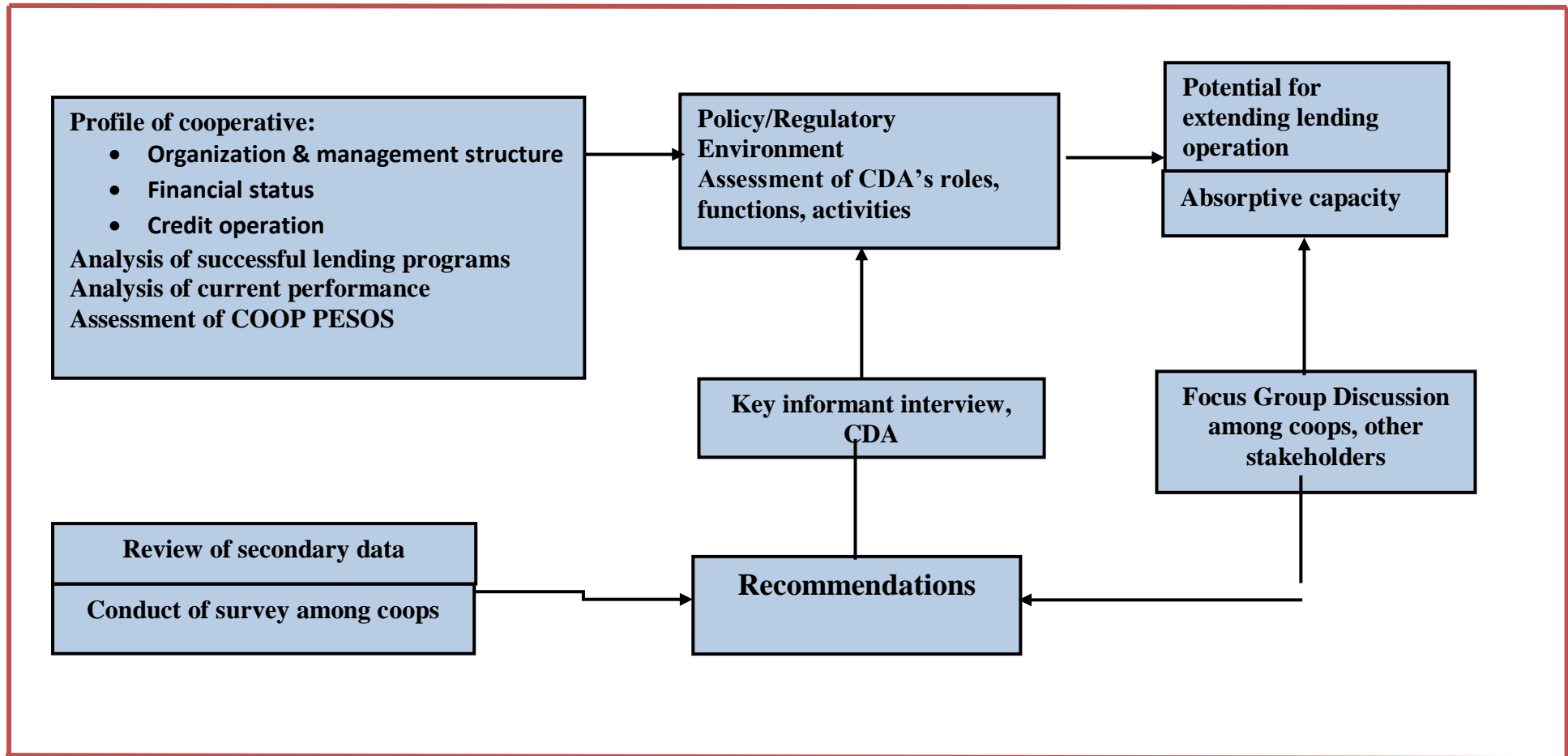
The current state and performance of the cooperatives will be assessed using some indicators in the COOP PESOS used by CDA.

The policy and regulatory environment will be reviewed focusing on the roles of CDA in coop development. The potential for expanding the lending operations of the coops will also be analyzed. In addition, the absorptive capacity of the coop will also be assessed.

Recommendations will be made using the outputs of the various studies.

The analytical framework is shown in Figure 1.

**Figure 1. Analytical Framework**



## 4.0 METHODOLOGY

### 4.1 Data Gathering

The data gathering technique includes: collection of secondary from ACPC and CDA, conduct of survey of sampled coops, conduct of focused group discussions and key informant interviews.

### 4.2 Matrix of Data Requirement

A matrix is prepared to serve as guide in the collection of the data that will be used in the study as shown below:

Scope of Study	Data Required	Data Collection Technique	Data Sources
1. Profile of coop		Survey	Sampled coops
1.1 Organization and management	a. year registered b. number of active members at present c. number of BOD d. Educational qualification of each of he officers e. Compensation system f. Trainings attended g. Active committees h. Equipment available i. Softwares used in preparing financial statement j. Requirements for membership k. Bookkeeping system- one for each project l. Yearly auditing of financial statements m. Branches established n. Frequency of BOD meetings		
1.2 Financial conditions	a. Assets- current and fixed b. Liabilities- current and fixed c. Net worth d. Profit and loss e. Financial indicators- current ratio, network ratio f. Businesses and income derived	Survey	Sampled coops

1.3 Credit operations	<ul style="list-style-type: none"> <li>a. sources and amount of fund used for lending; for external source- borrowing rate; amount of credit line; purpose amount of availment</li> <li>b. amount of outstanding loans</li> <li>c. amount and types of projects financed</li> <li>d. Terms and conditions of loan</li> <li>e. Time from loan application to release</li> <li>f. System of loan collection- is there collection in kind; tie up with buyers</li> <li>g. Collection performance- collection %; past due rate; PAR</li> <li>h. Credit program- agri, micro, etc</li> <li>i. Other financial services</li> <li>j. Types and number of staff involved in lending operations</li> </ul>		
2. Successful lending program	<ul style="list-style-type: none"> <li>a. types of lending program</li> <li>b. no. of borrowers; amount of loan granted by lending program</li> <li>c. recovery of loan</li> <li>d. strategies used</li> </ul>	Survey	Sampled coop
3. Current state and performance	COOP PESOS Indicators:		
	1. Compliance with CDA		
	a)Submission of annual report, Audited FS & Info sheet		
	2. Organization		
	a) Attendance of majority member in gen assembly		
	b) capital build up/savings mobilization ( 70% regularly contribute to share capital an 70% are depositors		
	c. business alliance with federation & other coop		
	3. Operation and Mgt		
	a. manual on loaning		
	b. meeting of directors		

	c. full time qualified manager		
	II. PESOS		
	1. asset yield		
	Undivided net surplus/ average total asset		
	2. operational self sufficiency		
	Interest income from loan+services+/- financing cost+admin costs		
	3. cost per peso loan		
	Financing costs/ave,. total loan outstanding		
	4. liquidity		
	liquid assets- short term payables/ total deposits		
	5. trend in external borrowing		
	Ending ext borrowing- beginning/ beginning		
	6. asset quality		
	Non earning assets/ total assets		
4. Policy and regulatory environment	Roles, functions, authorities, services provided by CDA for coop development	Secondary data/ KII	CDA
5. Potential for expanding the lending operations	Existing ad potential livelihood activities	FGD	
	Existing financial services		
	Supply of credit fund		
	Demand for credit		
6. Absorptive capacity	Perceptions on credit demand	FGD	
	Willingness to expand loan portfolio		
	Assessment of existing credit supply		
	Capacity of coop to absorb increased credit fund		

### 4.3 Data Used in the Study

The data used in the study are from the following sources:

- a) Secondary- the data on the MPC and credit coops registered was secured from the CDA. Research was also done in the internet for the general profile of coop and the regulatory environment.
- b) Primary- from survey of sampled MPC and credit coops and thru FGD.

## 4.4 Collection of Primary Data through Survey

### 4.4.1 Sampling Technique

A) Sampling Frame - a list of MPC and credit cooperatives which includes the address and classification by size was secured from the CDA central office. The number of coops in the sampling frame is shown in Table 1 below:

**Table 1. Distribution of Cooperatives by Type, by Size**

Size	Credit	MPC
Micro	544	2,857
Small	207	1,572
Medium	107	805
Large	32	194
<b>Total</b>	<b>889</b>	<b>5,498</b>
<b>Percent</b>	<b>14</b>	<b>86</b>

There are only 889 credit coop constituting 14% while there are 5,498 MPC constituting 86% of the coops listed.

#### B) Sample Size

As agreed during the meeting with officials of the ACPC, a pre-determined sample size of 120 coops will be taken. The ACPC suggested that there will be grouping according to size: large, medium, small and micro based on the CDA criteria on size. The 120 samples will be allocated to the various size categories. The proportional allocation will not be used due to big discrepancy in the number of coops by categories. It is recommended, that the 120 samples be equally allocated to various categories such that there will be 15 samples per size category.

#### C) Selection of Sample Coops

The sample coops will be selected using random numbers. The distribution of sample cooperative by category, by province is shown in Table 2.

**Table 2. Number of Target Sample Cooperatives, by Type, by Province, by Size**

Province	MPC				Credit				Total
	Micro	Small	Med	Large	Micro	Small	Med	Large	
M. Province							1	2	3
Baguio City				1		2	1	2	6
La Union	1					2	1		4
Pangasinan	4		2					1	7
Benguet	3	2		1	1		1	1	9
Cebu		1	1	3	2		3	2	12
Bohol	1	1	1	3	1	3	2		12
Capiz	3		1						4
Neg Occ			3						3
Cavite			1	1		2			4
Bulacan			2		2	2		3	9
N. Ecija		4	1		3	1	3		12
Batangas		2							2
Quezon		2							2
Davao City		1	3	1	3	1	1	2	12
Davao N				1		1			2
Davao S	1			1				1	3
S. Cotabato	2	1		3	2	1	1		10
N. Cotabato					1			1	2
S. Kadarat		1					1		2
<b>TOTAL</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>120</b>

**D) Actual Coops Surveyed by Location**

There were changes in the coops that were surveyed. Those coops that are not extending agricultural loans and with no farmers as members were replaced. Shown below is the list of coops actually surveyed by location. Of the 125 coops surveyed, 97 are MPC and 28 are credit coops. It should be noted that there are more MPC extending agri-loan than the credit coops. In terms of location, 60 are in Luzon: 46 are MPC and 14 are credit; 31 are in Visayas and 34 in Mindanao.

**Table 3. Distribution of Cooperatives Actually Surveyed**

REGION	PROVINCE	MPC					CREDIT
		Micro	Small	Medium	Large	TOTAL	
<b>Luzon</b>							
	Cavite	1			1	2	1
	Benguet	3	8	3		14	1
	Baguio City	1		1	2	4	5
	N. Ecija	2	2	4		8	1
	Batangas	5	2	1	1	9	
	Bulacan		2	2		4	4
	Pangasinan		2	2		4	
	Quezon		1			1	
	La Union						2
	<b>Sub-total</b>	<b>12</b>	<b>17</b>	<b>13</b>	<b>4</b>	<b>46</b>	<b>14</b>
<b>Visayas</b>							
	Bohol	3	4		1	8	3
	Cebu	4		3	3	10	3
	N. Occidental	3	1			4	1
	Danao City		1			1	
	Madaue City		1			1	
	<b>Sub-total</b>	<b>10</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>24</b>	<b>7</b>
<b>Mindanao</b>							
	Davao City		3	2	2	7	
	Davao Norte	1	1	1	1	4	
	Davao Sur			2	2	4	2
	Gen Santos	1	1			2	
	South Cotabato		3	6		9	4
	Kidapawan City		1			1	
	North Cotabato						1
	<b>Sub-total</b>	<b>2</b>	<b>9</b>	<b>11</b>	<b>5</b>	<b>27</b>	<b>7</b>
	<b>TOTAL</b>	<b>24</b>	<b>33</b>	<b>27</b>	<b>13</b>	<b>97</b>	<b>28</b>

**TOTAL 125**

#### **4.4.2 Preparation of Questionnaire**

The draft of the questionnaire used in the survey was prepared by the study team. The questionnaire was pretested in Pampanga for further refinements.

A two-day orientation session participated by the Team Researchers and Credit Specialist was conducted. The orientation consisted of classroom explanation of the questionnaire and conduct of mock interviews.

#### 4.4.3 Deployment of the Survey Team

The Survey Team composed of three Researchers and headed by the Credit Specialist conducted the survey on a per area basis. The Credit Specialist was responsible in editing the completed questionnaires.

Assistance from ACPC and national CDA was requested for the arrangements necessary in the conduct of the survey and FGD. The team also coordinated with the regional offices of CDA for assistance. The Coop Development Specialists of the CDA provided much needed assistance.

#### 4.4.4 Conduct of FGD

In addition to the field interviews, the MMDC Team conducted a series of focus group discussions (FGD) to study the experiences, opinions and sentiments of other stakeholders in the financing sector. These FGDs were conducted in the same provinces where the field interviews were done. The participants, however, were different from those covered by the interviews in order to assess the situation of the financing sector in the locality, from a different perspective, using a different methodology. Each session was attended by a mix of 10-15 participants representing organizations that, directly or indirectly, influence credit provision to farmers, consisting of:

1. Cooperatives
2. Cooperative federations/unions
3. Rural Financing Institutions, e.g. rural banks, cooperative banks
4. Farmers' organization
5. Fishermen's organization

The CDA Specialist provided assistance in the selection of the participants; extension of formal invitation; and in the selection of the venue. The study team acknowledged the valuable assistance of the CDA head office and regional officials and specialist.

A total of nine FGDs were conducted, three each in Luzon, Visayas and Mindanao. Each session lasted about two hours. Below are the provinces covered by the FGDs.

REGION	PROVINCES
Luzon	Baguio
	Bulacan
	Tarlac
Visayas	Bohol
	Cebu
	Negros Occidental
Mindanao	Davao City
	North Cotabato
	South Cotabato

The results of individual FGD sessions are shown in Annex A.

## **4.5 Data Processing**

The Team Leader and the Credit Specialist prepared the dummy tables used in the analysis of the questionnaire. The analysis involved frequency count, average of parameters, percentage and other relevant descriptive and quantitative parameters. The team used the appropriate software program in tabulating and processing of data.

## **5.0 RESULTS OF SURVEY**

The results of the survey were presented in summary table for each of the MPC and credit coops by region. The detailed information/data for MPCs and credit coops by size, by location, are presented in the Annex B. Due to small size of samples, the results of the credit coops were not broken down by size.

### **5.1 Organization and Management Profile**

#### **MPC**

##### **A) SEC Registration**

On the average, the coops surveyed had been originally registered for 17 years with CDA. Those in Mindanao had the longest at 21 years. In terms of size, the large MPC have longer number of years registered with CDA. The micro coops have the shortest.

In terms of CGS issued by CDA, 91% had been issued. All coops surveyed in Mindanao were issued CGS. Almost all of the large size was issued CGS. For Mindanao all MPC regardless of size were issued CGS. For Luzon, only the large were all issued CGS. For Visayas, all sizes were issued except the micro.

##### **B) Coop Management**

All MPC regardless of size have seven members of the BOD. Of the BOD, 70% has college education and 25% have high school. Mindanao coop has the highest college education at 80% while Luzon has the lowest at 60%. For Visayas and Mindanao, all of the large have BOD with college education. The micro has the lowest BOD with college education in Visayas and Luzon. .

About 94% indicated meeting held once a month. All the coops in Visayas conducted monthly BOD meeting. In terms of size, all sizes in general hold monthly BOD meeting.

##### **C) Financial Benefits Provided**

About 92% indicated that the BOD received honorarium and only seven (7%) indicated not giving honoraria. Mindanao has the highest proportion (96%) providing honorarium to BOD. Visayas has the lowest at 88%.

About 88% indicated that the officers and staff received salaries; 8% responded that no salary was given. There are also other benefits given to officers and staff. About

64% gave personal benefits like SSS, Philhealth; 70% provided bonus/incentive like xmas bonus, performance incentives; 13% provided insurance like life and health insurance.

In Luzon, all the large and small coops provided honorarium to BOD; in Visayas and Mindanao only the micro does not provide honoraria. In Luzon, all the small coops provide salaries to officers and staff; .for Visayas, only the medium and small; for Mindanao only the large and micro.(See Annex C, Luzon:Table 1a, Visayas:Table 1a, and Mindanao:Table 1a)

#### D. Office Equipment Relevant to Lending

About 88% have desk top computers; 36% have printers; 42% have typewriters; 14% have calculator. There are 5% equipped with CCTV..All of the coops regardless of size have equipment. Table 4 shows the O&M profile of MPCs.

**Table 4. Organization and Management Profile, ALL MPC**

Items	Luzon		Visayas		Mindanao		All	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. No. of years originally registered CDA	45	16	24	17	27	21	96	17
b. 2013/2014 CGS issued by CDA?								
Yes	38	83	23	96	27	100	88	91
No	1	2	1	4	0	0	2	2
No answer	7	15					7	7
Total	46	100	24	100	27	100	97	100
c. Ave. No. of BOD members	46	6	24	6	27	7	97	6
d. Educational attainment, BOD								
College	32	60	18	73	26	80	76	70
HS	32	39	18	27	26	20	76	29
Elementary	32	1	18	1	26	0	76	1
Total	32	100	18	100	26	100	76	100
e. Frequency of BOD meetings								
Monthly	43	93	24	100	24	89	91	94
Thrice a month	1	2			3	11	4	4
Weekly	1	2					1	1
No answer	1	2					1	1
Total	46	100	24	100	27	100	97	100
f. BOD members receive honorarium?								
Yes	42	91	21	88	26	96	89	92
No	3	7	3	13	1	4	7	7
No answer	1	2					1	1
Total	46	100	24	100	27	100	97	100
g. Officers and staff receive salaries?								

Yes	42	91	20	83	23	85	85	88
No	2	4	3	13	3	11	8	8
No answer	2	4	1	4	1	4	4	4
<b>Total</b>	<b>46</b>	<b>100</b>	<b>24</b>	<b>100</b>	<b>27</b>	<b>100</b>	<b>97</b>	<b>100</b>
h. Other benefits given to officers and staff:								
Personal benefits	25	54	12	50	25	93	62	64
Bonus/incentives	25	54	18	75	25	93	68	70
Insurance	4	9	4	17	5	19	13	13
None	5	11	6	25	2	7	13	13
<b>Total</b>	<b>46</b>	<b>*</b>	<b>24</b>	<b>*</b>	<b>27</b>	<b>*</b>	<b>97</b>	<b>*</b>
i. Office equipment								
Desktop computer	42	91	17	71	26	96	85	88
Printer	14	30	11	46	10	37	35	36
Laptop	2	4	5	21	7	26	14	14
Calculator	1	2	5	21	1	4	7	7
Copier machine	26	57	3	13	12	44	41	42
Typewriter	5	11	3	13	1	4	9	9
Telephone/fax	5	11	2	8	1	4	8	8
Office tables	1	2	2	8	2	7	5	5
CCTV	1	2	1	4	1	4	3	3
Computer table	1	2	1	4	1	4	3	3
Cabinet	1	2	1	4	5	19	7	7
Monobloc chairs			1	4	1	4	2	2
<b>Total</b>	<b>46</b>	<b>*</b>	<b>24</b>	<b>*</b>	<b>27</b>	<b>*</b>	<b>97</b>	<b>*</b>

\* Multiple response

## Credit Cooperative

### A) SEC Registration

The credit coops surveyed had 7 years original registration with CDA. Those in Visayas had the highest at 10 years. In terms of CGS issued by CDA, 89% had been issued. All coops surveyed in Visayas were issued CGS.

### B) Coop Management

There are five members of the BOD. Of the BOD, 78% has college education and 22 have high school. Mindanao coop has the highest college education at 85% while Visayas has the lowest at 73%.

About 86% indicated a monthly meeting. All the coops in Visayas conducted monthly BOD meeting

### C) Financial Benefits Provided

About 68% indicated that the BOD received honorarium and only 32% indicated not given honoraria. Visayas has the highest proportion (86%) providing honorarium to BOD while Mindanao has the lowest at 57%.

About 61% indicated that the officers and staff received salaries; 21% responded that no salary was given. There are also other benefits given to officers and staff. About 71% gave personal benefits like SSS, Philhealth; 61% provided bonus/incentive like xmas bonus, performance incentives; 11% provided insurance like life and health insurance.

### D) Office Equipment Relevant to Lending

About 64% have desk top computers; 57% have printers; 18% have telephone; 11% have laptop. .

Comparing the MPCs and credit coops, the MPCs have longer years registered with CDA and higher incidence of being issued CGS. The MPCs have more number of BODS than the credit coops. On the other hand, there is higher percentage of BOD with college education in credit coops than the MPCs. There is higher percentage of MPCs conducting monthly meeting of BOD. In terms of receiving honorarium and officers/staff receiving salaries, MPCs have higher percentage than credit coops. Both coops provide other benefits to officers and staff. Similarly, both coops possess equipment needed for the lending operation. .

Table 5 shows the O&M profile of credit coops.

**Table 5. Organization and Management Profile, ALL CREDIT**

Item	Luzon		Visayas		Mindanao		ALL	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. No. of years originally registered CDA	14	7.5	7	10	7	3	28	7
b. 2013/2014 CGS issued by CDA?								
Yes	12	86	7	100	6	86	25	89
No								
No answer	2	14			1	14	3	11
Total	14	100	7	100	7	100	28	100
c. Ave. No. of BOD members	14	5	7	6	7	6	28	5
d. Educational attainment, BOD								
College	8	74	4	73	7	85	19	78
HS	8	26	4	27	7	15	19	22
Elementary								
Total	8	100	4	100	7	100	19	100
e. Frequency of BOD meetings								
Monthly	11	79	7	100	6	86	24	86
Once every two months	1	7					1	4

Twice a month	1	7					1	4
Quarterly	1	7			1	14	2	7
<b>Total</b>	<b>14</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>28</b>	<b>100</b>
f. BOD members receive honorarium?								
Yes	9	64	6	86	4	57	19	68
No	5	36	1	14	3	43	9	32
<b>Total</b>	<b>14</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>28</b>	<b>100</b>
g. Officers and staff receive salaries?								
Yes	7	50	5	71	5	71	17	61
No	3	21	2	29	1	14	6	21
No answer	4	29			1	14	5	18
<b>Total</b>	<b>14</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>28</b>	<b>100</b>
h. Other benefits given to officers and staff:								
Personal benefits	9	64	6	86	5	71	20	71
Bonus incentives	8	57	6	86	3	43	17	61
Insurance	1	7			2	29	3	11
None	5	36	1	14	2	29	8	29
<b>Total</b>	<b>14</b>	<b>*</b>	<b>7</b>	<b>*</b>	<b>7</b>	<b>*</b>	<b>28</b>	<b>*</b>
i. Office equipment (relevant to lending operation)								
Desktop computer	9	64	5	71	4	57	18	64
Printer	7	50	5	71	4	57	16	57
Telephone/fax	3	21	2	29			5	18
Laptop	2	14	1	14			3	11
Typewriter					2	29	2	7
GPS			1	14			1	4
Overhead projector			1	14			1	4
Bill counter	1	7					1	4
Computer table	1	7					1	4
Vault	1	7					1	4
Calculator	1	7			2	29	3	11
Cabinet	1	7					1	4
Office tables	1	7	1	14			2	7
<b>Total</b>	<b>14</b>	<b>*</b>	<b>7</b>	<b>*</b>	<b>7</b>	<b>*</b>	<b>28</b>	<b>*</b>

\* Multiple response

## 5.2 Operational Profile

### MPC

#### A) Membership Requirements

About 61% reported that attendance to PMES is a requirement. In Luzon, only 30% reported PMES as requirement. Another requirement is payment of membership/application fee (65%); age should be 18-70; residence of the community. Some coops

require barangay clearance and good moral standing. There is no significant difference in the membership requirements by size.

#### B) Number of satellite/ branches

Majority (74%) indicated having no satellite. Only 13 % have one; 10% have three. Mindanao and Visayas have more coops with three satellites. For Luzon, only 2% have three satellites. The large coops have 2-3 satellite. Only the medium size in Mindanao and Visayas has two satellites. For all coops, the micro has only one satellite.

#### C) Frequency of preparing financial statement

About 80 % reported preparing monthly financial statement. About 11% prepared quarterly. Almost all of the sizes prepare monthly financial statement.

#### D) Compliance with CDA/ BIR Requirements

There is very high compliance with the requirements of these two agencies. Compliance is done by all the size categories. Table 6 shows the operational profile of MPCs.

**Table 6. Operational Profile, ALL MPC**

Item	Luzon		Visayas		Mindanao		All	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. Membership requirements:								
Must attend PMES	14	30	21	88	24	89	59	61
Membership/application fee	17	37	20	83	26	96	63	65
Age should be 18-70	25	54	19	79	14	52	58	60
Must have share capital/stock	18	39	19	79	19	70	56	58
Residence in community	23	50	14	58	19	70	56	58
Have required papers (ID, cedula,)			4	17	2	7	6	6
Filipino citizen			2	8			2	2
Good moral standing/character	2	4	2	8	1	4	5	5
Initial savings account			2	8	5	19	7	7
With income source			2	8	2	7	4	4
Barangay clearance	5	11	1	4	1	4	7	7
Must be a government employee			1	4			1	1
Must be agrarian reform beneficiary			1	4			1	1
Certification of one member	1	2			1	4	2	2
<b>Total</b>	<b>46</b>	<b>*</b>	<b>24</b>	<b>*</b>	<b>27</b>	<b>*</b>	<b>97</b>	<b>*</b>
b. No. of satellite/branches								
One	8	17	3	13	2	7	13	13
Two			1	4	2	7	3	3
Three or more	1	2	4	17	5	19	10	10

No answer / none	37	80	17	71	18	67	72	74
Total	46	100	24	*	27	100	97	100
c. Frequency of preparing financial statements								
Monthly	36	78	15	63	27	100	78	80
Quarterly	4	9	4	17	3	11	11	11
Annual	10	22	7	29	10	37	27	28
No answer			1	4			1	1
Total	46	*	24	*	27	*	97	*
d. Compliance with CDA requirements								
Yes	45	98	23	96	27	100	95	98
No								
No answer	1	2	1	4			2	2
Total	46	100	24	100	27	100	97	100
e. Compliance with BIR requirements								
Yes	45	98	20	83	27	100	92	95
No			3	13			3	3
No answer	1	2	1	4			2	2
Total	46	100	24	100	27	100	97	100

\* Multiple response

## Credit Coops

### A) Membership Requirements

About 61% reported that attendance to PMES is a requirement. In Luzon, only 36% reported PMES as requirement. Another requirement is payment of membership/application fee (61%); age should be 18-70; residence of the community.

### B) Number of Satellite/Branches

Majority (79%) indicated having no satellite. Only 11 % have one; 11% have three. Mindanao has more coops with three satellites. For Luzon, only 7% have three satellites.

### C) Frequency of Preparing Financial Statement

About 50 % reported preparing monthly financial statement. About 32% prepared quarterly and 39% annually.

### D) Compliance with CDA/ BIR Requirements

All complied with the requirements of these two agencies

The MPC and credit coops have almost the same membership requirements. Both coops have mostly had one satellite office. The financial statements are mostly done once a month for both coops. A big majority of both coops complied with CDA and BIR requirements.

Table 7 shows the operational profile of credit coops.

**Table 7. Operational Profile, ALL CREDIT**

Item	Luzon		Visayas		Mindanao		ALL	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. Membership requirements:								
Must attend PMES	5	36	6	86	6	86	17	61
Age should be 18-70	7	50	5	71	4	57	16	57
Residency in community	8	57	4	57	4	57	16	57
Must have share capital/capital stock	9	64	5	71	5	71	19	68
Membership application/fee	9	64	3	43	5	71	17	61
Have required papers/ID			2	29	1	14	3	11
Barangay clearance	3	21	1	14			4	14
ARB			2	29			2	7
Must have initial savings	3	21			1	14	4	14
Permanent job/business	2	14					2	7
Has a farm								
Total	14	*	7	*	7	*	28	*
b. No. of satellite/branches								
One	1	7	1	14	1	14	3	11
Two								
Three or more	1	7			2	29	3	11
No answer / none	12	86	6	86	4	57	22	79
Total	14	100	7	100	7	100	28	100
c. Frequency of preparing financial statements								
Monthly	7	50	4	57	3	43	14	50
Quarterly	5	36	1	14	3	43	9	32
Annual	4	29	2	29	5	71	11	39
No answer	1	7	1	14			2	7
Total	14	*	7	*	7	100	28	*
d. Compliance with CDA requirements								
Yes	14	100	7	100	7	100	28	100
No								
No answer								
Total	14	100	7	100	7	100	28	100
e. Compliance with BIR requirements								
Yes	14	100	7	100	7	100	28	100
No								
Total	14	100	7	100	7	100	28	100

\* Multiple response

## 5.3 Current Performance

### 5.3.1 Financial Conditions

#### MPCs

The average value of asset for all MPC is P73.62M. Luzon MPC registered the highest asset of P96.1M; Mindanao, P60.25M; and Visayas, P38.9M. Of the total assets, P54.3M is current assets. On liabilities, the short term amounted to P29.03M while the long term is P33.55M. The average members equity is P31.8M. The net surplus from operation (before distribution) is P3.4M. The coops are very solvent with current ratio of 1.87. The most solvent is Luzon with current ratio of 2.44. The net worth ratio is 0.43. Mindanao has the highest with 0.57 while Visayas has the lowest with 0.35 (Table 8).

The large coops have the biggest asset and the micro the smallest. The large coops have the highest short term liabilities; the micro has the smallest. The large coops followed by the medium have the biggest surplus except Visayas with medium having negative surplus. Liquidity does not depend on the size. In Luzon, the most liquid are the micro; in Visayas, the small; in Mindanao, the micro. The same is for the net worth ratio: the micro has the highest in Luzon, Visayas and Mindanao. (See Annex C, Luzon: Table 2a, Visayas: Table 2a, Mindanao: Table 2a).

**Table 8. Financial Conditions, ALL MPC**

Items	Luzon		Visayas		Mindanao		All	
	NR	Average	NR	Average	NR	Average	NR	Average
1. Assets		96,177,355		38,907,430		60,251,244		73,622,596
Current	45	69,675,928	21	33,621,463	25	44,151,260	91	54,343,395
Non-current	45	26,501,427	18	5,285,967	23	16,099,983	86	19,279,201
2. Liabilities								
Short term	43	28,540,250	19	25,720,776	23	32,683,773	85	29,031,203
Long term	22	12,873,428	11	88,024,474	12	21,516,324	45	33,548,456
3. Members' equity	45	38,817,863	21	13,731,534	27	34,168,808	93	31,803,482
4. Gross revenues	45	11,078,301	21	5,611,835	27	18,635,877	93	12,038,073
5. Revenues from lending Operations	39	5,031,184	19	4,121,508	22	15,736,036	80	7,758,970
6. Total operating expenses	45	7,655,510	21	5,509,945	27	12,884,746	93	8,689,193
7. Net surplus (before distribution)	44	3,578,598	21	5,801	27	5,760,253	92	3,403,336
9. Financial Indicators								
Current Ratio*		2.44		1.31		1.35		1.87
Net Worth Ratio**		0.40		0.35		0.57		0.43

\* current asset/current liabilities

\*\* Equity/ total assets

## Credit Coops

There is an average asset of P 55.80M for all coops surveyed. Mindanao registered the highest asset of P 225.67M; Luzon, P 21.26M; and Visayas, P 14.87M. Of the total assets, P 49.44M are current assets. On liabilities, the short term amounted to P 11.15M while the long term is P 4.11M. The average members equity is P 14.82M. The net surplus from operation (before distribution) is P3.84M. The coops are very solvent with current ratio of 4.43. The most solvent is Mindanao with current ratio of 9.92. The net worth ratio is 0.27. Luzon has the highest with 0.44 while Visayas has the lowest with 0.11 (Table 9).

The MPC have higher assets and short term liabilities compared to credit coops. The member's equity of MPC is almost twice than the credit. Both coops have almost the same net surplus. The credit coops are more liquid and has higher current ratio than the MPC, The net worth ratio however, of MPC is better than the credit coops.

**Table 9. Financial Conditions, ALL CREDIT**

Items	Luzon		Visayas		Mindanao		All	
	NR	Average	NR	Average	NR	Average	NR	Average
1. Assets		21,266,819		14,874,785		225,677,232		55,808,538
Current	13	18,443,345	6	12,555,387	4	205,532,375	23	49,444,579
Non-current	11	2,823,474	4	2,319,398	4	20,144,857	19	6,363,960
2. Liabilities								
Short term	13	7,415,912	6	12,879,690	4	20,717,143	23	11,154,503
Long term	8	4,283,757	1	232,996	4	4,745,608	13	4,114,268
3. Members' equity	13	9,417,563	6	1,592,630	7	36,189,657	26	14,819,681
4. Gross revenues	13	3,065,716	6	1,375,767	6	48,119,057	25	13,472,930
5. Revenues from lending Operations	12	3,217,551	6	1,002,652	4	24,413,797	22	6,467,351
6. Total operating expenses	13	1,990,279	6	1,356,838	6	21,572,386	25	6,537,959
7. Net surplus (before distribution)	13	1,076,799	6	471,823	7	11,852,795	26	3,838,419
9. Financial indicators								
Current Ratio*		2.49		0.97		9.92		4.43
Net Worth Ratio**		0.44		0.11		0.16		0.27

\* current asset/current liabilities

\*\* Equity/ total assets

## 5.3.2 Other Business of the Cooperatives

### MPC

The most common other business reported by MPCs is commodity trading. About 18% reported engaging in agri-input trading; 45% in trading farm products; other commodities, 31% and only one per cent in fishery paraphernalia.

Processing is another business. The products processed are food crops, animal products and fishery. The coops are also engaged in services like financial and agri related services (Table 10).

The large MPC in Luzon are engaged in agri-inputs and farm products trading. In Visayas, however, only the medium, small and micro are engaged; the large are not engaged. The large and micro in Luzon are engaged in the processing of meat products; in Visayas, the medium are in animal products and the micro on fishery (See Annex C, Luzon: Table 3a, Visayas:Table 3a, Mindanao:Table 3a).

**Table 10. Other Business of ALL MPC**

Items	Luzon		Visayas		Mindanao		All	
	NR	%	NR	%	NR	%	NR	%
<b>Commodity Trading:</b>								
Agri-Inputs	10	22	4	17	3	11	17	18
Farm Products	19	41	12	50	13	48	44	45
Fishery/Fishing Paraphernalia	1	2					1	1
Other Commodities	11	24	11	46	8	30	30	31
<b>Processing:</b>								
Crop Processing								
Food	3	7	1	4	2	7	6	6
Non-food								
Animal Products	2	4	1	4			3	3
Fishery Products	2	4	1	4			3	3
Others								
<b>Services:</b>								
Financial	19	41	7	29	11	41	37	38
Agri-Services	5	11			4	15	9	9
Other services	10	22	5	21	16	59	31	32
<b>Total</b>	<b>46</b>	<b>*</b>	<b>24</b>	<b>*</b>	<b>27</b>	<b>*</b>	<b>97</b>	<b>*</b>

### Credit Coops

The other business is commodity trading. About 14% reported engaging in agri-input trading; 11% in trading farm products; other commodities, 14%.

Processing is another business. The products processed are food crops. The coops are also engaged in services like financial and agri related services (Table 11)

On commodity trading, there is higher percentage of MPC engaged in farm products. Food is the only processed commodity for both coops. Both coops are engaged in financial and agri-services.

**Table 11. Other Business, ALL CREDIT**

Items	Luzon		Visayas		Mindanao		All	
	NR	%	NR	%	NR	%	NR	%
<b>Commodity Trading:</b>								
Agri-Inputs	2	14			2	29	4	14
Farm Products	1	7			2	29	3	11
Fishery/Fishing Paraphernalia								
Other Commodities	1	7	1	14	2	29	4	14
<b>Processing:</b>								
Crop Processing								
Food	1	7					1	4
Non-food								
Animal Products								
Fishery Products								
Others								
<b>Services:</b>								
Financial	5	36	3	43	4	57	12	43
Agri-Services					2	29	2	7
Other services					2	29	2	7
No answer	2	14					2	7
<b>Total</b>	14	85	7	57	7	*	28	*

### 5.3.3 Sources of Fund

#### MPC

For the 94 MPCs reporting fund sources, 16% sourced their funds from external sources only, 26% from internal funds only and 59% from both internal and external funds. Of their total funds, 27% came from external sources and 74% from internal sources. For the Mindanao coops only 7% of the funds were from external source with 93% coming from internal sources. For the micro and large coops, almost all funds were from internal sources. For the small and medium coops, a larger proportion of the funds were from external sources, accounting for 46% and 34%, respectively.

Cooperatives from the Visayas reported that 36% of the funds were from external and 64% from internal sources. For the large coops, 80% of the funds were from internal sources and only 29% from external. Inversely, for the rest of the size categories, a larger proportion was from external sources ranging from 54 to 76%.

The Luzon coops sourced a larger proportion of their funds from external sources accounting for 56% and only 44% from internal sources. This proportion holds true for all the size categories, except for the medium coops where only 29% of the funds came from external sources and 71% from internal sources.

The large coops have the highest internal fund. The lowest is micro in Luzon and Visayas. In Mindanao, the micro has higher funds than the small. The large MPC are the biggest borrowers from LBP followed by the medium. Mindanao micro does not have loan from LBP. ACPC is the biggest fund source of medium MPC in Luzon; .in Visayas, DAR-ARCP-LBP; in Mindanao, DTI provides fund to large coops (See Annex C, Luzon:Table 4a, Visayas:Table 4a, Mindanao:Table4a).

Bank loan is a major source of external fund. The biggest bank loan is from metro bank amounting to P90M which was made by Luzon MPC. The loan from LBP amounted to P24.24M. The biggest borrower from LBP is from Mindanao at P43.77M. The lowest was in Visayas which amounted to only P 7.65M. The other loans are sourced from BPI and coop bank.

ACPC is the top source of external fund among the government agencies. The other agencies are DTI and DAR.

There are many NGOs cited as external sources. The major sources are: NATCO party list, NLDC, CCSFM, National Confederation of coop. (Table 12)

**Table 12. Source of Fund, ALL MPC**

Sources of Fund	Luzon		Visayas		Mindanao		All	
	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt
<b>External Sources:</b>								
<i>Bank Loan:</i>								
LBP	17	22,338,836	11	7,645,455	11	43,778,545	39	24,241,646
UCPB	2	750,000	2	1,000,000	1	300,000	5	760,000
BPI	7	22,200,000					7	22,200,000
Metrobank	1	90,000,000					1	90,000,000
Metrosouth Coop Bank	1	30,000,000	1	3,000,000			2	16,500,000
<i>Government Programs:</i>								
ACPC	4	3,537,500					4	3,537,500
DTI	1	4,000,000			1	2,000,000	2	3,000,000
Maynilad	1	1,600,000					1	1,600,000
DAR	1	2,200,000	1	131,600			2	1,165,800
DSWD			1	500,000			1	500,000
LGU	1	150,000	2	625,000	5	230,000	8	318,750
DAR-ARCP-LBP			1	2,000,000			1	2,000,000
DOLE			1	100,000	1	100,000	2	100,000
DA					2	200,000	2	200,000
<i>NGOs/Other Sources:</i>								
NLDC			1	4,700,000			1	4,700,000
NATCO Party List (grant)			1	11,500,000			1	11,500,000
NATTCO			3	5,833,333			3	5,833,333
PCF			1	7,000,000			1	7,000,000
Metro Cebu Surety Fund			1	10,000,000			1	10,000,000

Aboitiz			4	950,000			4	950,000
CCSFM	1	50,000,000					1	50,000,000
NLDC	1	25,000,000					1	25,000,000
Private Source	5	2,027,600					5	2,027,600
Center for Communication Transformation	1	2,500,000					1	2,500,000
National Confederation of Cooperatives	1	16,000,000					1	16,000,000
Pangasinan Credit Surety Fund	1	4,000,000					1	4,000,000
Seed Finance	1	2,000,000					1	2,000,000
MCDC	3	333,333					3	333,333
NTA	1	700,000					1	700,000
ULP	1	1,000,000					1	1,000,000
PEF	2	1,500,000					2	1,500,000
Ramago International Corporation	1	500,000					1	500,000
Agri Solutions	1	400,000					1	400,000
La Trinidad Sunrise Trading	1	5,000,000					1	5,000,000
Tabakaw Coop	1	1,000,000					1	1,000,000
Maitana Foundation					1	14,000,000	1	14,000,000
Legazpi Oil Company					1	300,000	1	300,000
CSDO					2	3,500,000	2	3,500,000
NATCCO					1	1,000,000	1	1,000,000
MASS SPECC					2	5,000,000	2	5,000,000
Federation of People's Sustainable Dev't Corp					1	8,000,000	1	8,000,000
<b>Internal Fund</b>	<b>35</b>	<b>14,572,660</b>	<b>19</b>	<b>13,790,760</b>	<b>24</b>	<b>72,914,583</b>	<b>78</b>	<b>32,333,558</b>

## Credit Coops

Of the 22 credit coops who reported their sources of funds, 18% sourced their funds from external sources only, 45% from internal funds only and 36% from both internal and external funds. Of their total funds, majority (80%) came from internal sources. This situation holds true for Mindanao while for Luzon, almost all (99%) funds came from internal sources. Inversely, coops from the Visayas sourced majority (83%) of their funds from external source.

Bank loan is a major source of external fund. The biggest bank loan is from UCPB amounting to P35M which was made by Visayas. The loan from LBP amounted to P18.79M. The biggest borrower from LBP is from Visayas at P33.57M. The lowest was in Luzon which amounted to only P850,000. DTI is the top source of external fund among the government agencies. DTI provided grant in Luzon amounting to P1M. The DSWD provided P200, 000 for Luzon..

There are many NGOs cited as external sources. The major sources are: NATCO party list, NLDC, CCSFM, National Confederation of coop (Table 13)

The credit coops have higher internal fund compared to MPC. The MPC have more loans from banks. The LBP provided loans to both coops. Its loan however, to MPC is bigger than the credit coops.

**Table 13. Source of Fund, ALL CREDIT**

Sources of Fund	Luzon		Visayas		Mindanao		All	
	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt
<b>External Sources:</b>								
<i>Bank Loan:</i>								
LBP	2	850,000	2	33,571,200	3	20,896,667	7	18,790,343
UCPB					1	35,000,000	1	35,000,000
Consolidated Coop Bank					1	32,000,000	1	32,000,000
<i>Government Programs:</i>								
DTI	1	1,000,000					1	1,000,000
DSWD	1	200,000					1	200,000
Livelihood Corporation	1	500,000					1	500,000
Private Source	1	100,000					1	100,000
Botica Binhi	1	25,000					1	25,000
General Fund	1	50,000					1	50,000
MASS SPECC					2	4,000,000	2	4,000,000
People's Credit Finance Corporation					1	2,000,000	1	2,000,000
Peace & Equity Foundation					1	2,000,000	1	2,000,000
Foundation for Sustainable Society Inc.					1	8,000,000	1	8,000,000
Federation of People's Sustainable Dev't Coop					1	10,000,000	1	10,000,000
<b>Internal Fund</b>	8	32,173,487	6	2,368,667	5	101,024,000	19	40,879,995

### 5.3.4 Lending Operation

#### MPC

The average loan portfolio at end 2013 was P37.09M. Mindanao has the highest at P52.27M followed by Luzon, P35.93M and Visayas, P21.19M. In 2013, the total amount of loan approved was P56.96M. Mindanao has the highest at P95.63M followed by Luzon, P 54.17M and Visayas, P17.68M. The total amount of loan released was P57.08M. Mindanao has the highest at P 95.63M followed by Luzon, P54.38M and Visayas, P17.8M. The total amount of outstanding loan is P44.78M. Mindanao has the highest at P78.92M followed by Luzon, P34.47M and Visayas, P28.35M. On the average, agriculture and fishery loan constitute 48% of the total loan. Luzon has the highest share at 55%; Mindanao, 51% and Visayas, 31% (Table 14).

The large coops have the highest loan portfolio; the lowest is the micro. The large have also the biggest amount of loan approved while the micro has the lowest. The large has also the biggest outstanding loan; micro has the lowest (See Annex C, Luzon:Table 5a, Visayas:Table 5a,Mindanao:Table5a).

The percent allocated for agriculture and fishing varies by size. In Luzon, the small has the highest at 73%; Visayas, small at 35%; and micro in Mindanao.

**Table 14. Lending Operation, ALL MPC**

Items	Luzon	Visayas	Mindanao	All
Number Reporting	40	20	24	84
Ave. Amount of loan portfolio, end 2013	35,935,582.21	21,191,335.67	52,272,036.98	37,092,605.82
Number Reporting	37	21	24	82
Ave. Total amount of loan approved, 2013	54,169,744.68	17,680,216.31	95,629,348.67	56,959,383.70
Number Reporting	37	21	24	82
Ave. Total amount of loan released, 2013	54,377,174.78	17,796,882.98	95,629,348.67	57,082,858.26
Number Reporting	41	20	22	83
Ave. Total amount of loan outstanding at present	34,478,127.86	28,355,106.84	78,915,719.26	44,781,339.79
Number Reporting	41	20	24	85
Ave percent for agriculture/fishing	54.55	30.50	51.00	47.89

### Credit Coops

The average loan portfolio at end 2013 was P43.66M. Mindanao has the highest at P171.83M followed by Luzon, P22.11M and Visayas, P7.37M. In 2013, the total amount of loan approved was P26.39M. Mindanao has the highest at P73.36M followed by Luzon, P18.11M and Visayas, P8.22M. The total amount of loan released was P23.57M. Mindanao has the highest at P 57.84M followed by Luzon, P10.06M and Visayas, P8.14M. The total amount of outstanding loan is P50.58M. Mindanao has the highest at P204.07M followed by Luzon, P20.3M and Visayas, P8.8M. On the average, agriculture and fishery loan constitute 65 % of the total loan. Visayas has the highest share at 81%; Mindanao, 69% and Luzon, 55% (Table 15).

The credit coops have slightly bigger loan portfolio. The MPC however have almost twice as much loan approved and loan released than the credit coops. The credit coops have higher loan outstanding. It is surprising, that the credit coops have higher per cent of loan for agriculture/fishery (65%) compared to 48% by the MPC.

There are innovations in the lending scheme adopted by some coops. These innovations resulted to success in lending operation: the coops have higher repayment and generated additional income. For the borrowers, they realized increase in income.

The following lending schemes adopted by some coops were gathered from the FGD. There were no data collected in the survey as to the number of coops adopting specific lending scheme.

a) The basic feature of the lending scheme used by majority of the MPC for crops is the provision by the coop of the production inputs instead of cash. The cash component is only labor. The practice of releasing input in kind is to have better chance that the inputs will be used as per recommended technology. The other

advantage is the coop realizing profit from input trading. The other feature of the lending scheme is the practice of borrowers marketing their produce to the coop. This is considered better practice since the borrowers get better price because of bulk sales. Furthermore, the coops realized additional income from the marketing fees collected. Under the scheme, repayment is assured because the borrower receives the balance of the sales value of his produce minus the value of the loan. With the buy back arrangement, loan repayment is almost 100%.

b) In the case of credit for livestock, majority of the loan is for pig fattening by the backyard growers. The scheme involves the coop providing the piglets, feeds and biologics. The coop has also veterinarian where the raisers can seek medical advice. The coop however, charge minimum fee for vet service. At marketable age, the coops gets the fattened animals and slaughter them and sell the carcass. In big coops, they have the feedmill , slaughterhouse and processing plant. Instead of selling to “viajeros”: the live animals, sale from carcass meat provide higher to the borrowers. The borrowers gets the net- after deducting the loan from the coop. Under this scheme, only farmers with pig house and water are qualified to join the program. This scheme provides mutual benefits to coop and borrowers. The coop has higher repayment and generates income from the sale of carcass ; for the borrowers, more income is derived with the slaughtering of the pigs. With the buy back arrangement, loan repayment is almost 100%.

c) In case of credit for fishery: there are two clientele. The members with existing pond, gets loan for the operational cost of raising either bangus or tilapia. The loan is used for the purchase of fingerlings, improvement of the pond; feeds and salary of caretakers. All of the loan proceeds are released in cash. The other clients are the fishermen who get loan for the purchase of the nets, other fishing paraphernalia and fuel. The eligible borrowers are those with fishing boats. The loan is released lumpsum. Repayment varies- there are borrowers who pay twice/ week; others pay weekly. The financing scheme provides higher income to the fisher folks. If they rent the net belonging to other well to do fisher men, the owner gets ½ of the catch and the other half is shared among the fishermen involved in the fishing activity. The coop considers this scheme as successful- higher repayment and positive income impact to the members.. The other fishery loan is for the “tahong” raisers. The loan is used for the bamboo poles and plastic string. The loan maturity for both the fishpond and fishing is six months.

The credit delivery systems are those used by financial institutions and are in accordance with their credit policies, systems and procedures.. The conduct of BI and CI provided guides in the approval of the loan. The other feature of the delivery system is the assignment of staff whose duty is to monitor the status of loan utilization. This will ensure that there will be no diversion in the use of the loan proceeds. Since the right kind and amount of inputs are used, this contributes to higher productivity and income and there better repayment.. The “ Tutok” system contributes to better collection performance.

**Table 15. Lending Operation, ALL CREDIT**

Item	Luzon	Visayas	Mindanao	All
Number Reporting	12	7	4	23
Ave. Amount of loan portfolio, end 2013	22,116,137.34	7,369,492.81	171,827,709.55	43,664,823.30
Number Reporting	13	7	5	25
Ave. Total amount of loan approved, 2013	18,109,723.52	8,216,171.43	73,359,800.00	26,389,544.23
Number Reporting	13	7	6	26
Ave. Total amount of loan released, 2013	16,058,952.16	8,136,171.43	57,836,833.33	23,566,945.31
Number Reporting	12	6	4	22
Ave. Total amount of loan outstanding at present	20,307,121.30	8,812,000.00	204,068,000.00	50,583,157.07
Number Reporting	13	6	5	24
Ave percent for agriculture/ fishing	55.30	81.59	69.00	64.73

### 5.3.5 Other Financial Services

#### MPC

The other financial services are acceptance of deposits. For savings deposit, the average interest rate is 2.99%/annum. Visayas gave the highest rate of 3.47%/yr while Luzon has the lowest at 2.63%/yr. Time deposit interest rate averaged 4.45%/yr with Visayas giving the highest at 4.8%/yr and Luzon, the lowest at 4.26%/yr. It should be noted that the interest rate is higher than those given by banks (Table 16).

In Luzon, the medium offers the highest interest rate on savings (3.67%) and time deposit (9.14%). The large offers the lowest interest rate on savings deposit (1.33%). For Visayas, the large has the highest interest on savings (4.25%); medium the highest on time ( 8%). For Mindanao, the medium has the highest on savings (3.27%); while the large has the highest on time (6.4%).

**Table 16. Other Financial Services, ALL MPC**

Items	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
a) Savings deposit:								
Interest rate/ yr	33	2.63	19	3.47263	25	3.10	77	2.99
b) Time deposit								
Interest rate/ yr	27	4.26	13	4.80	20	4.48	60	4.45

## Credit Coop

The other financial services are acceptance of deposits. For savings deposit, the average interest rate is 2.67%/annum. Mindanao gave the highest rate of 3.5%/yr while Visayas has the lowest at 2.33%/yr. Time deposit interest rate averaged 4.39%/yr with Mindanao giving the highest at 4.58%/yr and Luzon, at 4.32%/yr. It should be noted that the interest rate is higher than those given by banks (Table 17).

Both coops accept savings and time deposits. There is no significant difference in the interest rate given between the MPC and credit coop.

**Table 17. Other Financial Services, ALL CREDIT**

Items	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
a) Savings deposit:								
Interest rate/ yr	10	2.55	6	2.33	4	3.50	20	2.67
b) Time deposit								
Interest rate/ yr	9	4.32			3	4.58	12	4.39

### 5.3.6 Other Information on Lending

#### MPC

There are more coops reporting lending for crop production, providential and commercial projects. About 51% of the coop surveyed provided crop loan with an average amount of P164,712; with 11 months repayment and interest of 29%/year. In case of providential loan, about 56% of the coop surveyed extended loan with an average amount of P272,231; with 12 months repayment and interest of 23%/year. For commercial loan, the average amount is P388,097; 15 months maturity and 245/yr interest. For livestock loan, the average amount is P646,521; 14 months maturity and 26/yr interest. For fishery loan, the average amount is P112,154; 11 months maturity and 26/yr interest (Table 18).

About 87% conducted BI/CI and only 8% did not. The 5c (collateral, character, capital, capacity to pay, co-maker is the major criteria for loan evaluation. About 89% of the borrowers come to office to pay; 53% is thru collectors and 24% is thru banks. The delinquency rate averaged 14.83% while the PAR is 34.98%. Majority of the coops monitor the loans. About 48% indicated that they don't impose sanctions in case of diversion in the use of loan. (Table 19)

In Visayas and Mindanao, all the large and medium conducted BI/CI. The 5Cs is the major loan criteria used for evaluation by all sizes. Loan collection for all sizes is thru collectors, thru bank and borrowers coming to office. In Luzon, the highest delinquency rate is medium while the large has the highest PAR. For Visayas, the medium has the highest delinquency rate; while the micro has the highest PAR. In case of Mindanao, the small has the highest delinquency rate while the large has the highest PAR (See Annex C, Luzon:Table 8a, Visayas:Table 8a,Mindanao:Table8a).

In Luzon and Mindanao, the large MPC extend the highest loan amount of loan for crop and livestock. In both regions, the large also extended the highest loan to commercial and providential. In the Visayas, the small extended the highest loan on fishery. On the other hand, the medium has the highest loan on livestock (See Annex C, Luzon:Table 7a, Visayas:Table 7a,Mindanao:Table7a).

**Table 18. Other Information on Lending, ALL MPC**

Items	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
<b>Types of agricultural/fishery projects/loans financed:</b>								
<b>Crop:</b>								
Ave. maximum loan amount	20	106,400	6	27,267	24	247,667	50	164,712
Ave. maximum repayment period (mo)	20	9	6	8	24	13	50	11
Ave interest rate (%/yr)	20	31	6	26	24	28	50	29
<b>Livestock &amp; Poultry:</b>								
Ave. maximum loan amount	7	1,770,714	7	15,214	10	301,500	24	646,521
Ave. maximum repayment period (mo)	7	17	7	8	9	16	23	14
Ave interest rate (%/yr)	7	26	7	29	10	23	24	26
<b>Fishery:</b>								
Ave. maximum loan amount	5	141,000	3	109,333	5	85,000	13	112,154
Ave. maximum repayment period (mo)	5	11	3	11	5	10	13	11
Ave interest rate (%/yr)	5	22	3	32	5	27	13	26
<b>Others:</b>								
Ave. maximum loan amount	14	149,786	7	76,429	2	204,500	23	132,217
Ave. maximum repayment period (mo)	14	9	7	19	2	53	23	16
Ave interest rate (%/yr)	13	59	7	31	2	19	22	46
<b>Other Loan products</b>								
<b>Commercial:</b>								
Ave. maximum loan amount	14	258,286	7	585,000	10	432,000	31	388,097
Ave. maximum repayment period	14	12	7	20	10	16	31	15
Ave interest rate	14	22	6	25	10	27	30	24
<b>Productive:</b>								
Ave. maximum loan amount			2	1,000,000			2	1,000,000
Ave. maximum repayment period (mo)			2	17			2	17
Ave interest rate (%/yr)			2	33			2	33
<b>Providential:</b>								
Ave. maximum loan amount	19	393,684	18	216,972	17	210,882	54	277,231
Ave. maximum repayment period (mo)	18	6	18	14	17	15	53	12
Ave interest rate (%/yr)	18	19	18	22	17	27	53	23
<b>Livelihood:</b>								
Ave. maximum loan amount	2	27,500	2	115,000			4	71,250
Ave. maximum repayment period (mo)	2	9	2	36			4	22
Ave interest rate (%/yr)	2	17	2	16			4	17

**Table 19. Other Information on Lending, ALL MPC**

Item	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Do you conduct BI/CI?								
Yes	39	85	20	83	25	93	84	87
No	5	11	3	13			8	8
No answer	2	4	1	4	2	8	5	5
Total	46	100	24	100	27	100	97	100
Loan evaluation criteria/securities:								
5Cs (collateral, character, capital, capacity to pay, co-maker)	38	83	20	83	24	89	82	85
Capital share	10	22	5	21			15	15
Track record			2	8	8	30	10	10
Active participation in coop activities			1	4			1	1
Amount of savings deposit	1	2					1	1
Source of income	1	2					1	1
No answer					2	7	2	2
Total	46	*	24	*	27	*	97	*
Loan collection system:								
Thru collectors	18	39	15	63	18	63	51	53
Thru banks	10	22	5	21	8	26	23	24
Members come to office	41	89	22	92	23	85	86	89
Salary deduction					3	11	3	3
PDCs	2	4					2	2
In kind/deducted from harvest	3	6					3	3
No answer					2	7	2	2
Total	46	*	24	*	27	*	97	*
Current loan collection performance:								
Delinquency rate	42	1.92	20	23.731	24	19.78	86	14.83
PAR	20	20.8	9	24.55	7	16.52	36	34.98
Management of delinquent loans:								
Demand letters	41	89	20	83	17	63	78	80
TDK	38	83	12	50	10	37	60	62
Legal action	26	56	9	38	19	70	54	56
Thru barangay	10	22	7	29	2	7	19	20
BOD summons			2	8			2	2
Mediation			3	12	8	30	11	11
Follow-up	1	2	4	16	24	89	29	30
Restucturing					3	11	3	3
Foreclosure					1	4	1	1
Penalty					1	4	1	1
Management take-over	1	2					1	1
Total	46	*	24	*	27	*	97	*

Do you monitor projects/loans financed?								
Yes	37	80	20	83	25	92	82	85
No	6	13	4	17			10	10
No answer	3	7	1	4	2	8	6	6
Total	46	100	24	*	27	100	97	*
Sanctions in case of diversion in the use of loan fund:								
Due and demandable	2	4	2	8			4	4
Foreclosure of collateral					1	4	1	1
BOD inquiry			1	4			1	1
% surcharge as usual penalty	1	2	1	4			2	2
Blacklisted/grounded for loan application	1	2	1	4	1	4	3	3
Warning	1	2	1	4			2	2
Impose fine/penalty (additional 5% per month)			1	4			1	1
Restricted/limited loans afterwards			1	4			1	1
None	28	62	7	29	12	44	47	48
No answer	13	28	9	38	13	48	35	36
Total	46	100	24	100	27	100	97	100

### Credit Coops

There are more coops reporting lending for crop production, providential and commercial projects. Crop loan has an average amount of P 89,500; with 9 months repayment and interest of 25%/year. Providential loan has an average amount of P178,375 with 13 months repayment and interest of 26%/year Livestock loan has an average amount of P 64,200; with 8 months repayment and interest of 22%/year. Fishery loan has an average amount of P 134,500; with 9 months repayment and interest of 32%/year (Table 20).

About 79% conducted BI/CI and only 14% did not. The 5c (collateral, character, capital, capacity to pay, co maker is the major criteria for loan evaluation. About 96% of the borrowers come to office to pay; 57% is thru collectors and 21% is thru banks. The delinquency rate averaged 30.37% while the PAR is 45.27%.Majority of the coops monitor the loans. About 57% indicated that they don't impose sanctions in case of diversion in the use of loan (Table 21)

The MPC provided higher loan amount on crop production, providential and commercial than the credit coops. Similarly, the MPC provided much higher loan for livestock compared to the credit coops. The loan collection performance of the MPC is better than the credit coops. Both coops adopted the same practices in their lending operation.

**Table 20. Other Information on Lending, ALL CREDIT**

Items	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
<b>Types of agricultural/fishery projects/loans financed:</b>								
<b>Crop:</b>								
Ave. maximum loan amount	5	98,400	3	41,333	4	114,500	12	89,500
Ave. maximum repayment period (mo)	5	8	3	8	4	11	12	9
Ave interest rate (%/yr)	4	20	3	30	4	27	11	25
<b>Livestock &amp; Poultry:</b>								
Ave. maximum loan amount	4	67,750			1	50,000	5	64,200
Ave. maximum repayment period (mo)	4	9			1	4	5	8
Ave interest rate (%/yr)	4	21			1	24	5	22
<b>Fishery:</b>								
Ave. maximum loan amount	2	250,000	1	8,000	1	30,000	4	134,500
Ave. maximum repayment period (mo)	2	15	1	1	1	5	4	9
Ave interest rate (%/yr)	2	21	1	60	1	24	4	32
<b>Others:</b>								
Ave. maximum loan amount	2	375,000	3	16,667	1	25,000	6	137,500
Ave. maximum repayment period (mo)	2	21	3	6	1	4	6	11
Ave interest rate (%/yr)	2	41	3	32	1	30	6	35
<b>Other Loan products</b>								
<b>Commercial:</b>								
Ave. maximum loan amount	6	283,333			4	142,875	10	227,150
Ave. maximum repayment period	6	11			4	12	10	12
Ave interest rate	6	21			4	34	10	26
<b>Productive:</b>								
Ave. maximum loan amount								
Ave. maximum repayment period (mo)								
Ave interest rate (%/yr)								
<b>Providential:</b>								
Ave. maximum loan amount	6	201,750	4	32,500	2	400,000	12	178,375
Ave. maximum repayment period (mo)	6	10	4	9	2	30	12	13
Ave interest rate (%/yr)	6	19	4	36	2	24	12	26

**Table 21. Other Information on Lending, ALL CREDIT**

Items	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Do you conduct BI/CI?								
Yes	12	86	5	71	5	71	22	79
No			2	29	2	29	4	14
No answer	2	14					2	7
Total	14	100	7	100	7	100	28	100
Loan evaluation criteria/securities:								
5Cs (collateral, character, capital, capacity to pay, co-maker)	13	93	5	71	6	86	24	86
Capital share			2	29			2	7
Condition of farm/borrower					2	29	2	7
No answer	1	7			1	14	2	7
Total	14	100	7	100	7	*	28	*
Loan collection system:								
Thru collectors	10	71	4	57	2	29	16	57
Thru banks	5	36			1	14	6	21
Members come to office	14	100	7	100	6	86	27	96
Bring harvest to coop					1	14	1	4
BY branch					1	14	1	4
Total	14	*	7	*	7	*	28	*
Current loan collection performance:								
Delinquency rate	14	21	5	11.33	4	14.13	23	30.37
PAR	6	39	4	62.00	1	77.00	11	45.27
Management of delinquent loans:								
TDK	11	79	6	86	2	29	19	68
Demand letters	9	64	7	100	2	29	18	64
Legal action	5	36	1	14	3	43	9	32
Thru barangay	3	21	1	14			4	14
BOD summons	1	7	1	14			2	7
Follow-up	2	14	2	29	6	86	10	36
Mediation committee					1	14	1	4
Foreclosure					1	14	1	4
Total	14	*	7	*	7	*	28	*
Do you monitor projects/loans financed?								
Yes	13	93	5	71	6	86	24	86
No	1	7	2	29	1	14	4	14
Total	14	100	7	100	7	100	28	100
Sanctions in case of diversion in the use of loan fund:								
Blacklisted/grounded from loan application	1	7	1	14			2	7
Counselling			2	29			2	7
Sending demand notice	1	7			1	14	2	7

Plan payment agreement					1	14	1	4
% penalty	1	7					1	4
None	8	57	2	29	6	86	16	57
No answer	3	22	2	29			5	18
<b>Total</b>	<b>14</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>*</b>	<b>28</b>	<b>*</b>

### 5.3.7 Assessment of lending Operation

#### MPC

The criteria used in considering successful lending program are: repayment performance, positive impact on members; good income of members. Strict monitoring/ collection and stringent loan evaluation are the major factor for success (Table 22).

**Table 22. Assessment of Lending Operation, ALL MPC**

Item	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Criteria for considering a program/product successful								
Good repayment performance	31	67	15	63	24	89	70	72
Positive impact on members	23	50	12	50	7	26	42	43
Good income of members/high profit	14	30	4	17	2	7	20	21
Improvement/expansion of projects	1	2					1	1
Secured loan	1				3	11	4	4
Give employment			1	4			1	1
Greatest number of borrowers	3	7			5	19	8	8
<b>Total</b>	<b>46</b>	<b>*</b>	<b>24</b>	<b>*</b>	<b>27</b>	<b>*</b>	<b>97</b>	<b>*</b>
What factors contribute to their success?								
Stringent loan evaluation	20	43	14	58	16	59	50	52
Strict monitoring/collection	27	59	11	46	15	56	53	55
Strict implementation of policies/system	8	17					8	8
Good character, discipline of borrower	2	4	3	13	5	19	10	10
Trust and confidence of officers and staff	3	7	2	8			5	5
Secured loans					4	15	4	4
Lesser risk due to lower loan amount			1	4			1	1
Seminar/technical support by coop			1	4	1	4	2	2
Need by members	2	4	1	4			3	3
Promisory note			1	4			1	1
Coop buys members' product	1	2					1	1
Cash payment			1	4			1	1
<b>Total</b>	<b>46</b>	<b>*</b>	<b>24</b>	<b>*</b>	<b>27</b>	<b>*</b>	<b>97</b>	<b>*</b>
What factors contribute to being unsuccessful?								
Bad weather	5	11	2	8			7	7

Lot of competitors in microfinance					2	7	2	2
Borrowers lack of technical/financial skills	1	2	1	4	4	15	6	6
Marketing problem	2	4	3	13	5	19	10	10
Not income generating	2	4	1	4	1	4	4	4
Used to pay other loans	2	4	1	4			3	3
Poor repayment			1	4	2	7	3	3
Weak monitoring	1	2	1	4			2	2
Poor credit evaluation	3	7	1	4	2	7	6	6
High cost of inputs	1	2					1	1
Don't know			1	4			1	1
No answer	27	59	14	58	11	41	52	54
Total	44	100	24	*	27	100	97	*

### Credit Coops

The criteria used in considering successful lending program are: repayment performance, positive impact on members; good income of members. Strict monitoring/ collection and stringent loan evaluation are the major factor for success (Table 23).

Both coops used the same criteria in considering successful lending program are: repayment performance, positive impact on members; good income of members. Strict monitoring/ collection and stringent loan evaluation are the major factor for success. Problem on marketing, bad weather and character are the major cause of unsuccessful lending.

**Table 23. Assessment of Lending Operation, ALL CREDIT**

Items	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Criteria for considering a program/product successful								
Positive impact on members	5	36	4	57	1	14	10	36
Good repayment performance	14	100	5	71	5	71	24	86
Good income of members	5	36	3	43			8	29
Easy to manage	5	36					5	18
No answer					1	14	1	4
Total	14	*	7	*	7	100	28	*
What factors contribute to their success ?								
Stringent loan evaluation	10	71	4	57	1	14	15	54
Strict monitoring	13	93	4	57	3	43	20	71
Good customer relation	1	7			3	43	4	14
No answer			1	14	1	14	2	7
Total	14	*	7	*	7	*	28	*
What factors contribute to being unsuccessful?								

Bad weather	1	7	3	43			4	14
Not income generating		0	1	14			1	4
Price stability	1	7					1	4
Effort of supply and demand	1	7					1	4
Character and attitude	2	14					2	7
No answer	8	57	3	43	7	100	18	64
<b>Total</b>	<b>14</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>28</b>	<b>96</b>

### 5.3.8 COOP PESOS

Only the PESOS data were obtained and very few provided the data. In general, both the MPC and credit coop have scores lower than the standard set by CDA. For P which is portfolio quality, the average score is 9 which is lower than the prescribed of 25%. For E which is efficiency, the score of both coops is 4.85 which are below the 20%. For S which is stability, the average score is 7.24 lower than the prescribed of 30%. For O which is operation, the score of both coops is 3.09 which are below the 10%. For S which is structure of assets, the average score is 3.5 lower than the prescribed of 15 % ( Table 24).

**Table 24. COOP PESOS**

ITEM	MPC		Credit		All	
	NR	Ave. Score	NR	Ave. Score	NR	Ave. Score
<b>P-ORTFOLIO QUALITY (25%)</b>	2	9			2	9
<b>E-FFICIENCY (20%)</b>	9	5.36	3	3.33	12	4.85
<b>S-TABILITY (30%)</b>	10	6.41	3	10	13	7.24
<b>O-PERATIONS (10%)</b>	9	2.67	2	5	11	3.09
<b>S-TRUCTURE OF ASSETS (15%)</b>	8	3.44	3	3.67	11	3.50
<b>TOTAL</b>	<b>10</b>	<b>21.54</b>	<b>3</b>	<b>20.33</b>	<b>13</b>	<b>21.26</b>

## 6.0 GENERAL PROFILE OF COOPS IN THE PHILIPPINES

As of December 31, 2013, there are a total of 23,672 cooperatives registered under the Cooperative Development Authority. They come in different types and asset categories, offering a wide range of services that cater to the various needs of their members in the communities where they operate. As such, they are regarded as potent players in promoting national development.

### 6.1 Distribution of Cooperatives by Type

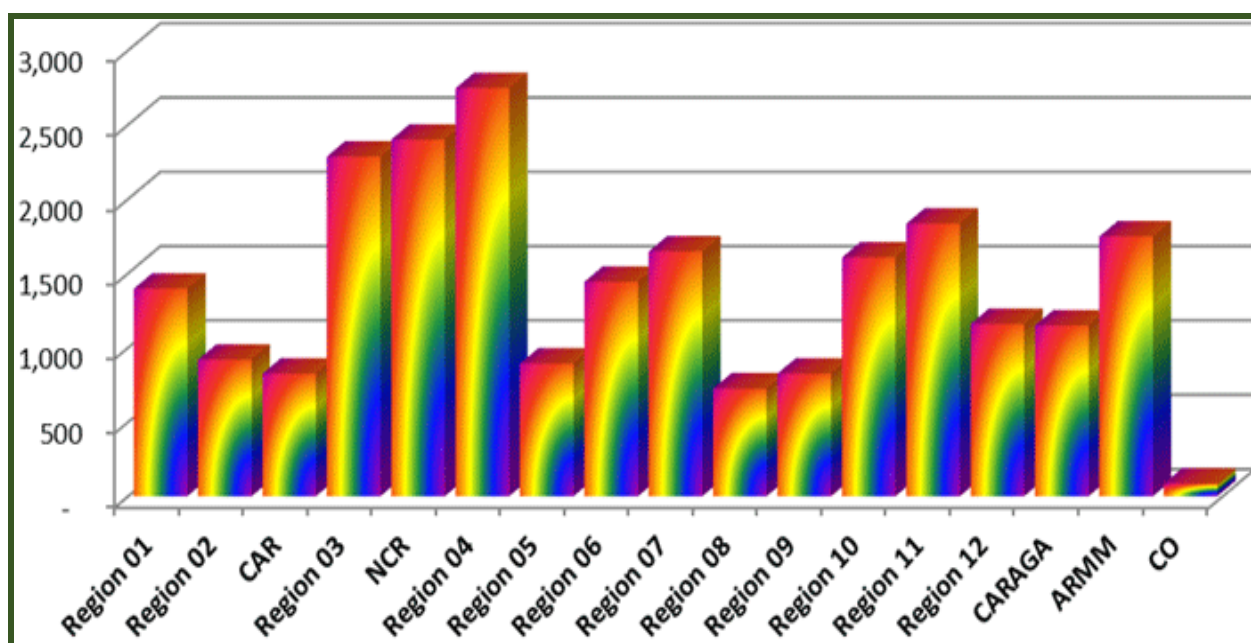
The following tables and graphs (CDA statistics as of December 31, 2013; CDA official website) present the distribution and analysis of the cooperatives in the Philippines according to various categories.

**Table 25. Total Number of Registered Cooperatives, by Region, by Type**

REGION	ADVOCACY	AGRARIAN/REFORM	CONSUMER	COOP BANK-SECONDARY	CREDIT	DAIRY	EDUCATION	ELECTRIC	FEDERATION-SECONDARY	FEDERATION-TERTIARY	FINANCIAL SERVICE	FISHERMEN	HEALTH SERVICES
Region 01	1	8	117		167				12				
Region 02		2	24		216	3			7	1			
CAR		1	81		157				6				
Region 03	3	6	102		298	7			23				
NCR	4		198	1	457		1		26	2		1	
Region 04	4	5	147		364	3			22		2	5	
Region 05	1	3	32		131	2			8				
Region 06		7	48		110				18			2	
Region 07		1	51		184	4			15				1
Region 08	1	3	50		138	1			5				
Region 09	2	8	52		62				10			5	
Region 10	1	8	69		209		1		16			1	1
Region 11	3	3	106		185	1			11		1	3	
Region 12		7	34		135	6			9			1	
CARAGA	1	4	100		112				8			1	
ARMM	1		55		34	1	1	1	6			16	
Central Office				45				3	2	3			
GRAND TOTAL	22	66	1,266	46	2,959	28	3	4	204	6	3	35	2

REGION	HOUSING	INSURANCE-SECONDARY	MARKETING	MULTI-PURPOSE	PRODUCER	SERVICE	TRANSPORT	UNION-SECONDARY	UNION-TERTIARY	WATER	WORKERS	GRAND TOTAL
Region 01			40	1,004	21	20	1	4				1,395
Region 02			75	500	64	25		1				918
CAR	2		31	487	33	17	1	6			2	824
Region 03			103	1,327	259	140	10	5			2	2,285
NCR	10	1	20	1,274	38	317	31	13			5	2,399
Region 04	2		136	1,750	115	160	12	8		2	7	2,744
Region 05	2		16	559	74	55	3	4			2	892
Region 06			69	1,125	41	20		1			1	1,442
Region 07			18	1,263	28	74	2	3		2		1,646
Region 08			19	403	37	67						724
Region 09			16	610	42	18						825
Region 10	3	1	86	1,053	86	60	3	3			4	1,605
Region 11	1		78	1,197	117	119	3	4			1	1,833
Region 12			57	729	94	81	4				2	1,159
CARAGA			35	728	132	24	1	2			1	1,149
ARMM			379	711	442	95	2	2			1	1,747
Central Office		2		2	1	24			1		2	85
GRAND TOTAL	20	4	1,178	14,722	1,624	1,316	73	56	1	4	30	23,672

**Figure 2. Total Number of Registered Cooperatives, by Region**



**Figure 3. Total Number of Registered Cooperatives, by Type**

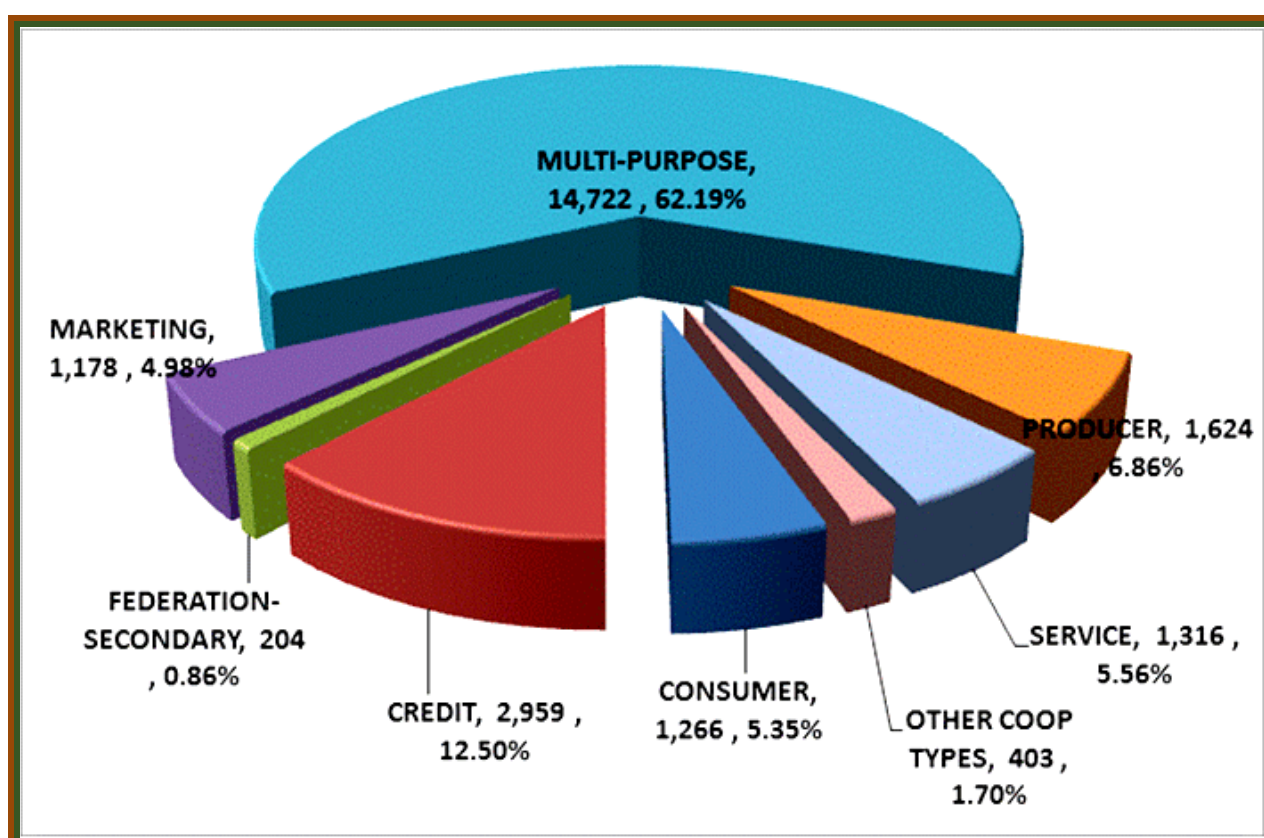


Table 25 and Figures 2 & 3 revealed that there is a big number of registered cooperatives operating nationwide. Out of the total of 23,672, Region IV (A and B) has the highest share of 2,744 cooperatives (11.59%), followed closely by the National Capital Region with 2,399 cooperatives (10.13%) and in third is Region III

with 2,285 cooperatives (9.65%). This is attributed to these regions' area of coverage, population, and level of development.

Twenty four types of cooperatives in operation. Each type has its own characteristics and range of financial, business and other services, based on its purpose and the needs of its members. Among these types, multipurpose cooperatives are outstanding in number (14,722; 62.19%). This is due to the fact that as cooperatives grow, they expand their activities and diversify their services, which necessitates the conversion from single purpose to multipurpose. In far second place are the credit cooperatives which focus on the most widely patronized service - loan provision (2,959; 12.5%), and in third place are producer cooperatives (1,624; 6.86%).

There are special types of cooperatives, e.g. education, electric, water, and health services. They provide special kinds of services, cater to specific groups of members, and are therefore less in number.

In addition to the primary cooperatives, there are the secondary cooperatives (federations and unions) which have primaries as members, and tertiary cooperatives/unions with primaries and secondaries as members. There are also the cooperative banks. These organizations provide mainly loans, trainings, and other services to their members. They do not, however, compete with their members.

## **6.2 Distribution of Cooperatives by Size of Asset**

The most number of cooperatives are in the micro category with 18,095 cooperatives (76.44%). Far second are those in the small category with 3,595 cooperatives (15.19%), followed by those in the medium category with 1,566 cooperatives (6.62%). There are only a few in the large category with 416 cooperatives (1.76%).

But while the large cooperatives (with total assets of over P100M) are least in number, their combined total assets of P173B (64.83%) far exceed those in any of the other categories. Far second are the medium cooperatives (with total assets of over P15M up to P100M) with combined total assets of P60.2B (22.55%), followed by the small cooperatives (total assets of over P3M up to P100M) with combined total assets of P24.1B (9.04%), and least are the micro cooperatives (total assets of P3M or less) with a combined total assets of P9.6B (3.58%). Total assets of all the cooperatives in the country run to a total of around P266.8B, or an overall average of P11.27M per cooperative.

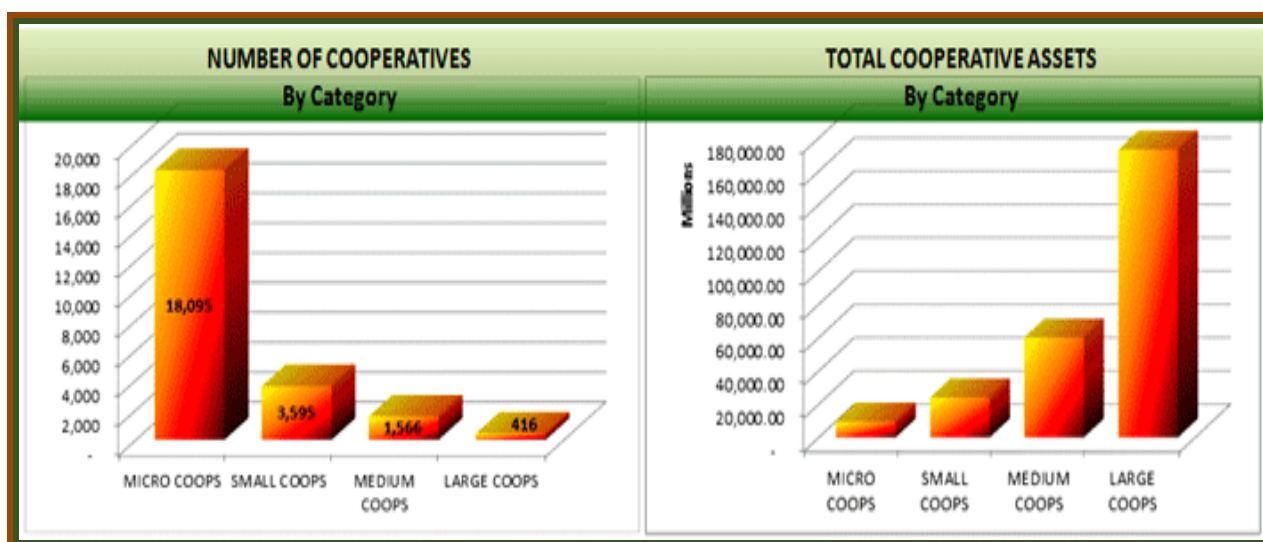
There is, therefore, an imbalance in the asset size between the large and the smaller cooperatives, with the few large cooperatives cornering the lion's share of the combined total assets in the country.

Per region, NCR has the biggest share of the total assets with P63.3B (23.74%), followed by the Central Office with P33.3B (12.49%), and Region IV with P25.8B (9.66%). This is attributed to the high population density, level of development, and level of business activity in the NCR compared to all the other regions.

**Table 26. Total Cooperative Assets, by Region, by Category**

REGION	MICRO COOPERATIVES		SMALL COOPERATIVES		MEDIUM COOPERATIVES		LARGE COOPERATIVES		GRAND TOTAL	
	3 MILLION AND BELOW		MORE THAN 3 MILLION UP TO 15		MORE THAN 15 MILLION UP		MORE THAN 100 MILLION			
	NO. OF COOPS	AMOUNT OF ASSETS	NO. OF COOPS	AMOUNT OF ASSETS	NO. OF COOPS	AMOUNT OF ASSETS	NO. OF COOPS	AMOUNT OF ASSETS	NO. OF COOPS	AMOUNT OF ASSETS
I	1,168	724,603,600.26	160	941,320,605.35	57	2,091,149,918.21	10	3,189,874,734.37	1,395	6,946,948,858.19
II	698	333,231,305.39	146	964,555,265.25	64	2,725,120,344.93	10	2,780,665,501.16	918	6,803,572,416.73
CAR	628	388,935,063.95	126	812,886,011.91	49	2,109,719,556.39	21	6,367,576,790.09	824	9,679,117,422.34
III	1,771	835,521,315.01	326	2,327,016,320.42	158	5,706,344,590.26	30	8,746,860,641.42	2,285	17,615,742,867.11
NCR	1,564	875,007,145.34	478	3,302,216,105.33	274	11,305,507,549.66	83	47,865,617,045.92	2,399	63,348,347,846.26
IV	1,995	1,179,939,290.85	501	3,339,548,432.59	203	7,553,031,518.63	45	13,703,125,637.97	2,744	25,775,644,880.04
V	708	385,605,843.86	135	874,738,652.17	44	1,457,428,081.50	5	969,694,700.07	892	3,687,467,277.61
VI	1,022	617,650,182.02	267	1,888,434,597.06	134	5,101,256,380.24	19	3,045,845,114.85	1,442	10,653,186,274.18
VII	1,225	822,861,389.05	283	1,889,307,007.00	109	4,012,429,119.93	29	12,228,276,105.68	1,646	18,952,873,621.66
VIII	530	313,702,502.03	128	835,286,115.20	52	1,852,527,744.23	14	4,936,406,325.45	724	7,937,922,686.91
IX	644	377,253,673.36	115	750,433,858.08	57	2,208,380,732.44	9	2,753,806,889.84	825	6,089,875,153.72
X	1,283	643,539,595.42	226	1,552,178,406.45	78	3,124,549,495.28	18	10,878,698,463.87	1,605	16,198,965,961.02
XI	1,409	807,227,354.65	276	1,810,990,240.90	104	4,189,445,818.42	44	15,747,172,591.22	1,833	22,554,836,005.20
XII	835	422,972,008.37	212	1,398,853,263.72	97	3,385,550,024.97	15	4,345,046,961.95	1,159	9,552,422,259.01
CARAGA	922	512,732,108.27	161	1,077,980,195.29	61	2,055,371,871.74	5	737,689,988.46	1,149	4,383,774,163.76
ARMM	1,683	312,261,353.29	43	293,148,929.46	11	468,245,635.31	10	2,261,136,075.88	1,747	3,334,791,993.94
CENTRAL OFFICE	10	1,421,254.80	12	63,272,617.78	14	821,717,014.55	49	32,434,772,411.43	85	33,321,183,298.57
TOTAL	18,095	9,554,464,985.92	3,595	24,122,166,623.97	1,566	60,167,775,396.70	416	172,992,265,979.65	23,672	266,836,672,986.24

**Figure 4. Number and Total Assets of Cooperatives, by Category**



### 6.3 Distribution of Cooperatives by Membership

There are a total of 12,676,828 Filipino cooperative members. Average is 543 members per cooperative.

Among the 17 regions of the country, the NCR has the biggest share of 2,393,023 (18.88%), again confirming the influence of population density, business activity, and level of development on the growth of cooperatives. Region III comes in second with 1,405,901 members (11.09%), and Region IV is third with 1,207,083 members (9.52%). NCR also has the highest average membership of 1,013 members per cooperative, while Region VIII comes in second with 807 members per cooperative, followed by Region IX with 753 members per cooperative. ARMM is lowest with an average of 55 members per cooperative (Table 27).

Compared to the projected Philippine population of 53,253,300 for those aged 20 and above (common age range of cooperative members) for year 2010, the combined total cooperative membership accounts for only 23.8% of the total population. This indicates that there is much room for growth in membership among cooperatives.

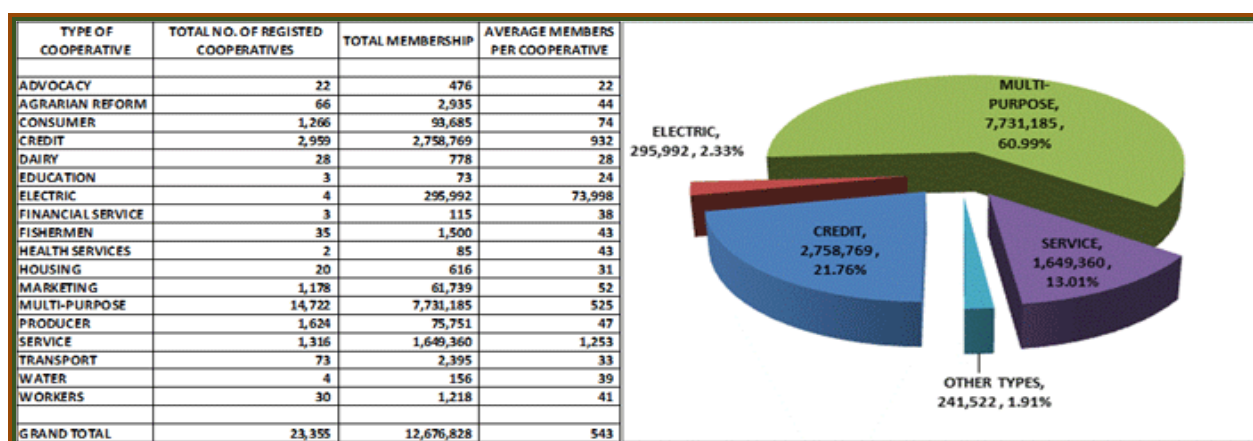
**Table 27. Total Cooperative Membership, by Region**

REGION	TOTAL REGISTERED COOPERATIVES	TOTAL COOPERATIVE MEMBERS	AVERAGE MEMBERS PER COOPERATIVE	DISTRIBUTION PER REGION	PROJECTED 2010 PHILIPPINE POPULATION AGES 20 AND ABOVE	PROJECTED 2010 PHILIPPINE POPULATION VS. COOP MEMBERSHIP
	As of December 31, 2013	As of December 31, 2013		(%)	source: <a href="http://www.census.gov.ph">www.census.gov.ph</a>	(%)
I	1,382	826,021	598	6.52%	2,967,100	27.84%
II	911	606,078	665	4.78%	1,942,000	31.21%
CAR	813	459,361	565	3.62%	955,000	48.10%
III	2,259	1,405,901	622	11.09%	5,974,200	23.53%
NCR	2,363	2,393,023	1,013	18.88%	7,053,500	33.93%
IV	2,717	1,207,083	444	9.52%	8,502,000	14.20%
V	881	420,120	477	3.31%	3,046,900	13.79%
VI	1,424	719,393	505	5.67%	4,293,900	16.75%
VII	1,631	1,100,778	675	8.68%	4,005,500	27.48%
VIII	719	580,528	807	4.58%	2,369,500	24.50%
IX	815	613,840	753	4.84%	1,750,700	35.06%
X	1,585	724,139	457	5.71%	2,424,500	29.87%
XI	1,824	798,368	438	6.30%	2,552,200	31.28%
XII	1,152	380,775	331	3.00%	2,185,500	17.42%
CARAGA	1,140	346,521	304	2.73%	1,383,200	25.05%
ARMM	1,739	94,899	55	0.75%	1,847,600	5.14%
<b>GRAND TOTAL</b>	<b>23,355</b>	<b>12,676,828</b>	<b>543</b>	<b>100.00%</b>	<b>53,253,300</b>	<b>23.80%</b>

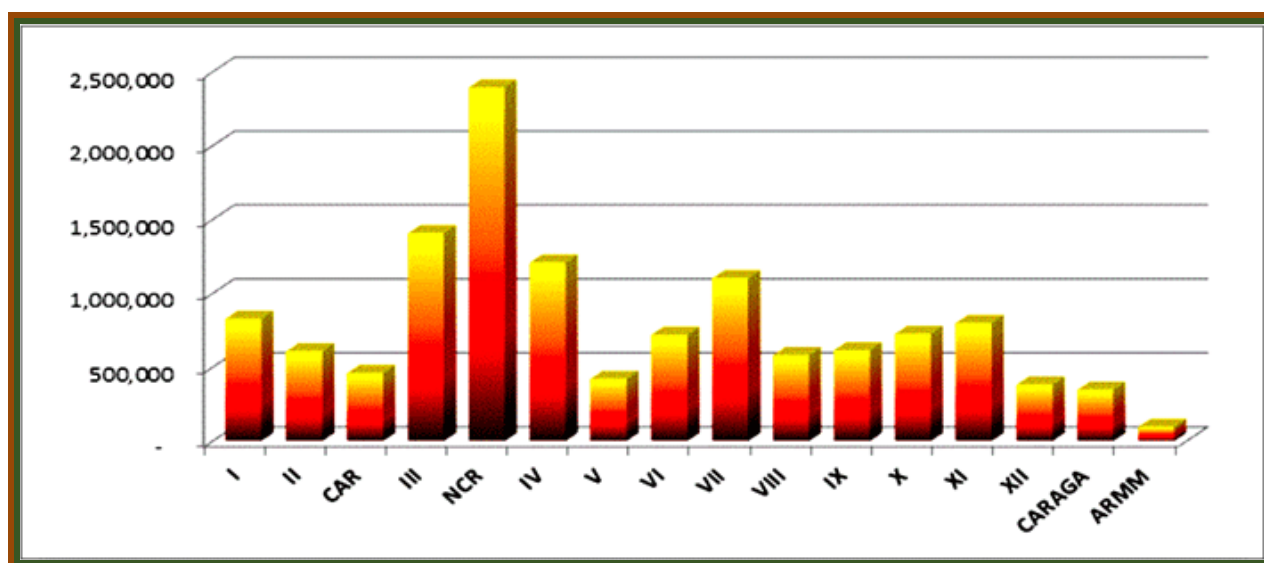
Notes:

1. Excluding secondary and tertiary cooperatives.
2. Primary cooperatives registered in the Central Office are distributed to their respective areas of operation.

**Figure 5. Total Cooperative Membership, by Type**



**Figure 6. Total Cooperative Membership, by Region**



Among the 18 types of primary cooperatives registered in 2013 (excluding federations, unions, cooperative banks), multipurpose cooperatives have the highest membership of 2,758,769 (23.76%), or an average of 525 members per MPC. In second are the credit cooperatives with 2,758,769 members (21.76%) or an average of 932 members per cooperative, while in third are the service cooperatives with 1,649,360 members (13.01%).

The biggest average membership is that of electric cooperatives, with an average of 73,998. This underscores the relevance of the type of service provided and how much the people need it, especially in areas where such service is not commonly available. Coming in far second are the service cooperatives with an average of 1,253 members, and credit cooperatives with an average of 932 members.

### **Overall Situation/Analysis**

There are 23,672 cooperatives serving the needs of 12,676,828 Filipinos in the 17 regions and over a hundred provinces and chartered cities in the country. And the number continues to grow, with an average of 1,547 new cooperatives registered per year from 2011 up to 2013, with an average membership of 94 each.

There are, therefore, enough cooperatives to serve the needs of the Filipinos anywhere in the country, and more cooperatives are expected to be formed as the need arises. The big issue, however, is how qualified these cooperatives are to act as financing conduits to serve the needs of those who need them most, especially the farmers and fisherfolk.

## 7.0 POLICY AND REGULATORY ENVIRONMENT

### 7.1 Services Received from CDA Based on Survey Results

#### MPC

Coop monitoring, technical assistance thru training/seminar; assistance in preparing required reports and evaluation of coop performance are the major assistance provided by CDA. They suggested that the CDA should provide the training to lessen their cost. They indicated that they pay for the training attended and that the trainings are not done by CDA but by service providers. They also suggested that CDA develop financial linkages and should have closer monitoring. At a scale of 1-10, 24% of the MPC rated 8 as CDA performance; 12%, 9; and 11%, 7. Only 9% gave a rating of 6& (Table 28).

**Table 28. Services Received from CDA, ALL MPC**

Items	Luzon		Visayas		Mindanao		All	
	NR	%	NR	%	NR	%	NR	%
1. What services has CDA given to your coop?								
Assist coop in preparation of requirements	17	37	10	42	4	15	31	32
Coop monitoring and visitation	12	26	15	63	22	81	49	51
Technical assistance thru trainings and seminars	26	57	9	38	15	56	50	52
Training on legal and policy matters about coop	3	7	3	13			6	6
Providing assistance/operations guidance	7	15	6	25	21	78	34	35
Evaluation of coop performance	5	11	4	17	3	11	12	12
Accreditation					1	4	1	1
Assist in accessing grants/donations			1	4			1	1
Regulatory supervision	5	11	1	4	1	4	7	7
Mediation to settle conflicts			1	4			1	1
Nothing/none	2	4	2	8			4	4
Total	46	*	24	*	27	*	97	*
2. What services should CDA provide to help in the development of your coop?								
CDA should provide training to lessen costs	40	87	12	50	11	41	63	65
Financial linkages	9	20	7	29	2	7	18	19
Closer monitoring	4	9	2	8	3	11	9	9
Technical assistance					11	41	11	11
Help prepare and reduce documentary requirements	3	7	2	8			5	5
Give feedback to coop to improve performance			1	4			1	1
None	2	4	2	8			4	4
No comment	1	2	6	25	4	15	11	11
Total	46	*	24	*	27	*	97	*

4. In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA's performance of its functions?								
10	2	4	2	8	2	7	6	6
9	4	9	2	8	6	22	12	12
8	11	24	4	17	8	30	23	24
7	3	7	4	17	4	15	11	11
6	5	11	3	13	1	4	9	9
5	2	4	3	13	4	15	9	9
4			1	4			1	1
3			2	8			2	2
2								
1			1	4			1	1
0								
No answer	19	41	2	8	2	7	23	24
Total	46	100	24	100	27	100	97	100

\* Multiple response

### Credit Coops

The assistance received is coop monitoring and visitation, technical assistance thru training/seminar, assistance in preparing reports and evaluation of coop performance. They suggested that the CDA should provide the training to lessen their cost. They indicated that they pay for the training attended and that the trainings are not done by CDA but by service providers. They also suggested that CDA provide assistance in fund sourcing and reduce registration requirement and cost. At a scale of 1-10, 24% of the MPC rated 8 as CDA performance; 12%, 9; and 11%, 7. Only 9% gave a rating of 6&% (Table 29).

**Table 29. Services Received from CDA, ALL CREDIT**

Items	Luzon		Visayas		Mindanao		All	
	NR	%	NR	%	NR	%	NR	%
1. What services has CDA given to your coop?								
Training/seminars as speakers	10	71	4	57	4	57	18	64
Evaluation of coop performance			2	29	2	29	4	14
Provide assistance and advisory services	3	21	2	29	3	43	8	29
Link coops with other agencies					1	14	1	4
Assist coop in preparation of requirements	3	21	2	29	1	14	6	21
Coop monitoring and visitation	5	36	2	29	3	43	10	36
None	2	14	1	14			3	11
Total	14	*	7	*	7	*	28	*
2. What services should CDA provide to help in the development of your coop?								
Hands on supervision and monitoring	1	7	1	14			2	7
Trainings for officers/members at less cost	5	36	4	57	3	43	12	43
Provide assistance	5	36					5	18
Regulate member of coops/area	1	7	1	14			2	7
Fund sourcing/linkaging	4	29			3	43	7	25
Reduce registration requirements and costs	1	7			1	14	2	7
None/no comment/no answer	2	14	2	29	1	14	5	18
Total	14	*	7	*	7	*	28	*
4. In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA's performance of its functions?								
10								
9	2	14	1	14			3	11
8	3	21	1	14	3	43	7	25
7	1	7			3	43	4	14
6	1	7					1	4
5			1	14	1	14	2	7
4			1	14			1	4
3			1	14			1	4
2	2	14	2	29			4	14
1								
0								
No answer	5	36					5	18
Total	14	100	7	100	7	100	28	100

\* Multiple response

## **7.2 Services Provided by CDA**

The Cooperative Development Authority (CDA) is the government agency tasked to register and regulate the operation of cooperatives in the Philippines. It was created under Republic Act 6939 of March 10, 1990. Overall, its mandate is "... to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development..." (Attachment 1 provides a complete copy of RA 6939, taken from the CDA official website.)

To carry out its mandate, Section 3 of RA6939 grants CDA its powers, functions and responsibilities, as follows:

- a. Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and the overall socio-economic development plans of the Government;
- b. Develop and conduct management and training programs upon request of cooperatives that will provide members of cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for the efficient operation of their cooperatives, and inculcate in them the true spirit of cooperativism, and provide, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, fishery and economically depressed sectors;
- c. Support the voluntary organization and consensual development of activities that promote cooperative movements and provide assistance towards upgrading managerial and technical expertise upon request of the cooperatives concerned;
- d. Coordinate the efforts of the local government units and the private sector in promotion, organization, and development of cooperatives;
- e. Register all cooperatives and their federations and unions, including their division, merger, consolidation, dissolution or liquidation. It shall also register the transfer of all or substantially all of their assets and liabilities and such other matters as may be required by the Authority;
- f. Require all cooperatives, their federations and unions to submit their annual financial statements, duly audited by certified public accountants, and general information sheets;
- g. Order the cancellation after due notice and hearing of the cooperative's certificate of registration for non-compliance with administrative requirements and in cases of voluntary dissolution;
- h. Assist cooperatives in arranging for financial and other forms of assistance under such terms and conditions as are calculated to strengthen their viability and autonomy;

- i. Establish extension offices as may be necessary and financially viable to implement this Act. Initially, there shall be extension offices in the Cities of Dagupan, Manila, Naga, Iloilo, Cebu, Cagayan de Oro and Davao;
- j. Impose and collect reasonable fees and charges in connection with the registration of cooperatives;
- k. Administer all grants and donations coursed through the Government for cooperative development, without prejudice to the right of cooperatives to directly receive and administer such grants and donations upon agreement with the grantors and donors thereof;
- l. Formulate and adopt continuing policy initiatives consultation with the cooperative sector through public hearing;
- m. Adopt rules and regulations for the conduct of its internal operations;
- n. Submit an annual report to the President and Congress on the state of the cooperative movement; and
- o. Exercise such other functions as may be necessary to implement the provisions of cooperative laws and, in the performance thereof, the Authority may summarily punish for direct contempt any person guilty of misconduct in the presence of the Authority which seriously interrupts any hearing or inquiry with a fine of not more than Five hundred pesos (P500.00) or imprisonment of not more than ten (10) days, or both. Acts constituting indirect contempt as defined under Rule 71 of the Rules of Court shall be punished in accordance with the said Rule.

It is through the above provisions that CDA regulates the operation of cooperatives in the country, towards the attainment of its mission and vision:

**CDA Mission:**

To be a proactive and responsive lead agency in advancing and sustaining the growth of the cooperative sector by pursuing a holistic development approach, establishing support systems and structures, and building strong linkages with stakeholders, thereby optimizing benefits to cooperatives in particular and to society in general.

**CDA Vision:**

A strong and visible cooperative sector that is able to create and equitably distribute wealth, expand socio-economic opportunities, and help bring about conditions to overcome poverty and strengthen the middle class in the Philippines.

Based on the above, it appears that RA 6939 provided CDA with enough powers, functions and responsibilities to help the cooperative sector grow and develop. The goal is to make cooperatives competent partners of the government in promoting the

social and economic development of the Filipinos, and the CDA has a big role towards the realization of this goal.

In addition to CDA, there are other entities which, while not exercising regulatory functions over cooperatives, also contribute and play important roles within the sector. Among them are:

1. Secondary and tertiary cooperatives (federations/unions)

The members of federations and unions are the primary and secondary cooperatives. In general they provide a range of services to their members, including the provision of loans, training, advisory and consultancy services. They serve as primary vehicle for the realization of the 6<sup>th</sup> Cooperative Principle, “Cooperation among Cooperatives,” where cooperatives serve their members most effectively, and strengthen the cooperative movement, by working together through local, national, regional and international structures.

2. Cooperative banks

The primary purpose of cooperative banks is to provide financial, banking, and other related services to their member-cooperative. Their operation is under the supervision of the Bangko Sentral ng Pilipinas.

3. Local Government Units

Each LGU has what is commonly called Cooperative Development Office. Its primary function is to provide services to the cooperative sector, e. g. trainings, financing, monitoring, and information dissemination. Cooperative Development Offices work in coordination and cooperation with the local CDA.

The cooperative sector in the Philippines has a significant number of players which exert influence on the development of cooperatives in the Philippines. While each one has its own role to play, in the end, the growth of the sector and the individual cooperatives depends, to a large extent, on the cooperatives themselves. This is provided for in the cooperative principles of “Democratic Member Control” and “Autonomy and Independence.” And as section 1 of RA 6939 states, “Government assistance to cooperatives shall be free from any restriction and conditionality that may in any manner infringe upon the objectives and character of cooperatives as provided in this Act. The state shall, except as provided in this Act, maintain the policy of non-interference in the management and operation of cooperatives.”

### **New Set of CDA Mandatory Trainings**

1. Board of Directors
  - a. Basic Cooperative Course
  - b. Cooperative Management and Governance
  - c. Financial Management
  - d. Parliamentary Procedures
  - e. Leadership and Values Reorientation

- f. Strategic Planning
- 2. Audit and Inventory Committee
  - a. Basic Cooperative Course
  - b. Financial Management
  - c. Audit Management
  - d. Records Management
  - e. Internal Control
  - f. Cooperative Standards
- 3. Election Committee
  - a. Basic Cooperative Course
  - b. Records Management
  - c. Leadership and Values Reorientation
  - d. Rules Formulation
- 4. Ethics Committee
  - a. Basic Cooperative Course
  - b. Leadership and Values Reorientation
  - c. Records Management
- 5. General Manager
  - a. Basic Cooperative Course
  - b. Cooperative Management and Governance
  - c. Financial Management
  - d. Parliamentary Procedures
  - e. Leadership and Values Reorientation
  - f. Strategic Planning
  - g. Internal Control
  - h. Records Management
  - i. Entrepreneurship and Business Management
  - j. Basic Accounting
  - k. Cooperative Standards
- 6. Secretary
  - a. Basic Cooperative Course
  - b. Parliamentary Procedures
  - c. Records Management
- 7. Treasurer
  - a. Basic Cooperative Course
  - b. Financial Management
  - c. Records Management
  - d. Basic Accounting
  - e. Cooperative Standards

Concerned officers/staff are required to re-attend the training after five years, if they are reelected to/reappointed to/holding, the same position.

CDA accredits trainers/training institutions (external to CDA), who conduct Training of Trainers for other Training Service Providers. In turn, these other Training Service Providers, conduct the mandatory trainings mentioned above to the cooperative officers/staff.

### **CDA Mandatory Reports**

<b>Report</b>	<b>Prepared by</b>	<b>Approved by</b>
Cooperative Annual Performance Report	Compliance Officer	General Manager/BOD Chairman
Audited Financial Statements duly stamped "Received" by BIR	Finance Manager/Accountant	BOD Chairman
List of officers and trainings completed	Education Committee	BOD Chairman
Performance Audit Report	Internal Auditor/Audit Committee	BOD Chairman
Social Audit Report	Internal Auditor/Audit Committee	BOD Chairman

The above annual reports should be submitted by cooperatives to CDA within 120 days from the end of the previous calendar year. "Failure to submit the above five (5) required reports shall subject the Accountable Officer/s to fines and penalties of Php100 per day of delay (per report). Other than the imposition of monetary penalties, CDA may dissolve/revoke, after due process, the authority of the cooperative to operate as such."

### **CDA Requirements for Issuance of Certificate of Good Standing (CGS)**

1. Letter request duly signed by the Cooperative Chairman or any authorized representative of the requesting cooperative stating therein the reasons for such request.
2. Proof of compliance to Statutory Reports for the preceding fiscal year or complete copies thereof.
  - a. Cooperative Annual Performance Report
  - b. Audited Financial Statements
  - c. List of officers and trainings attended
  - d. Performance Audit
  - e. Social Audit
3. Copy of the updated bond of accountable officers/employees of the cooperative (Surety Bond).
4. Minutes of the General Assembly Meeting for the current/preceding year, including:
  - a. The results of the election of the BOD and the committee members.
  - b. Approval of development plan and/or annual plan and budget.

- c. Acceptance by the General Assembly of financial statements, management and committee reports.

In the case of newly registered cooperatives, minutes of the special general assembly held within ninety (90) days after the date of registration.

5. Certification fee of P100.  
Penalty: P300 after April 30 deadline.

A cooperative has to request CDA for issuance of the CGS. Otherwise, CDA doesn't issue the CGS.

### **Analysis of the Services provided by CDA**

**The CDA is only performing regulatory functions. It is not working towards realization of its organizational mission- pursuing a holistic development approach. In view of this CDA has failed in fulfilling its mandate. If the present situation prevails, it should be renamed Cooperative Regulatory Authority rather than Cooperative Development Authority.**

### **What CDA should do**

**CDA should operationalize its mission of providing holistic development. Specifically, it should design development programs and projects; submit this to the Department of Finance for inclusion in the budget proposal to Congress. The coop sector should have participation in the formulation of development programs and projects.**

## **8.0 ANALYSIS OF POTENTIAL FOR EXPANDING LENDING OPERATION**

The assessment involves the use of the results of the survey supplemented by the results of the FGD.

### **8.1 Based on the Survey Results**

Selected parameters in the survey were used to assess the potential for the lending.

Of the total active members of the MPC, only about 33% are active borrowers. In the case of credit coop, only 26% are active borrowers. The MPC and credit coops interviewed estimated that there are about 71% and 75% respectively that are still unserved borrowers. For the MPC, it is estimated that there are 343,808 not accessing credit from formal sources and there are still many getting loans from non formal sources. Both the MPC and credit plan to expand lending for livestock and crop production. About 92% of the MPC indicated willingness to access external fund; 89% for credit. An MPC estimated an amount of P24M for sourcing from external source.

**Table 30. Parameters Used in Assessing Potential**

Item	MPC	Credit
No. of active members/ coop	1760	1289
Number of active farmer borrowers	578	337
% indicated unserved borrowers	71	75
% plan for livestock poultry	10	
% plan for crop production	27	21
% willing to access external fund	92	89
Estimated amount of fund can be absorb from external sources	P24M	P16.5M
Trend in credit demand among members: % responded increasing	67	79

The credit supply and demand study in the survey shows that for MPC, 73% perceived that there are more unserved borrowers. They also think that there are more small farmers and fisher folks not yet assessing from formal credit source. The projects that they plan to provide more financing are agricultural production loan livestock and poultry and input supply. About 92% indicated that they are willing to avail of external fund. About 69% thinks that there is an increasing trend in credit demand from members. The most common purpose of the loan is farm inputs/supplies and equipment; family needs and business. (Table 31).

The response of the credit coops is almost similar to that of the MPC (Table 32).

**Table 31. Credit Supply and Demand, ALL MPC**

Items	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Average number of active members	46	974	24	1279	27	3,525	97	1760
Average number of active borrowers								
Farmer/Fisherfolk	44	507	21	502	26	761	91	578
Others	14	1253	11	745	23	2,997	48	1972
Assessment of the potential for expanding lending:								
Are there more unserved potential borrowers?								
Yes	35	76	13	54	23	85	71	73
No	11	24	9	38	3	11	23	24
No answer			2	8	1	4	3	3
Total	46	100	24	100	27	100	97	100
Average estimated number	40	515	3	5526	7	4,532	50	1378
Are there more small farmers and fisherfolks not yet accessing from formal sources?								
Yes	29	63	19	79	22	81	70	72
No	11	24	3	13	3	11	17	18
No answer	6	13	2	8	2	7	10	10
Total	46	100	24	100	27	100	97	100
Average estimated number		589	5	3871	13	474,553	18	343808
Other projects/products for which the coop plans to provide financing :								
Livestock and poultry production	2	4	5	21	2	7	9	9
Agricultural production loan	2	4	7	8	17	63	26	27
Expansion of lending operations	8	17	3	13	5	19	16	16
Farm inputs/supply	6	13	4	17	1	4	11	11
Food processing	2	4	2	8	3	11	7	7
Water refilling station	5	11	1	4			6	6
Rice trading			1	4			1	1
Rice milling			1	4			1	1
Trading farm products					2	7	2	2
Gasoline station	4	9					4	4
Business capital loan	4	9					4	4
Micro-financing	3	7			2	7	5	5
Housing loan	2	4					2	2
Livelihood projects	2	4			2	7	4	4
Sari-sari store	2	4			3	11	5	5
Postharvest facilities					3	11	3	3
Real estate					2	7	2	2

Motorcycle/tricycle loan	2	4					2	2
Expansion of water system	2	4					2	2
Establish 10 greenhouses	2	4					2	2
Garments					1	4	1	1
Provident loan	2	4			1	4	3	3
None yet	1	2	2	8	1	4	4	4
Total	46	*	24	*	27	*	97	*
If external fund can be accessed, are you willing to get such fund?								
Yes	42	91	22	92	25	93	89	92
No	3	7			2	7	5	5
Don't know			1	4			1	1
Not yet decided	1	2	1	4			2	2
Total	46	100	24	100	27	100	97	100
Average estimated amount you can absorb	40	23,192,500	19	42,831,579	25	10,880,000		
Can your present manpower handle the expanded lending operation?								
Yes	29	63	18	75	25	93	72	74
No	11	24	4	17			15	15
Depend	3	7					3	3
Don't know	1	2					1	1
No answer	2	4	2	8	2	7	6	6
Total	46	100	24	100	27	100	97	100
Trend in credit demand among members:								
Constant								
Increasing	44	96	21	60	2	7	67	69
Declining					7	26	7	7
NO answer	2	4						
What are the most common purposes for which farmers/fisherfolks apply for loans?								
Farm inputs/supplies/equipment	46	100	22	92	26	96	94	97
Family needs/education/health	18	39	7	29	4	15	29	30
Business	11	24	3	13	4	15	18	19
Others			1	4	2	7	3	3
Total	46	*	24	*	27	*	97	*

**Table 32. Credit Supply and Demand, ALL CREDIT**

Items	Luzon		Visayas		Mindanao		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Average number of active members	14	457	7	285	7	3956	28	1289
Average number of active borrowers								
Farmer/Fisherfolk	14	234	7	139	7	741	28	337
Others	7	345	2	31	3	7501	12	2082
Assessment of the potential for expanding lending:								
Are there more unserved potential borrowers?								
Yes	11		5	71	5	71	21	75
No	3		2	29	2	29	7	25
Total	14		7	100	7	100	28	100
Average estimated number	10	70.3	5	311	4	3190	19	790
Are there more small farmers and fisherfolks not yet accessing from formal sources?								
Yes	10	72	6	86	6	86	22	78
No	3	21	1	14	1	14	5	18
No answer	1	7					1	4
Total	14	100	7	100	7	100	28	100
Average estimated number	10	113	6	492	2	1150	18	355
Other projects/products for which the coop plans to provide financing (specify)								
Business capital loan			1	14	2	29	3	11
Production loan			2	29	4	57	6	21
Expansion/lending operations	3	21	4	57	1	14	8	29
Construction of new office building			1	14			1	4
Farm equipment/facilities					7	100	7	25
Ice/chilling station			1	14			1	4
Tricycle loan			1	14			1	4
Copra processing					1	14	1	4
Fishery loan					1	14	1	4
Other projects	7	50					7	25
Consumer store			1	14			1	4
None yet			1	14			1	4
Total	14	71	7	*	7	*	28	*
If external fund can be accessed, are you willing to get such fund?								
Yes	11	79	7	100	7	100	25	89
No	3	21						

Total	14	100	7	100	7	100	28	89
Average estimated amount you can absorb	11	11,086,364	6	22,666,667	6	20,333,333	23	16,519,565
Can your present manpower handle the expanded lending operation?								
Yes	10	71	5	71	6	86	21	75
No	2	14	2	29	1	14	5	18
NO answer	2	14						
Total	14	100	7	100	7	100	28	93
Trend in credit demand :								
Constant			1	14			1	4
Increasing	11	79	4	57	7	100	22	79
Declining			2	29			2	7
NO answer	3	21					3	11
What are the most common purposes for which farmers/fisherfolks apply for loans?								
Farm inputs/supplies/equipment	13	93	7	100	7	100	27	96
Family needs/education/health	7	50	3	43	1	14	11	39
Business	5	36	3	43			8	29
Total	14	*	7	*	7	*	28	*

## 8.2 Based on FGD Results

### Current Situation

- Only 10-20% of the farmers have sufficient personal funds to finance their farm operation. They are mostly the big landowners, those who have other sources of income, or have family members working abroad. The remaining 80-90%% rely on loans to finance their farm operation (and for other providential needs). They get loans from formal and informal sources, the most common of which are the cooperatives.

Below is a list of the credit sources patronized by farmers and their estimated percent patronage:

Type of Credit Source	Credit Source	% Patronage
Formal sources	Cooperatives	20-50
	Rural/Cooperative banks	< 10
	Private lending institutions	< 5
	MFIs	5-30
	NGOs	5
Informal sources	Middlemen/Traders/Suppliers	10-40
	Families/Relatives/Friends	15-20
	“Bombays” or 5/6 lenders	10-30

- c. About 70% of borrowers get loans more from the informal sources, rather than the formal ones. Following are their reasons:

<b>Formal Sources</b>	<b>Informal Sources</b>
Complicated lending procedures, especially banks	Easy to talk and negotiate with. Verbal agreement is usually enough.
Long list of documentary requirements for membership/loan availment (e.g. TIN, ITR) which many farmers do not have	No document required
Long wait for loan release	Release in as fast as 10 minutes
Interview or series of interviews	No interviews
Seminars/Trainings that need to be attended (participants say that some farmers are “too lazy,” don’t have time, or not patient enough, to attend these seminars/trainings.)	No seminars/trainings
Collateral required	No collateral required
Co-maker required	No co-maker required
	Sure market for products with traders and middlemen

It is for the same reasons given above that only about 30-40% of farmers in the area are cooperative members.

- d. In general, informal sources charge higher interest rates than formal sources, as shown below.

<b>Type of Credit Source</b>	<b>Credit Source</b>	<b>% Interest Rate/Month</b>
Formal sources	Cooperatives	
	Rural/Cooperative banks	
	Commercial banks	
	Private lending institutions	
	MFIs	
	NGOs	7
	Government financing institutions	
Informant sources	Middlemen/Traders/Suppliers	5-12
	Families/Relatives/Friends	2-5
	“Bombays” or 5/6 lenders	10-20

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- e. Among the MFIs patronized by the farmers are CARD, ASKI, ASHI, TSPI. One advantage they have over most cooperatives is that they themselves go to the farmers.
- f. The most common agricultural projects financed by cooperatives are:
- Vegetable production
  - Palay production
  - Livestock production
  - Poultry production
  - Fish farming

- Mushroom Production
  - Organic Fertilizer Production
6. Other agriculture/livelihood opportunities identified by the cooperatives, which they are willing to finance are:
    - Coffee rehabilitation and production
    - Nursery for flower and other ornamental plants
    - Farm machinery rental
    - Farm inputs and equipment
    - Fishing gear shop
    - Rice mill supply
    - Trading of farm products
    - Processing of farm produce, e.g. production of chocolate from cacao
    - Marketing of palay and rice-based products
    - Sari-sari store
    - Habal-habal transportation
  7. Livelihood for women and out-of-school youth. (Participants say that this will provide huge potential for cooperatives to increase membership, and provide big help for farmers and fisher folk.)
  8. Some people turn to informal sources because they have no other choice. In the case of farmers, they have to do it, else they will not be able to finance their farm operation. They, however, can shift to formal sources if they want to, although this may not be easy in some cases for reasons given in (2) above.
  9. Because of their dependence on middlemen/suppliers farmers remain poor and indebted to these sources of credit, and forced to sell their produce to them, usually at low prices.
  10. It is estimated that only 30-40% of farmers are cooperative members. Following are the reasons given for this low membership rate:
    - Farmers do not have money for the required paid up capital.
    - They have other sources of income (e.g. children working abroad, employment, and other businesses).
    - They refuse to accept obligations
    - .Lack or limited information about cooperatives and the benefits of being a cooperative member.
    - No aggressive campaign on the part of cooperatives to attract farmers to become members.
    - They don't like the current cooperative officers/management.
    - They heard bad news about cooperatives, e.g. officers running away with the money.
    - Some have had bad experiences with other cooperatives.

- Cooperative elections are largely decided by popularity of candidates, or members vote for their relatives or friends, or those who can help them get loans.
11. In order for these non-member farmers to avail themselves of loans from cooperatives, they have to become members first. This is because it is against cooperative by-laws to lend to non-members. In cases where the by-laws do not categorically prohibit lending to non-members, they can lend to them but income from said loans will be taxable.
  12. Another reason why some farmers do not avail themselves of loans from the cooperatives is the limited funds of the cooperative, especially among the small ones. This is one reason which limits their expansion and prevents them from reaching out to more people in their area of operation.
  13. In the last five years, demand for credit has been increasing. Projected future market demand is estimated at P2M to P300M (per month).
  14. Historically, coops do not meet their loan targets due to limited funds. Usually it is the bigger cooperatives, with hundreds of millions of assets, who have sufficient fund to cover the credit demand of their market. The small ones do not have sufficient fund to meet the needs of their members, with some achieving as low as 10% only of their targets.
  15. There are cooperatives which do not focus on lending to farmers. They commented that it is risky to lend to them because of calamities which can significantly affect their income.
  16. One major reason which limits the expansion and growth of cooperatives, especially the small ones, is limited funds. Other reasons given were:
    - Fear of risk
    - Have not mastered the skills of lending operation/management
    - They prefer grants, not loans
    - Conservative BOD
    - Low confidence of leaders / Wrong people in leadership
    - No foresight among the leaders (Not visionaries)
    - Funds tied up with delinquent loans
    - Dual membership among some members
    - Numerous CDA requirements / Expensive registration / High seminar/training cost
    - Don't have full-time coop staff
    - Uneducated cooperative members
    - No office yet; destroyed by earthquake
  17. To address these problems, participants suggest to:
    - Apply for loan or grant

- Develop confidence/courage among leaders to get loans for the coop
- Develop knowledge and skills of leaders on lending operation, through training and mentoring
- Control on system of operation
- Change of leadership. Change of perspective among the leaders
- Leaders should be elected by merit, not by seniority or popularity
- There should be succession plan among coops
- Hiring of more competent staff

## **The Way Forward**

- a. General projection is that demand for credit will go up in the coming years. Projected increase for 2015 varies widely, from as low as 10% to as high as 100%. Among the farmers, they estimate an increase in membership of up to 100%. For this reason, cooperatives have plans to expand lending provision to this sector.
- b. To supplement their funds, cooperatives are considering applying for loans. Even century cooperatives (those with P100M or more in assets) also expressed interest to get additional funds to help finance their business projects. But their final decision will depend on the terms and conditions of the loan.
- c. Some cooperatives prefer to get loans from private individuals because they have few requirements. Most others, however, prefer government loans, provided they charge low interest rate and have easy-to-meet requirements. There are those who expressed preference for the Land Bank of the Philippines because it helps cooperatives, charges low interest rates, and supports their advocacy of helping the farmers and fishermen.
- d. The expressed need for additional loan by the cooperatives ranged from a low of P0.5M to a high of P150M. Most of them were in the range of P3m to P20M. In general, their preferred loan terms are:
  - a. Provision of a credit line, with releases in tranches.
  - b. Low interest rate (1-2% per year, but preferably grant)
  - c. Repayment period of five years or longer
  - d. Project-based, no collateral, simplified requirements
- e. Additional funds to be taken will be used to expand their lending operation to serve more members, and reach out to more non-members.
- f. In turn, cooperatives are willing to relax their membership requirements to encourage more people to join. Some of them are doing it already, e.g. payment of paid up capital on installment. They recall that starting cooperatives have few and simple requirements for membership. But as they grow bigger, membership requirements become more difficult to comply with.
- g. Among their programs to encourage non-members to join are:

- Expand their area of operation.
  - Set up branches or satellite offices, as may be necessary and if the cooperative can afford it.
  - Accept underage applicants as associate members, or as members of Laboratory Cooperative.
  - Sponsor feeding programs for the children of cooperative members and non-members.
  - Give away flyers.
  - Encourage members to recruit their family members to join the cooperative.
  - Offer additional benefits, e.g. provision of Mutual Aid fund.
  - Conduct trainings for farmers. Promote membership in a cooperative as an advocacy, not a business.
  - Do internet promotions.
  - Spread the benefits that a cooperative has to offer, by word of mouth.
- h. Cooperatives are also willing to make changes in their lending operations to facilitate access to loans. Among these are:
- Revise their lending policies and procedures to make them more adaptable to the realities in their area of operation and the needs of their members.
  - Develop new products to cater to the unserved needs of their members.
  - Engage in other projects/activities that will provide additional income for the members, e.g. handicraft made from agricultural wastes, organic farming, livestock raising.
  - Adopt other measures to safeguard their funds.
- i. Some cooperatives have plans to develop lending programs that will allow non-member farmers to get loans because this is another source of income for the cooperative.
- j. Some participants made it clear that they have no definite plans to engage in microfinance at this point because it is very risky, being largely dependent on the borrower's character. There is no security. There are those, however, who plan to adopt/expand their microfinance loans in spite of the inherent risks.

## **9.0 ANALYSIS OF THE ABSORPTIVE CAPACITY OF COOPS**

### **9.1 Based on the Survey Results**

Majority of the MPC and credit coops have BOD with college education. This attribute contributes to formulation of policies that can enhance better performance and absorptive capacity. There is also higher incidence of issuance of CGS by CDA which indicates that the coops are functioning based on standards set by CDA. Almost all of the coops have equipment like computer which are necessary in the lending and other operations of the coops. Almost all of the coops prepare monthly financial statements. The coops are financially healthy and stable based on indicators like current ratio and net surplus. Financial stability affects absorptive capacity. Almost three fourth of the MPC are using internal fund for their lending operation. They

indicated extreme difficulty in accessing fund from GFI like LBP. In view of this they cannot expand their lending program. Of the total loan portfolio of MPC, less than half are for agriculture and fishery, they indicated that they can absorb fund to expand agri portfolio with intensified campaign to encourage more membership; by relaxing requirements for memberships and by going in other types of agri projects like organic farming. The coops can absorb incremental fund because they plan to expand lending for crop, livestock and fishery production. The coops have in place credit policies, systems and procedures which they have used and refined over time. They conducted BI/CI prior to loan approval; monitor loan utilization after the loan is release to minimize fund diversion. With the policies and trained staff, the coops are confident they can absorb new funds. The coops indicated that the low collection performance is due to occurrence of natural calamity like drought and typhoon. With the “tutok” system, they are confident of improving collection performance.

**Table.33. Parameters Used in Assessing Absorptive Capacity**

Item	MPC	Credit
1. O&M		
% of BOD with college level	70	78
% 2013/2014 CGS issued	88	89
Availability of equipment for lending( computer)	88	64
2. financial indicators:		
Current ratio	1.87	4.43
Net surplus	P3.4M	P3.8M
2. Fund sourcing		
% using internal fund	78	68
% with external fund	22	75
3. Lending operation		
Loan portfolio	37.09M	43.67M
% for agriculture and fishery	48	65
% lending for crop	52	43
% lending for livestock	25	18
% lending for fishery	13	14
Loan procedures:		
% conduct BI/CI	84	79
% monitoring projects financed	82	86
Loan collection performance:		
Past due	15	30
PAR	35	45

## 9.2 FGD Results

The FGD participants admitted that there are problems that they have to deal with in expanding their lending operation. These are the increase in work load and higher risk of delinquency. To address these challenges, they proposed the following:

- a. Provision of loan insurance which, they hope, can be subsidized by the government, e.g. through PCIC.
- b. Hiring of additional manpower, more likely for the positions of Loan Officer and Loan Collector, although this will result in increased salary expense.
- c. Training/Capacity building, in the areas of:
  - Credit management (e.g. evaluation of loan application, loan monitoring, effective loan collection strategies)
  - General Cooperative Management
  - Risk Management and Solutions
  - Marketing and Advertisement
  - Entrepreneurial Skills and Management
  - Developing new loan products
  - Values and ethics
- d. The increase in loan fund/demand will result in the need for revisions in loan policies and procedures. Following is the list of their areas of operation where changes will have to be made:
  - a. Loan evaluation criteria
  - b. Collection strategy
  - c. Sanction against delinquent borrowers
  - d. Terms of loan repayment, e.g. interest rates, repayment period
  - e. Simplification of loan requirements
  - f. System/Procedures in releasing loans

The government can help the cooperative sector through:

- a. provision of continuing education for cooperatives, e.g. trainings/seminars, to build up the capacity of the coops, to be provided free by DTI, DA, DAR, DENR, DOST, LGU  
Less tax
- b. Financial support, e.g. grants
- c. Government should not compete with cooperatives
- d. From CDA, they want free trainings especially on the CDA mandatory requirements, reduced mandatory requirements, and reduced penalties. They also want frequent monitoring of their activities, and provision of mentoring assistance, to help them improve their operations.

## **10. CONCLUSIONS**

There is potential for expanding agriculture lending to small farmers and fisher folks:

- There are still many with no access to formal credit sources and got loan from non formal sources despite high interest rate. These are those who are not members of coops.
- There are many coops especially the micro and small with limited internal fund and have difficulty of securing funds from GFIs like LBP and therefore cannot meet the demand for credit of members.
- There are coops that plan to expand lending to agriculture projects like organic farming, input supply and product trading.

The coops have the capacity to absorb additional credit funds:

- They have trained staff on lending
- They have credit policies, systems and procedures for effective lending
- They need however, training from the government to improve performance
- They recognize the need to hire additional lending staff to handle lending,

The supply of credit is not the problem. The GFIs and some government agencies have big loanable fund. The problem is how to deliver this fund to small farmers and fisher folks.

## **11. RECOMMENDATIONS**

- a) ACPC should establish guidelines and criteria on the eligibility of coops to be granted credit. Such criteria can include: performance of coops- using COOP PESOS data; loan recovery performance ( past due rate, PAR); financial indicators ( net surplus, current ratio, networth ratio) The selected GFI who will manage the fund shall based on the loan application of borrower coops determine the type and amount of credit line that should be granted.
- b) ACPC to actively monitor the program and conduct at lease yearly assessment of the performance of the program. Fine tuning or revisions of guidelines and policies shall draw from the results of the performance evaluation.
- c) Although capacity building is not a mandated function of ACPC but should be the responsibility of CDA, it is recommended that ACPC will assume such assistance to ensure sustainability of the lending program. Provision of credit fund alone with no capacity building assistance will result to unsustainable program. The ACPC should continue to use the coaching and mentoring approach in capacity building specially on bookkeeping; financial management; loan evaluation and loan monitoring.
- d) For CDA in fulfillment of its mandated development and capacity building assistance should design programs; prepare budgetary proposal for action by congress so that it will have funds included the GAA.

- e) For CDA to screen coops seeking registration and approve only those with officers that are trained and competent to run the business and affairs of the coops. CDA should aim for quality coops and not quantity in the registration.

# **ANNEXES**

# **ANNEX A**

## **FGD Documentations**

## INTEGRATED FOCUS GROUP DISCUSSION

**Venue:** Mandarin Restaurant, Session Road, Baguio City

**Date:** November 12, 2014

**Participants:** Refer to the Attendance Sheet

**Facilitator:** Mr. Willy Mercado

### Before the discussion proper:

The facilitator gave an introduction by the following:

- a. Title of the project
- b. What is ACPC?
- c. What are MMDC and its role to ACPC project?
- d. Background of the ACPC project
- e. Objectives of the study
- f. Objectives of Focus Group Discussion (FGD)
- g. FGD participants
- h. Methodology of the discussion

## GUIDE QUESTIONS

### Potential for Expanding Credit

Items	Guide Questions
<b>Current Credit Situation</b>	<p><b>a. Where/how do farmers/fishers financed production cost?</b></p> <p>Farmers and fisherfolks financed their production by borrowing capital/money primarily from the following:</p> <ol style="list-style-type: none"><li>1. Private farm inputs supplier (middleman or trader)<ul style="list-style-type: none"><li>• 50% of farmers/fisherfolks borrowed capital from middlemen and trader.</li></ul></li><li>2. Cooperatives<ul style="list-style-type: none"><li>• 20% of farmers/fisherfolks borrowed capital from cooperative.</li></ul></li><li>3. Private Lending Institutions (PLI)<ul style="list-style-type: none"><li>• 2% of farmers/fisherfolks borrowed capital from PLI.</li></ul></li><li>4. Relatives<ul style="list-style-type: none"><li>• 15% of farmers/fisherfolks borrowed capital came from their rich tito/tita; cousins and others.</li></ul></li><li>5. Micro Financing Institutions (MFI)<ul style="list-style-type: none"><li>• 5% of farmers/fisherfolks borrowed capital from MFI.</li></ul></li></ol>

6. Banks

- 1% of farmers/fisherfolks borrowed capital from rural banks and coop banks.

7. Bombay (5/6)

- 7% of farmers/fisherfolks borrowed capital came from Indian lenders and Filipino 5/6 lenders.

**b. Who are the informal lenders patronized by farmers/fisherfolk? Interest rate?**

Informal lenders are the following with corresponding interest rate:

1. Traders and middlemen: 8-10% monthly
2. Farmers' relatives: 5% monthly
3. "Bombay" 5/6: 12% monthly
  - Bombay is not necessary the Indian lenders, a Filipino who lend money to coop members with high interest rate is also called Bombay on their system

**c. Why do farmers patronize these informal sources?**

Farmers/fisherfolks patronize this sources because of the following reasons:

1. Easy process of loaning (release in just 10 minutes)
2. No heavy requirements
3. No collateral
4. Easy to talk and negotiate
5. Promises can be honored
6. No co-maker required

**d. Do you think these farmers can shift to formal sources of loans?**

Yes, farmers sometimes have no choice, for them the operations will stop if there will be no funds available.

No, for the following reasons:

1. Farmers cannot borrow without co-maker and collateral. These are lack to informal lenders.
2. Farmers are not willing to undergo several interview
3. Farmers have no requirements to present
4. They are not patient enough to comply with the requirement of formal lenders.

**e. How actively do coops campaign for increased membership among farmers?**

	<p>Cooperatives are campaigning by the following methods:</p> <ol style="list-style-type: none"> <li>1. Put up neutral age system,</li> <li>2. Sponsoring feeding program for the children of cooperative members and non- members</li> <li>3. Flyers</li> <li>4. Fascinating the family members</li> <li>5. Mutual aide campaign</li> <li>6. Conduct lots of training for farmers; that being in a cooperative is an advocacy, not a business.</li> </ol> <p><b>f. In your area of operation, what % of farmers are not yet coop members? Why are they not joining coops?</b></p> <p>Only 10% of the farmers of one area are members of the coop because of the following reasons:</p> <ol style="list-style-type: none"> <li>1. Difficult membership procedures</li> <li>2. Comprehensive process of loaning</li> <li>3. No time to attend for PMES</li> <li>4. There is initial share capital requirements, farmers don't have budget for this amount.</li> <li>5. For them they don't need coop to borrow money</li> <li>6. They don't want to accept obligations</li> <li>7. Lack or limited information about the benefits of being a coop member.</li> <li>8. No aggressive campaign and significant efforts to attract farmers to became member.</li> <li>9. There is community unfamiliarity and conflicts</li> <li>10. They don't like the current coop officers/management</li> <li>11. People have bad news pertaining to specific coop</li> <li>12. Difficulties to lengthen the life of coop due to so many requirements compliance.</li> <li>13. Usual defective electoral practices</li> <li>14. Some encountered depraved experience from the past coop</li> </ol> <p>Others cannot tell, it needs data based analysis</p> <p><b>g. Can coops relax membership requirement to encourage non-members to join?</b></p> <p>Yes, if the coop is just starting, the membership requirements is so relax and easy to comply.</p> <p>If the coop became bigger, they became strict on the policy and requirements.</p> <p><b>j. Aside from coops, what are the other formal sources of credit? How well are they patronized by farmers/fisherfolk?</b></p>
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	<p>Other formal sources of credit are:</p> <ol style="list-style-type: none"> <li>1. Farmers association</li> <li>2. Rural banks</li> </ol> <ul style="list-style-type: none"> <li>• These sources had a little patronage of farmers/fisherfolks due to lots of requirements.</li> </ul>
<b>Existing and potential livelihood activities</b>	<p>a. What are the major agriculture projects that need credit provision?</p> <ol style="list-style-type: none"> <li>1. Vegetables production</li> <li>2. Livestock production</li> <li>3. Fish farming</li> <li>4. Mushroom Production</li> <li>5. Organic Fertilizer Production</li> </ol>
	<p>b. What other/potential livelihood opportunities need credit provision, if any?</p> <ol style="list-style-type: none"> <li>1. Product processing</li> <li>2. Chocolate manufacturing from cacao</li> <li>3. Trading of farm products</li> <li>4. Sari-sari store</li> </ol>
	<p>c. What other agriculture projects do you plan to include in your lending program?</p> <ol style="list-style-type: none"> <li>1. Vermiculture production</li> <li>2. Coffee rehabilitation and production</li> </ol>
<b>Supply of credit fund</b>	<p>a. Do coops have sufficient fund to meet current credit demand? Projected credit demand?</p> <p>Some of the coops have sufficient fund to meet the credit demand, others have little or no fund at all to cover the current credit demand.</p> <p>Projected credit demand range from 2 million to 300 million monthly for micro to large cooperative.</p>
	<p>b. Is limited internal fund a constraint for expanding lending operation?</p> <p>No, because some of them are very liquid; having 190 million assets or more</p> <p>Yes, because some of the coops have a little amount for lending operations. They really need funds for their plan of lending operations expansion.</p>
	<p>c. Are you planning to get additional fund from external sources? From where? Why?</p> <p>Plan to get funds from private individuals because they have little requirements and low interest rate up to 1.5% diminishing per</p>

	<p>month.</p> <p>Most of the coops want to avail additional fund from the government with low interest rate and affordable requirements, if the government could do this, much better</p>
<b>Demand for credit</b>	<p><b>a. What are your projections for future credit demand? Will there be an increase in lending to the agriculture sector?</b></p> <p>There will be higher demand for credit. A five to twenty percent increase in lending of agriculture sector will be observed.</p> <p>Some of the coops says that farmers who have no increase on the rate of their credit demand is just because they have so many subsidy from the government and they maintain the rate of farmers interest.</p> <p>Some answered “they don’t know the future credit demand for agriculture sector”.</p> <p><b>b. In which agricultural projects will you expand your lending operations, assuming additional/external fund is available? Why?</b></p> <p>If somebody lend to farmers, they will accept the loan for crop and livestock production, this will be a huge potential for fast and large membership, in short a big help for farmer members.</p> <p>Baguio and Benguet are a tourist destination, higher demands for vegetables and livestock are always coming in.</p> <p><b>c. Do you foresee significant increase in new farmer-borrowers in the future? Please estimate (%).</b></p> <p>Yes, there will be significant increase in new farmer-borrowers in the future if there will be available funds with minimal requirements and low interest rate.</p> <p>A 100% increase is estimated.</p> <p><b>d. Historically, were you able to meet your loan targets in agriculture?</b></p> <p>Some coop has no loan targets in agriculture. It is too risky to farmers due to calamities; this is the reason why other coops are not focusing their lending operations to farmers.</p> <p>Most of the coops achieved 10% loan targets for the farmers, farmers gave life to coop, coop will not be progressive without them, and members of the coops are 50 % is farmers.</p>
<b>Other lending program</b>	<p><b>a. Are you planning to develop new lending programs that will allow non-member farmers to get loans?</b></p> <p>Yes, because this is another source of income for the coop</p>

	No, because the priority is the member, they must be coop members first before anything else.
	<p><b>b. Are you planning to engage in micro-finance to allow non-members to avail themselves of loans? Will you expand your funding allocation for micro-finance?</b></p> <p>No plans for micro finance at all. It is very risky, should be character based, it has no security.</p>
<b>Constraints</b>	<p><b>a. What do you think are the problems in expanding lending operations?</b></p> <p>They don't and cannot expand their lending operations because of the following reasons:</p> <ol style="list-style-type: none"> <li>1. No funds</li> <li>2. Fear of risk</li> <li>3. Not mastered the skills of lending operations and management</li> <li>4. Members became rich also, don't want to loan anymore</li> <li>5. Want grant not loan</li> <li>6. Lack of imagination</li> <li>7. No foresight of leaders</li> <li>8. The board itself have no plans</li> <li>9. Wrong people in the leadership</li> <li>10. Leaders are not visionary</li> </ol>
	<p><b>b. What are your suggestions to solve these problems?</b></p> <ol style="list-style-type: none"> <li>1. Courage to avail credits</li> <li>2. Training will help gradually</li> <li>3. Change of leadership</li> <li>4. Additional knowledge on lending operations</li> <li>5. Leaders should be elected by merit not by seniority</li> <li>6. There should be succession management and plan</li> </ol>

### Absorptive Capacity

Items	Guide Questions
<b>Capacity to expand lending operation</b>	<p><b>a. If you get additional fund from external sources will you lend to more farmers/fisherfolk?</b></p> <p>Absolutely yes</p>
	<p><b>b. Do you plan to establish new branch/extension office to service your borrowers?</b></p> <p>Absolutely yes</p>
	<p><b>c. Will you need to increase your manpower complement?</b></p> <p>Absolutely yes</p>
	<p><b>d. Will you need training to further enhance your lending knowledge/skill? In what areas?</b></p> <p>Yes, to the following areas:</p>

	<ol style="list-style-type: none"> <li>1. Lending Operations</li> <li>2. General Cooperative Management</li> <li>3. Risk Management and Solutions</li> <li>4. Marketing and Advertisement</li> <li>5. Entrepreneurial Skills and Management</li> <li>6. Lending System Adoption</li> <li>7. Loan Delinquency Management</li> </ol>
	<p>e. Will there be changes in your lending policies/requirements? What changes?</p> <p>Yes, on the following aspects:</p> <ol style="list-style-type: none"> <li>1. borrowers criteria</li> <li>2. collection strategy</li> <li>3. sanction for delinquent borrowers</li> <li>4. interest rate</li> <li>5. repayment period</li> </ol>
	<p>f. What assistance do you need from the government to improve your absorptive capacity?</p> <ol style="list-style-type: none"> <li>1. Training</li> <li>2. Understanding and constant monitoring</li> </ol>
	<p>g. Do you plan to make amendments in your lending policies in relation to the above?</p> <p>Absolutely yes</p>
<b>Additional funding requirement</b>	<p>a. How much external fund can you absorb to support your lending operation?</p> <p>1 million to 150 million</p>
	<p>b. What reasonable terms and conditions do you think will make you decide to avail yourselves of the external fund?</p> <p>5 years or more to pay with 1 to 2% interest rate per year</p>
<b>Will coop make good financing conduit for farmers?</b>	<p>Of course, Yes</p>

**REPORT ON THE PROCEEDINGS  
FOCUS GROUP DISCUSSION-BULACAN**

**ASSESSMENT OF THE CAPACITY OF COOPERATIVES AS  
ACPC FINANCING CONDUITS**

**VENUE:** Sacred Heart Credit and Development Cooperative  
Cruz na Daan, San Rafael, Bulacan

**DATE :** November 17, 2014

**FGD FACILITATOR:** Rey de Sagun

**PARTICIPANTS:** See attached attendance sheet

**OBJECTIVES:**

To assess the capacity of cooperatives as ACPC financing conduits in terms of:

- potential for expanding credit provision to farmers and fisherfolk
- absorptive capacity

**HIGHLIGHTS OF THE PROCEEDINGS**

CRITERIA	RESPONSES
<b>Potential for Expanding Credit Provision to Farmers and Fisherfolk</b>	
Current credit situation	<ul style="list-style-type: none"><li>- 10-20% of farmers can finance their vegetable production. This is because they have other sources of income, e.g. they have family members working abroad. Also, they have big farm areas.</li><li>- 80-90% get loans from formal/informal sources.</li><li>- 10% of vegetable farmers get loans from cooperatives.</li><li>- They don't get loans from rural banks because they don't have collaterals which are required by banks.</li><li>- The rest (70%) get loans from private money lenders, mostly from viajeros/traders, at high interest rate. This is one big reason why these farmers could not get out of poverty.</li><li>- Farmers also borrow from traders for other purposes, e.g. children's education, hospitalization/medicines, etc. for this reason, they remain indebted to the traders.</li><li>- About 70% of farmers are really poor.</li><li>- Most farmers are not coop members primarily because they don't have money for the required paid-up capital. Other reasons: farmers don't have time or are not willing to spend time to attend the PMES, they have other sources of income (e.g. children working abroad), too many documentary requirements, it is much easier to get loans from informal sources, long processing for membership and loan</li></ul>

	<p>application.</p> <ul style="list-style-type: none"> <li>- Other sources of loans include MFIs (e.g. CARD, ASKI, ASHI, TSPI). These MFIs go to the farmers, have limited documentary requirements, and release loans faster than coops do. Other sources are the companies supplying farm inputs.</li> <li>- Coops have programs and activities to encourage others to join the coop. Most coops are not successful in their recruitment efforts. Few are successful.</li> <li>- There is hope to recruit more farmers to join the coops.</li> <li>- There are cases when loans to farmers are diverted to other purposes.</li> <li>- Some farmers have the attitude of not paying loans to government agencies because they believe they are government money from taxes paid by the people.</li> </ul>
Existing and potential livelihood activities	<ul style="list-style-type: none"> <li>- Major farm products are vegetables, rice, livestock. There is also fishing and fruit production, e.g. mangoes. Biggest sector is rice, second is vegetables, third is livestock, fourth is fish.</li> <li>- Other livelihood products are handicraft made from agricultural wastes. OTOP for Bulacan are banana, camote, gabi.</li> </ul>
Supply of credit fund	<ul style="list-style-type: none"> <li>- Government should provide grants for small livelihood activities, because farmers have no money.</li> <li>- Coops do not have sufficient funds to meet credit demand. While some of them are big, internal fund is generally not enough to meet demand for credit.</li> <li>- The FGD participants are interested in external fund sources, but it depends on the terms and conditions of the loan.</li> <li>- Limited fund is one of the reasons for not expanding loan provision.</li> </ul>
Demand for credit	<ul style="list-style-type: none"> <li>- In the last five years, demand for agricultural credit has been increasing. But the bigger share is from the non-formal sources.</li> <li>- If additional loan fund is made available, priority sector will be rice, followed by vegetable.</li> <li>- They foresee that in the future, more farmers will turn to coops for loans to finance their farm production activities.</li> </ul>

	<p>So they have plans to expand lending to this sector.</p> <ul style="list-style-type: none"> <li>- Historically, coops do not meet their loan targets due to limited funds.</li> <li>- They don't lend to non-members because it is against their by-laws. Also, loans to non-members are taxable.</li> </ul>
Constraints	<ul style="list-style-type: none"> <li>- Problem in expanding lending are more work, higher risk of delinquency.</li> <li>- Solution is insurance for loans which, they hope, can be subsidized by the government, e.g. through the PCIC.</li> </ul>
<b>Absorptive Capacity of Cooperatives</b>	
Capacity for expanded lending operation	<ul style="list-style-type: none"> <li>- If additional fund (external) will become available, the coops will expand lending to agricultural sector.</li> <li>- They are willing to set up branch or satellite offices as needed, to reach out to more farmers in other areas.</li> <li>- There will be need for additional manpower to meet increased loan demand in case additional fund is made available. The additional manpower will likely for the positions of Loan Officer and Loan Collector, which will likewise result in increased salary expense.</li> <li>- The increase in loan fund/demand will result in need for revisions in loan provision policies. This is a continuing practice among cooperatives.</li> </ul>
Additional funding requirement	<ul style="list-style-type: none"> <li>- Average need for additional loan is estimated at P5M, with maximum of P10M. They prefer provision of a credit line, with releases in tranches. Desired repayment period is five years.</li> <li>- Government can help the coop sector through the provision of continuing education for coops, e.g. trainings/seminars, to build up the capacity of the coops.</li> <li>- From CDA, they want free trainings, reduced mandatory requirements, and reduced penalties.</li> </ul>

## INTEGRATED FOCUS GROUP DISCUSSION

**Venue:** NEGROS Teachers Multi-Purpose Cooperative, cor. Gatuslao, San Sebastian St.,  
Bacolod City

**Date:** December 4, 2014

**Participants:** Refer to the Attendance Sheet

**Facilitator:** Mr. Willy Mercado

### Before the discussion proper:

The facilitator gave an introduction by the following:

- i. Title of the project
- j. What is ACPC?
- k. What are MMDC and its role to ACPC project?
- l. Background of the ACPC project
- m. Objectives of the study
- n. Objectives of Focus Group Discussion (FGD)
- o. FGD participants
- p. Methodology of the discussion

## GUIDE QUESTIONS

### Potential for Expanding Credit

Items	Guide Questions
<b>Current Credit Situation</b>	<p><b>a. Where/how do farmers/fishers financed production cost?</b></p> <p>Farmers and fisherfolks financed their production by borrowing capital/money primarily from the following:</p> <ol style="list-style-type: none"><li>8. Cooperatives<ul style="list-style-type: none"><li>• 50-90% of farmers/fisherfolks borrowed capital from cooperative.</li></ul></li><li>9. Private farm inputs supplier (middleman or trader)<ul style="list-style-type: none"><li>• 20-30% of farmers/fisherfolks borrowed capital from middlemen and trader.</li></ul></li><li>10. Families/Relatives<ul style="list-style-type: none"><li>• 15% of farmers/fisherfolks borrowed capital came from their rich tito/tita; cousins and others.</li></ul></li><li>11. Banks<ul style="list-style-type: none"><li>• 10% of farmers/fisherfolks borrowed capital from rural banks and coop banks.</li></ul></li><li>12. Bombay (5/6)<ul style="list-style-type: none"><li>• 10% of farmers/fisherfolks borrowed capital came from Indian lenders and Filipino 5/6 lenders.</li></ul></li></ol>

b. Who are the informal lenders patronized by farmers/fisherfolk? Interest rate?

Informal lenders are the following with corresponding interest rate:

4. Traders and middlemen: 5% monthly
5. Farmers' relatives/families: 3% monthly
6. "Bombay" 5/6: 10% monthly
7. NGOs: 7% monthly

c. Why do farmers patronize these informal sources?

Farmers/fisherfolks patronize this sources because of the following reasons:

7. No other choice
8. Easy process of loaning
9. No heavy requirements
10. No collateral
11. Easy to talk and negotiate
12. No co-maker required

d. Do you think these farmers can shift to formal sources of loans?

Yes, farmers sometimes have no choice, for them the operations will stop if there will be no funds available.

No, for the following reasons:

5. Farmers are not willing to undergo several interview
6. They are not patient enough to comply with the requirement of formal lenders.

e. How actively do coops campaign for increased membership among farmers?

Cooperatives are campaigning by the following methods:

7. Flyers
8. Conduct lots of training for farmers
9. Promotion by word of mouth
10. Friendly invitation

f. In your area of operation, what % of farmers are not yet coop members? Why are they not joining coops?

Only 35% of the farmers of one area are members of the coop because of the following reasons:

	<p>15. Comprehensive process of loaning</p> <p>16. No time to attend for PMES</p> <p>17. There is initial share capital requirement, farmers don't have budget for this amount.</p> <p>18. Lack or limited information about the benefits of being a coop member.</p> <p>19. No aggressive campaign and significant efforts to attract farmers to become member.</p> <p>20. People have bad news pertaining to specific coop</p> <p>21. Some encountered depraved experience from the past coop</p> <p>Others cannot tell, it needs data based analysis</p> <p>g. Can coops relax membership requirement to encourage non-members to join?</p> <p>Yes, if the coop is just starting, the membership requirements is so relax and easy to comply.</p> <p>j. Aside from coops, what are the other formal sources of credit? How well are they patronized by farmers/fisherfolk?</p> <p>Other formal sources of credit are:</p> <ol style="list-style-type: none"> <li>3. Rural banks</li> <li>4. NGOs</li> </ol>
<b>Existing and potential livelihood activities</b>	<p>a. What are the major agriculture projects that need credit provision?</p> <ol style="list-style-type: none"> <li>6. Vegetables production</li> <li>7. Livestock production</li> <li>8. Fish farming Inputs</li> </ol>
	<p>b. What other/potential livelihood opportunities need credit provision, if any?</p> <ol style="list-style-type: none"> <li>5. Product processing</li> <li>6. Trading of farm products</li> <li>7. Sari-sari store</li> </ol>
	<p>c. What other agriculture projects do you plan to include in your lending program?</p> <ol style="list-style-type: none"> <li>3. Pecking Ducks Production</li> <li>4. Farm machinery rental</li> </ol>
<b>Supply of credit fund</b>	<p>a. Do coops have sufficient fund to meet current credit demand? Projected credit demand?</p> <p>Some of the coops have little or no fund at all to cover the current credit demand.</p> <p>Projected credit demand range from 20 million to 500 million</p>

	monthly for micro to large cooperative.
	<p><b>b. Is limited internal fund a constraint for expanding lending operation?</b></p> <p>Yes, because some of the coops have a little amount for lending operations. They really need funds for their plan of lending operations expansion.</p> <p>Other reason: They don't pay their credit obligations</p>
	<p><b>c. Are you planning to get additional fund from external sources? From where? Why?</b></p> <p>Yes, to land bank because it really helps coop and sustain their advocacy of helping the farmers and fishermen</p>
<b>Demand for credit</b>	<p><b>a. What are your projections for future credit demand? Will there be an increase in lending to the agriculture sector?</b></p> <p>There will be higher demand for credit. A 100% increase in lending of agriculture sector will be observed.</p>
	<p><b>b. In which agricultural projects will you expand your lending operations, assuming additional/external fund is available? Why?</b></p> <p>If somebody lend to farmers, they will accept the loan for:</p> <ol style="list-style-type: none"> <li>1. Palay trading</li> <li>2. Pecking ducks raising</li> <li>3. Farm inputs and equipment</li> <li>4. Rice farming</li> <li>5. Disposal of rice products</li> </ol>
	<p><b>c. Do you foresee significant increase in new farmer-borrowers in the future? Please estimate (%).</b></p> <p>Yes, there will be significant increase in new farmer-borrowers in the future if there will be available funds with minimal requirements and low interest rate.</p> <p>A 120% increase is estimated.</p>
	<p><b>d. Historically, were you able to meet your loan targets in agriculture?</b></p> <p>Most of the coops achieved 60% loan targets for the farmers</p>
<b>Other lending program</b>	<p><b>a. Are you planning to develop new lending programs that will allow non-member farmers to get loans?</b></p> <p>No, because the priority is the member, they must be coop members first before anything else.</p>
	<p><b>b. Are you planning to engage in micro-finance to allow non-members to avail themselves of loans? Will you expand your funding allocation for micro-finance?</b></p>

	No plans for micro finance at all. It is very risky, should be character based, it has no security.
<b>Constraints</b>	<p>a. What do you think are the problems in expanding lending operations?</p> <p>They don't and cannot expand their lending operations because of the following reasons:</p> <ol style="list-style-type: none"> <li>11. No funds</li> <li>12. Borrowers attitude</li> <li>13. Dual membership</li> <li>14. Fear of risk</li> <li>15. Want grant not loan</li> <li>16. No or lousy foresight of leaders</li> </ol>
	<p>b. What are your suggestions to solve these problems?</p> <ol style="list-style-type: none"> <li>7. Courage to avail credits</li> <li>8. Training will help gradually</li> <li>9. Change of leadership</li> </ol>

### Absorptive Capacity

Items	Guide Questions
<b>Capacity to expand lending operation</b>	<p>a. If you get additional fund from external sources will you lend to more farmers/fisherfolk?</p> <p>Absolutely yes</p>
	<p>b. Do you plan to establish new branch/extension office to service your borrowers?</p> <p>To be studied, not ready for extension office or branch</p>
	<p>c. Will you need to increase your manpower complement?</p> <p>Yes</p>
	<p>d. Will you need training to further enhance your lending knowledge/skill? In what areas?</p> <p>Yes, to the following areas:</p> <ol style="list-style-type: none"> <li>8. Credit management</li> <li>9. Lending Operations</li> <li>10. Loan monitoring</li> <li>11. Loan Delinquency Management</li> </ol>
	<p>e. Will there be changes in your lending policies/requirements? What changes?</p> <p>Yes, on the following aspects:</p> <ol style="list-style-type: none"> <li>6. interest rate</li> <li>7. repayment period</li> </ol>
	<p>f. What assistance do you need from the government to improve your absorptive capacity?</p>

	3. Training from DTI, DA, DENR, DOST 4. Capital
	g. Do you plan to make amendments in your lending policies in relation to the above?  Absolutely yes
<b>Additional funding requirement</b>	a. How much external fund can you absorb to support your lending operation?  3 million to 6 million
	b. What reasonable terms and conditions do you think will make you decide to avail yourselves of the external fund?  10-20 years or more to pay with 1 to 3% interest rate per year
<b>Will coop make good financing conduit for farmers?</b>	Of course, Yes

## INTEGRATED FOCUS GROUP DISCUSSION

**Venue:** Conference Hall, Agricultural Promotion Center, Tagbilaran City, Bohol

**Date:** November 26, 2014

**Participants:** Refer to the Attendance Sheet

**Facilitator:** Willy Mercado

### Before the discussion proper:

The facilitator gave an introduction by the following:

- q. Title of the project
- r. What is ACPC?
- s. What are MMDC and its role to ACPC project?
- t. Background of the ACPC project
- u. Objectives of the study
- v. Objectives of Focus Group Discussion (FGD)
- w. FGD participants
- x. Methodology of the discussion

## GUIDE QUESTIONS

### Potential for Expanding Credit

Items	Guide Questions
<b>Current Credit Situation</b>	<p><b>a. Where/how do farmers/fishers financed production cost?</b></p> <p>Farmers and fisherfolks financed their production by borrowing capital/money primarily from the following:</p> <ol style="list-style-type: none"><li>1. Cooperatives<ul style="list-style-type: none"><li>• 40-50% of farmers/fisherfolks borrowed capital from cooperative.</li></ul></li><li>2. Micro Financing Institutions (MFI)<ul style="list-style-type: none"><li>• 30% of farmers/fisherfolks borrowed capital from MFI.</li></ul></li><li>3. Bombay (5/6)<ul style="list-style-type: none"><li>• 20-30% of farmers/fisherfolks borrowed capital came from Indian lenders and Filipino 5/6 lenders.</li></ul></li><li>4. Private farm inputs supplier (middleman or trader)<ul style="list-style-type: none"><li>• 10-20% of farmers/fisherfolks borrowed capital from middlemen and trader.</li></ul></li></ol> <p><b>b. Who are the informal lenders patronized by farmers/fisherfolk? Interest rate?</b></p> <p>Informal lenders are the following with corresponding interest</p>

	<p>rate:</p> <ol style="list-style-type: none"> <li>1. Traders and middlemen: 5-10% monthly</li> <li>2. Farmers' relatives: 2-5% monthly</li> <li>3. "Bombay" 5/6: 10% monthly</li> </ol> <p><b>c. Why do farmers patronize these informal sources?</b></p> <p>Farmers/fisherfolks patronize this sources because of the following reasons:</p> <ol style="list-style-type: none"> <li>1. Easy process of loaning (release in just 10 minutes)</li> <li>2. No heavy requirements</li> <li>3. No collateral</li> <li>4. Easy to talk and negotiate</li> <li>5. Promises can be honored</li> <li>6. No co-maker required</li> <li>7. Lack of widespread information about cooperative</li> <li>8. Sure market of products to traders and middlemen</li> </ol> <p><b>d. Do you think these farmers can shift to formal sources of loans?</b></p> <p>No, for the following reasons:</p> <ol style="list-style-type: none"> <li>1. Farmers cannot borrow without co-maker and collateral. These are lack to informal lenders.</li> <li>2. Farmers are not willing to undergo several interview</li> <li>3. Farmers have no requirements to present</li> <li>4. They are not patient enough to comply with the requirement of formal lenders.</li> </ol> <p><b>e. How actively do coops campaign for increased membership among farmers?</b></p> <p>Cooperatives are campaigning by the following methods:</p> <ol style="list-style-type: none"> <li>1. Put up neutral age system,</li> <li>2. Sponsoring feeding program for the children of cooperative members and non- members</li> <li>3. Flyers</li> <li>4. Fascinating the family members</li> <li>5. Mutual aide campaign</li> <li>6. Conduct lots of training for farmers; that being in a cooperative is an advocacy, not a business.</li> <li>7. The coop held a coop month celebration</li> <li>8. Advertisement in television, newspaper, etc.</li> <li>9. People empowerment</li> </ol> <p><b>f. In your area of operation, what % of farmers are not yet coop members? Why are they not joining coops?</b></p> <p>40% of the farmers of one area are members of the coop because of the following reasons:</p>
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	<ol style="list-style-type: none"> <li>1. Difficult membership procedures</li> <li>2. Comprehensive process of loaning</li> <li>3. No time to attend for PMES</li> <li>4. There is initial share capital requirements, farmers don't have budget for this amount.</li> <li>5. For them they don't need coop to borrow money</li> <li>6. They don't want to accept obligations</li> <li>7. Lack or limited information about the benefits of being a coop member.</li> <li>8. No aggressive campaign and significant efforts to attract farmers to become member.</li> <li>9. There is community unfamiliarity and conflicts</li> <li>10. They don't like the current coop officers/management</li> <li>11. People have bad news pertaining to specific coop</li> <li>12. Difficulties to lengthen the life of coop due to so many requirements compliance.</li> <li>13. Usual defective electoral practices</li> <li>14. Some encountered deprived experience from the past coop</li> </ol> <p>Others cannot tell, it needs data based analysis</p> <p><b>g. Can coops relax membership requirement to encourage non-members to join?</b></p> <p>Yes, if the coop is just starting, the membership requirements is so relax and easy to comply.</p> <p><b>j. Aside from coops, what are the other formal sources of credit? How well are they patronized by farmers/fisherfolk?</b></p> <p>Other formal sources of credit are:</p> <ol style="list-style-type: none"> <li>1. Farmers association</li> <li>2. Rural banks</li> <li>3. Coop banks</li> <li>4. Commercial banks</li> <li>5. Government financing institution <ul style="list-style-type: none"> <li>• These sources had a little patronage of farmers/fisherfolks due to lots of requirements.</li> </ul> </li> </ol>
<b>Existing and potential livelihood activities</b>	<p><b>a. What are the major agriculture projects that need credit provision?</b></p> <ol style="list-style-type: none"> <li>9. Vegetables production</li> <li>10. Livestock production</li> <li>11. Fish farming</li> </ol>
	<p><b>b. What other/potential livelihood opportunities need credit provision, if any?</b></p> <ol style="list-style-type: none"> <li>8. Fishing gear shop</li> </ol>

	9. Product processing 10. Habal-habal transportation enhancement 11. Sari-sari store
	<b>c. What other agriculture projects do you plan to include in your lending program?</b>  5. Farm machinery rental 6. Rice mill 7. Irrigation supply 8. Palay production financing 9. Trading of palay
<b>Supply of credit fund</b>	<b>a. Do coops have sufficient fund to meet current credit demand? Projected credit demand?</b>  Some of the coops have insufficient fund to meet the credit demand, others have little fund at all to cover the current credit demand.  Projected credit demand range from 5 million to 100 million monthly for micro to large cooperative.
	<b>b. Is limited internal fund a constraint for expanding lending operation?</b>  Yes, because some of the coops have a little amount for lending operations. They really need funds for their plan of lending operations expansion.
	<b>c. Are you planning to get additional fund from external sources? From where? Why?</b>  Most of the coops want to avail additional fund from the government agencies like ACPC or any other agencies with low interest rate and affordable requirements.  Interest rate is a matter.
<b>Demand for credit</b>	<b>a. What are your projections for future credit demand? Will there be an increase in lending to the agriculture sector?</b>  There will be higher demand for credit. A ten percent increase in lending of agriculture sector will be observed.  Some answered “they don’t know the future credit demand for agriculture sector”.
	<b>b. In which agricultural projects will you expand your lending operations, assuming additional/external fund is available? Why?</b>  If somebody lend to farmers, they will accept the loan for crop and livestock production, fish farming and livelihood activities for ladies (housewife, lola’s and out of school youth, these will be a huge potential for fast and large membership, in short a big help for farmer members.

	<p><b>c. Do you foresee significant increase in new farmer-borrowers in the future? Please estimate (%).</b></p> <p>Yes, there will be significant increase in new farmer-borrowers in the future if there will be available funds with minimal requirements and low interest rate.</p> <p>A 25% increase is estimated.</p> <p><b>d. Historically, were you able to meet your loan targets in agriculture?</b></p> <p>Some coop reached 25% targets in agriculture. It is too risky to farmers due to calamities</p> <p>Most of the coops achieved 8% loan targets for the farmers, farmers gave life to coop, coop will not be progressive without them, and members of the coops are 70 % is farmers.</p>
<b>Other lending program</b>	<p><b>a. Are you planning to develop new lending programs that will allow non-member farmers to get loans?</b></p> <p>Yes, because this is another source of income for the coop</p> <p><b>b. Are you planning to engage in micro-finance to allow non-members to avail themselves of loans? Will you expand your funding allocation for micro-finance?</b></p> <p>Yes, so many plans for micro finance. Although, it is very risky, it should be character and collateral based.</p>
<b>Constraints</b>	<p><b>a. What do you think are the problems in expanding lending operations?</b></p> <p>They don't and cannot expand their lending operations because of the following reasons:</p> <ul style="list-style-type: none"> <li>17. No funds</li> <li>18. Fear of risk</li> <li>19. Not mastered the skills of lending operations and management</li> <li>20. Want grant not loan</li> <li>21. Wrong people in the leadership</li> <li>22. No office yet, destroyed by earthquake</li> <li>23. No financial support</li> <li>24. Numerous CDA requirements</li> <li>25. Expensive registration</li> <li>26. High seminar/.training cost</li> <li>27. Don't have full time coop employee</li> <li>28. Uneducated coop members</li> </ul> <p><b>b. What are your suggestions to solve these problems?</b></p> <ul style="list-style-type: none"> <li>10. Loan or grant</li> <li>11. Fertilizer subsidy</li> <li>12. Free training/seminars from DA, CDA and DAR will help</li> </ul>

	<p>gradually</p> <p>13. Reduce the reporting requirements</p> <p>14. Free registration</p> <p>15. Hire effective manpower</p> <p>16. Change of leadership</p> <p>17. Additional knowledge on lending operations</p>
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### Absorptive Capacity

Items	Guide Questions
<b>Capacity to expand lending operation</b>	<p>a. If you get additional fund from external sources will you lend to more farmers/fisherfolk?</p> <p>Absolutely yes, they need it much</p>
	<p>b. Do you plan to establish new branch/extension office to service your borrowers?</p> <p>Absolutely yes</p>
	<p>c. Will you need to increase your manpower complement?</p> <p>Absolutely yes</p>
	<p>d. Will you need training to further enhance your lending knowledge/skill? In what areas?</p> <p>Yes, to the following areas:</p> <ul style="list-style-type: none"> <li>12. General Cooperative Management</li> <li>13. Risk Management and Solutions</li> <li>14. Marketing</li> <li>15. Entrepreneurial Skills and Management</li> <li>16. Loan Delinquency Management</li> </ul>
	<p>e. Will there be changes in your lending policies/requirements? What changes?</p> <p>Yes, on the following aspects:</p> <ul style="list-style-type: none"> <li>8. borrowers criteria</li> <li>9. collection strategy</li> <li>10. sanction for delinquent borrowers</li> <li>11. interest rate</li> <li>12. repayment period</li> <li>13. system of releasing</li> </ul>
	<p>f. What assistance do you need from the government to improve your absorptive capacity?</p> <ul style="list-style-type: none"> <li>5. Training</li> <li>6. Frequent monitoring of CDA to the activities of the coop</li> <li>7. LGU alertness for the incoming projects</li> </ul>
	<p>g. Do you plan to make amendments in your lending policies in relation to the above?</p> <p>Absolutely yes</p>

<b>Additional funding requirement</b>	a. How much external fund can you absorb to support your lending operation?
	600,000.00 to 20 million
	b. What reasonable terms and conditions do you think will make you decide to avail yourselves of the external fund?
	2-5 years to pay with 1% interest rate per year
	Others said, grant is the best
<b>Will coop make good financing conduit for farmers?</b>	Yes, to serve coop members and non-members

## INTEGRATED FOCUS GROUP DISCUSSION

**Venue:** 4<sup>th</sup> Floor, Training Room, Cebu CFI Coop, Cebu City

**Date:** December 2, 2014

**Participants:** Refer to the Attendance Sheet

**Facilitator:** Mr. Willy Mercado

### Before the discussion proper:

The facilitator gave an introduction by the following:

- y. Title of the project
- z. What is ACPC?
- aa. What are MMDC and its role to ACPC project?
- bb. Background of the ACPC project
- cc. Objectives of the study
- dd. Objectives of Focus Group Discussion (FGD)
- ee. FGD participants
- ff. Methodology of the discussion

## GUIDE QUESTIONS

### Potential for Expanding Credit

Items	Guide Questions
<b>Current Credit Situation</b>	<p><b>a. Where/how do farmers/fishers financed production cost?</b></p> <p>Farmers and fisherfolks financed their production by borrowing capital/money primarily from the following:</p> <ul style="list-style-type: none"><li>13. Private farm inputs supplier (middleman or trader)<ul style="list-style-type: none"><li>• 40% of farmers/fisherfolks borrowed capital from middlemen and trader.</li></ul></li><li>14. Relatives/Friends<ul style="list-style-type: none"><li>• 20% of farmers/fisherfolks borrowed capital came from their rich tito/tita; cousins and others.</li></ul></li><li>15. Bombay (5/6)<ul style="list-style-type: none"><li>• 15% of farmers/fisherfolks borrowed capital came from Indian lenders and Filipino 5/6 lenders.</li></ul></li><li>16. Cooperatives<ul style="list-style-type: none"><li>• 5% of farmers/fisherfolks borrowed capital from cooperative.</li></ul></li><li>17. Non-Government Organizations (NGOs)<ul style="list-style-type: none"><li>• 5% of farmers/fisherfolks borrowed capital from NGOs.</li></ul></li></ul>

	<p>18. Banks</p> <ul style="list-style-type: none"> <li>• 5% of farmers/fisherfolks borrowed capital from rural banks, commercial banks and coop banks.</li> </ul> <p>19. Private Lending Institutions (PLI)</p> <ul style="list-style-type: none"> <li>• 5 of farmers/fisherfolks borrowed capital from PLI.</li> </ul> <p>20. Micro Financing Institutions (MFI)</p> <ul style="list-style-type: none"> <li>• 5% of farmers/fisherfolks borrowed capital from MFI.</li> </ul> <p><b>b. Who are the informal lenders patronized by farmers/fisherfolk? Interest rate?</b></p> <p>Informal lenders are the following with corresponding interest rate:</p> <ol style="list-style-type: none"> <li>8. Traders and middlemen: 5-12% monthly</li> <li>9. “Bombay” 5/6: 5-10% monthly</li> </ol> <p><b>c. Why do farmers patronize these informal sources?</b></p> <p>Farmers/fisherfolks patronize this sources because of the following reasons:</p> <ol style="list-style-type: none"> <li>13. Easy process of loaning (release in just 60 minutes)</li> <li>14. No heavy requirements</li> <li>15. No collateral</li> <li>16. Easy to talk and negotiate</li> <li>17. No co-maker required</li> </ol> <p><b>d. Do you think these farmers can shift to formal sources of loans?</b></p> <p>No, for the following reasons:</p> <ol style="list-style-type: none"> <li>7. Farmers are not willing to undergo several interview</li> <li>8. Farmers have no requirements to present</li> <li>9. They are not patient enough to comply with the requirement of formal lenders.</li> </ol> <p><b>e. How actively do coops campaign for increased membership among farmers?</b></p> <p>Cooperatives are campaigning by the following methods:</p> <ol style="list-style-type: none"> <li>11. Internet promotions</li> <li>12. Flyers</li> <li>13. Conduct lots of training for farmers; that being in a cooperative is an advocacy, not a business.</li> </ol> <p><b>f. In your area of operation, what % of farmers are not yet coop</b></p>
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	<p><b>members? Why are they not joining coops?</b></p> <p>Only 30-40% of the farmers of one area are members of the coop because of the following reasons:</p> <ul style="list-style-type: none"> <li>22. Difficult membership procedures</li> <li>23. Comprehensive process of loaning</li> <li>24. No time to attend for PMES</li> <li>25. There is initial share capital requirements, farmers don't have budget for this amount.</li> <li>26. They don't want to accept obligations</li> <li>27. Lack or limited information about the benefits of being a coop member.</li> <li>28. They don't like the current coop officers/management</li> <li>29. People have bad news pertaining to specific coop</li> <li>30. Some encountered depraved experience from the past coop</li> </ul> <p>Others cannot tell, it needs data based analysis</p> <p><b>g. Can coops relax membership requirement to encourage non-members to join?</b></p> <p>Yes, if the coop is just starting, the membership requirements is so relax and easy to comply.</p> <p><b>j. Aside from coops, what are the other formal sources of credit? How well are they patronized by farmers/fisherfolk?</b></p> <p>Other formal sources of credit are:</p> <ul style="list-style-type: none"> <li>5. Farmers association</li> <li>6. Rural banks</li> <li>7. Commercial Banks</li> <li>8. NGOs</li> </ul>
<p><b>Existing and potential livelihood activities</b></p>	<p><b>a. What are the major agriculture projects that need credit provision?</b></p> <ul style="list-style-type: none"> <li>12. Swine production</li> <li>13. Poultry production (layer)</li> </ul> <p><b>b. What other/potential livelihood opportunities need credit provision, if any?</b></p> <ul style="list-style-type: none"> <li>12. Product processing</li> <li>13. Trading of farm products</li> <li>14. Palay trading</li> </ul> <p><b>c. What other agriculture projects do you plan to include in your lending program?</b></p> <ul style="list-style-type: none"> <li>10. Mushroom culture</li> <li>11. Nursery of flowers and other ornamentals</li> </ul>

<b>Supply of credit fund</b>	<p>a. Do coops have sufficient fund to meet current credit demand? Projected credit demand?</p> <p>Some of the coops have insufficient fund to meet the credit demand</p> <p>Projected credit demand range from 1 million to 100 million monthly for micro to large cooperative.</p>
	<p>b. Is limited internal fund a constraint for expanding lending operation?</p> <p>No, because some of them are very liquid; having 480 million assets or more</p>
	<p>c. Are you planning to get additional fund from external sources? From where? Why?</p> <p>Plan to get funds from private individuals because they have little requirements and low interest rate up to 5% diminishing per month.</p>
<b>Demand for credit</b>	<p>a. What are your projections for future credit demand? Will there be an increase in lending to the agriculture sector?</p> <p>There will be higher demand for credit. A 65% increase in lending of agriculture sector will be observed.</p> <p>Some answered “they don’t know the future credit demand for agriculture sector”.</p>
	<p>b. In which agricultural projects will you expand your lending operations, assuming additional/external fund is available? Why?</p> <p>If somebody lend to farmers, they will accept the loan for swine production and nursery establishments</p>
	<p>c. Do you foresee significant increase in new farmer-borrowers in the future? Please estimate (%).</p> <p>Yes, there will be significant increase in new farmer-borrowers in the future if there will be available funds with minimal requirements and low interest rate.</p> <p>70% increase is estimated.</p>
	<p>d. Historically, were you able to meet your loan targets in agriculture?</p> <p>A big NO</p>
<b>Other lending program</b>	<p>a. Are you planning to develop new lending programs that will allow non-member farmers to get loans?</p> <p>No plan as of now, CDA did not enlighten them about this aspect</p>
	<p>b. Are you planning to engage in micro-finance to allow non-members to avail themselves of loans? Will you expand your</p>

	<p>funding allocation for micro-finance?</p> <p>No plans for micro finance at all</p>
<b>Constraints</b>	<p>a. What do you think are the problems in expanding lending operations?</p> <p>They don't and cannot expand their lending operations because of the following reasons:</p> <ul style="list-style-type: none"> <li>29. Conservative BOD</li> <li>30. Low confidence of leaders</li> <li>31. Fear of risk</li> <li>32. Limited skills and capability</li> <li>33. The board itself have no plans</li> <li>34. Wrong people in leadership</li> </ul>
	<p>b. What are your suggestions to solve these problems?</p> <ul style="list-style-type: none"> <li>18. Training</li> <li>19. Change of perspective</li> <li>20. Brainstorming</li> <li>21. Mentoring</li> <li>22. Proper management</li> <li>23. Control on the operation systems</li> <li>24. Additional knowledge on operations</li> <li>25. There should be succession management and plan</li> </ul>

### Absorptive Capacity

Items	Guide Questions
<b>Capacity to expand lending operation</b>	<p>a. If you get additional fund from external sources will you lend to more farmers/fisherfolk?</p> <p>Absolutely yes</p>
	<p>b. Do you plan to establish new branch/extension office to service your borrowers?</p> <p>Absolutely yes</p>
	<p>c. Will you need to increase your manpower complement?</p> <p>Absolutely yes</p>
	<p>d. Will you need training to further enhance your lending knowledge/skill? In what areas?</p> <p>Yes, to the following areas:</p> <ul style="list-style-type: none"> <li>17. Credit initiation</li> <li>18. Collection System</li> <li>19. Credit evaluation</li> <li>20. Values and ethics</li> <li>21. Technical competency</li> </ul>
	<p>e. Will there be changes in your lending policies/requirements? What changes?</p>

	<p>Yes, on the following aspects:</p> <ul style="list-style-type: none"> <li>14. Requirements simplification</li> <li>15. Terms of payment</li> <li>16. Just amendments to the existing policy</li> <li>17. borrowers criteria</li> <li>18. collection strategy</li> </ul>
	<p>f. What assistance do you need from the government to improve your absorptive capacity?</p> <ul style="list-style-type: none"> <li>8. Less tax</li> <li>9. Don't compete to the coop operations</li> <li>10. Free Training on every aspect of coop management</li> </ul>
	<p>g. Do you plan to make amendments in your lending policies in relation to the above?</p> <p>Absolutely yes</p>
<b>Additional funding requirement</b>	<p>a. How much external fund can you absorb to support your lending operation?</p> <p>10-30 million</p>
	<p>b. What reasonable terms and conditions do you think will make you decide to avail yourselves of the external fund?</p> <p>Should project based No collateral, simplified requirements, with credit line, 5 years or more to pay with 1% interest rate per year</p>
<b>Will coop make good financing conduit for farmers?</b>	<p>Yes, because coop started from farmer members, the coop value farmers. Income of the coop will be back to the members.</p>

## INTEGRATED FOCUS GROUP DISCUSSION

**Venue:** CDA Conference Hall, Davao City

**Date:** January 6, 2015

**Participants:** Refer to the Attendance Sheet

**Facilitator:** Mr. Willy Mercado

### Before the discussion proper:

The facilitator gave an introduction by the following:

- gg. Title of the project
- hh. What is ACPC?
- ii. What are MMDC and its role to ACPC project?
- jj. Background of the ACPC project
- kk. Objectives of the study
- ll. Objectives of Focus Group Discussion (FGD)
- mm. FGD participants
- nn. Methodology of the discussion

## GUIDE QUESTIONS

### Potential for Expanding Credit

Items	Guide Questions
<b>Current Credit Situation</b>	<p><b>a. Where/how do farmers/fishers financed production cost?</b></p> <p>20% of the farmers financed their production by borrowing capital/money primarily from the following <b>formal sources of credits:</b></p> <ol style="list-style-type: none"><li>Cooperatives<ul style="list-style-type: none"><li>20% of farmers borrowed capital from cooperative with 3-5% monthly interest</li></ul></li><li>Rural Banks<ul style="list-style-type: none"><li>10-15% of the farmers borrowed capital from rural bank with 14% per annum</li></ul></li><li>NGOs<ul style="list-style-type: none"><li>5% of farmers borrowed capital from cooperative with 0% interest</li></ul></li><li>Micro Financing Institutions (MFI)<ul style="list-style-type: none"><li>5% of farmers borrowed capital from MFI with 5-10% monthly interest</li></ul></li></ol> <p>80% of the farmers financed their production by borrowing capital/money primarily from the following <b>informal sources of credits:</b></p>

	<ol style="list-style-type: none"> <li>1. Relatives <ul style="list-style-type: none"> <li>• 15% of farmers borrowed capital came from their rich tito/tita; cousins, friends and others with 3-5% monthly interest</li> </ul> </li> <li>2. Bombay (5/6) <ul style="list-style-type: none"> <li>• 20-40% of farmers borrowed capital came from Indian lenders and Filipino 5/6 lenders with 10-15% monthly interest</li> </ul> </li> <li>3. Private farm inputs supplier (middleman or traders) <ul style="list-style-type: none"> <li>• 50% of farmers borrowed capital from middlemen and traders with 10% monthly interest</li> </ul> </li> </ol> <p>b. Who are the informal lenders patronized by farmers/fisherfolk? Interest rate?</p> <p>See above</p> <p>c. Why do farmers patronize these informal sources?</p> <p>Farmers patronize this sources because of the following reasons:</p> <ul style="list-style-type: none"> <li>• Easy process of loaning (release in just 1hour)</li> <li>• No heavy requirements</li> <li>• No collateral</li> <li>• Easy to talk and negotiate</li> <li>• No co-maker required</li> <li>• No arguments while loaning</li> <li>• Convenience</li> </ul> <p>d. Do you think these farmers can shift to formal sources of loans?</p> <p>Yes, farmers sometimes have no choice, it is only the formal sources who are available to give them loan.</p> <p>e. How actively do coops campaign for increased membership among farmers?</p> <p>Cooperatives are campaigning by the following methods:</p> <ul style="list-style-type: none"> <li>• Creation and addition of benefits</li> <li>• Low pricing strategy</li> <li>• Inculcating the sense of ownership of the cooperative</li> </ul> <p>f. In your area of operation, what % of farmers are not yet coop members? Why are they not joining coops?</p>
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	<p>Only 50-60% of the farmers of one area are members of the coop because of the following reasons:</p> <ul style="list-style-type: none"> <li>• Comprehensive process of loaning</li> <li>• There is initial share capital and membership fee requirements, farmers don't have budget for this amount.</li> <li>• Lack or limited information about the benefits of being a coop member.</li> <li>• They don't like the current coop officers/management. They think they are/will be corrupt and irresponsible.</li> <li>• People have bad news pertaining to specific coop</li> <li>• Some encountered depraved experience from the past coop</li> </ul> <p>g. Can coops relax membership requirement to encourage non-members to join?</p> <p>Yes, for the benefits of the farmers, they really want to relax the requirements to enlarge their membership</p>
<b>Existing and potential livelihood activities</b>	<p>a. What are the major agriculture projects that need credit provision?</p> <ul style="list-style-type: none"> <li>14. Vegetables production</li> <li>15. Livestock production</li> <li>16. Mallard ducks production</li> <li>17. Tilapia production</li> <li>18. Banana production</li> <li>19. Banana by products processing</li> <li>20. Cacao production</li> <li>21. Trading of farm products</li> <li>22. Sari-sari store</li> </ul> <p>c. What other agriculture projects do you plan to include in your lending program?</p> <ul style="list-style-type: none"> <li>12. Cacao rehabilitation and production</li> </ul>
<b>Supply of credit fund</b>	<p>a. Do coops have sufficient fund to meet current credit demand? Projected credit demand?</p> <p>Some of the coops have sufficient fund to meet the credit demand, others have little or no fund at all to cover the current credit demand.</p> <p>The projected credit demand is around 15 million every month</p> <p>b. Is limited internal fund a constraint for expanding lending operation?</p> <p>No, because some of them are very liquid; having 700-800</p>

	<p>million assets or more</p> <p>Yes, because some of the coops have a little amount for lending operations. They really need funds for their plan of lending operations expansion.</p> <p><b>c. Are you planning to get additional fund from external sources? From where? Why?</b></p> <p>Most of the coops want to avail additional fund from the government agencies like ACPC and NGOs because of the low interest rate, grace period for the payment, longer repayment period and with effective rate.</p>
<b>Demand for credit</b>	<p><b>a. What are your projections for future credit demand? Will there be an increase in lending to the agriculture sector?</b></p> <p>There will be higher demand for credit. A fifty (60-85%) percent increase in lending of agriculture sector will be observed.</p> <p>Some answered “they don’t know the future credit demand for agriculture sector”.</p> <p><b>b. In which agricultural projects will you expand your lending operations, assuming additional/external fund is available? Why?</b></p> <p>If somebody lend to farmers, they will accept the loan for the following projects:</p> <ol style="list-style-type: none"> <li>1. Cacao production</li> <li>2. Banana production</li> <li>3. Livestock production</li> </ol> <p>This will be a huge potential for fast and large membership, in short a big help for farmer members.</p> <p><b>d. Historically, were you able to meet your loan targets in agriculture?</b></p> <p>Most of the coops achieved 25% loan targets for the farmers, farmers gave life to coop, coop will not be progressive without them, and members of the coops are 80% farmers.</p>
<b>Other lending program</b>	<p><b>a. Are you planning to develop new lending programs that will allow non-member farmers to get loans?</b></p> <p>Yes, because this is another source of income for the coop</p> <p><b>b. Are you planning to engage in micro-finance to allow non-members to avail themselves of loans? Will you expand your funding allocation for micro-finance?</b></p> <p>No plans for micro finance at all. No reasons stated</p>
<b>Constraints</b>	<p><b>a. What do you think are the problems in expanding lending operations?</b></p>

	<p>They don't and cannot expand their lending operations because of the following reasons:</p> <ul style="list-style-type: none"> <li>35. No funds</li> <li>36. Fear of risk</li> <li>37. Not mastered the skills of lending operations and management</li> <li>38. Want grant not loan</li> <li>39. Slow foresight of leaders</li> <li>40. The board itself have no plans</li> <li>41. Wrong people in the leadership</li> <li>42. Agriculture is not a focus for lending</li> <li>43. So many coops existed with lending operations</li> <li>44. Limited areas of operation</li> <li>45. No people for technical evaluation for agri loan expansion,</li> <li>46. Lack of competent staffs</li> <li>47. Limited mobilization and facilities</li> <li>48. No steady market</li> </ul>
	<p><b>b. What are your suggestions to solve these problems?</b></p> <ul style="list-style-type: none"> <li>26. Courage to avail credits</li> <li>27. Training will help gradually</li> <li>28. Change of leadership</li> <li>29. Additional knowledge on lending operations</li> <li>30. Leaders should be elected by merit not by seniority</li> <li>31. High standards of hiring staffs</li> <li>32. Loan for coop mobile services</li> <li>33. Buy or rent areas for the operation of the business</li> <li>34. Creation of the distinct product identification of the coop</li> <li>35. Training of the board of directors on leadership and management</li> </ul>

### Absorptive Capacity

Items	Guide Questions
<b>Capacity to expand lending operation</b>	<p><b>a. If you get additional fund from external sources will you lend to more farmers/fisherfolk?</b></p> <p>Absolutely yes</p>
	<p><b>b. Do you plan to establish new branch/extension office to service your borrowers?</b></p> <p>Absolutely yes</p>
	<p><b>c. Will you need to increase your manpower complement?</b></p> <p>Absolutely yes</p>
	<p><b>d. Will you need training to further enhance your lending knowledge/skill? In what areas?</b></p> <p>Yes, to the following areas:</p> <ul style="list-style-type: none"> <li>22. Evaluations</li> </ul>

	23. Lending Operations 24. General Cooperative Management 25. Risk Management and Solutions 26. Marketing and Advertisement 27. Entrepreneurial Skills and Management 28. Lending System Adoption 29. Delinquency Management
	<p>e. Will there be changes in your lending policies/requirements? What changes?</p> <p>Yes, but not because of the coming lending program or money for lending, they really needs changes on their current operations for the following areas:</p> 19. borrowers criteria 20. evaluation startegy 21. collection strategy 22. sanction for delinquent borrowers 23. interest rate 24. repayment period
	<p>f. What assistance do you need from the government to improve your absorptive capacity?</p> 11. Training 12. Funds 13. Understanding ad constant monitoring
	<p>g. Do you plan to make amendmets in your lending policies in relation to the above?</p> <p>Absolutely yes</p>
<b>Additional funding requirement</b>	<p>a. How much external fund can you absorb to support your lending operation?</p> <p>2 million to 500 million</p>
	<p>b. What reasonable terms and conditions do you think will make you decide to avail yourselves of the external fund?</p> <p>1-5 years to pay with less than 4-12% interest rate per year, with 6 months to 3 years grace period</p>
<b>Will coop make good financing conduit for farmers?</b>	<p>Of course, Yes</p>

## INTEGRATED FOCUS GROUP DISCUSSION

**Venue:** Conference Hall, CDA Extension Office, Region XII, Kidapawan City,  
North Cotobato

**Date:** January 10, 2015

**Participants:** Refer to the Attendance Sheet

**Facilitator:** Willy Mercado

### Before the discussion proper:

The Regional Director gave a splendid welcome remark to all the participants:

The facilitator gave an introduction by the following:

- oo. Title of the project
- pp. What is ACPC?
- qq. What are MMDC and its role to ACPC project?
- rr. Background of the ACPC project
- ss. Objectives of the study
- tt. Objectives of Focus Group Discussion (FGD)
- uu. FGD participants
- vv. Methodology of the discussion

## GUIDE QUESTIONS

### Potential for Expanding Credit

Items	Guide Questions
<b>Current Credit Situation</b>	<p><b>a. Where/how do farmers/fishers financed production cost?</b></p> <p>20-25% of the farmers financed their production by borrowing capital/money primarily from the following <b>formal sources of credits</b>:</p> <ul style="list-style-type: none"><li>5. Cooperatives<ul style="list-style-type: none"><li>• 25-30% of farmers borrowed capital from cooperative with 3% monthly interest</li></ul></li><li>6. Rural Banks<ul style="list-style-type: none"><li>• 5-15% of the farmers borrowed capital from rural bank with 1.5% monthly interest</li></ul></li><li>7. NGOs<ul style="list-style-type: none"><li>• 5% of farmers borrowed capital from cooperative with 0% interest</li></ul></li><li>8. Micro Financing Institutions (MFI)<ul style="list-style-type: none"><li>• 40-60% of farmers borrowed capital from MFI with 5-7% monthly interest</li></ul></li></ul>

75-80% of the farmers financed their production by borrowing capital/money primarily from the following **informal sources of credits**:

4. Relatives

- 15% of farmers borrowed capital came from their rich tito/tita; cousins, friends and others with 5% monthly interest

5. Bombay (5/6)

- 10-15% of farmers borrowed capital came from Indian lenders and Filipino 5/6 lenders with 10-20% monthly interest

6. Private farm inputs supplier (middleman or traders)

- 45% of farmers borrowed capital from middlemen and traders with 7-10% monthly interest

7. Paluwagan

- 5-15% of farmers borrowed capital from paluwagan with 10% monthly interest

**b. Who are the informal lenders patronized by farmers/fisherfolk? Interest rate?**

See above

**c. Why do farmers patronize these informal sources?**

Farmers patronize this sources because of the following reasons:

9. Easy process of loaning (release in just 2 days)
10. No heavy requirements
11. No collateral
12. Easy to talk and negotiate
13. No co-maker required
14. Sure market of products to traders and middlemen
15. No project proposal preparation
16. No payment when conducting CI

**d. Do you think these farmers can shift to formal sources of loans?**

No, for the following reasons:

5. Farmers cannot borrow without co-maker and collateral. These are lack to informal lenders.
6. Farmers are not willing to undergo several interview
7. They are not patient enough to comply with the requirements of formal lenders.
8. Negative acceptance to the coop

	<p>9. Bad experience and news to the coop  10. No money for share capital  11. Don't know the benefits of being a coop member  12. The coop has a limited funds</p> <p><b>e. How actively do coops campaign for increased membership among farmers?</b></p> <p>Cooperatives are campaigning by the following methods:</p> <p>10. Give non-member a business that can generate income  11. Add more services to attract them  12. Clustering of farmers to educate them on cooperativism  13. Fascinating the family members  14. Conduct lots of training for farmers; that being in a cooperative is an advocacy and a business.  15. People empowerment</p> <p><b>f. In your area of operation, what % of farmers are not yet coop members? Why are they not joining coops?</b></p> <p>40% of the farmers of one area are members of the coop because of the following reasons:</p> <p>15. Difficult membership procedures  16. No time to attend for PMES  17. There is initial share capital requirements, farmers don't have budget for this amount.  18. Lack or limited information about the benefits of being a coop member.  19. There is community faction and conflicts  20. They don't like the current coop officers/management  21. People have bad news pertaining to specific coop</p> <p><b>g. Can coops relax membership requirement to encourage non-members to join?</b></p> <p>Yes, for the welfare and benefits of their members</p> <p><b>j. Aside from coops, what are the other formal sources of credit? How well are they patronized by farmers/fisherfolk?</b></p> <p>See above</p>
<b>Existing and potential livelihood activities</b>	<p><b>a. What are the major agriculture projects that need credit provision?</b></p> <p>23. Vegetables production  24. Livestock production  25. Product processing  26. Coco sugar processing  27. Hog raising</p>

	28. Rubber production and processing 29. Passion fruit production 30. Sari-sari store
	<b>c. What other agriculture projects do you plan to include in your lending program?</b>  13. Farm machinery rental 14. Irrigation supply 15. Palay production financing 16. Trading of palay
<b>Supply of credit fund</b>	<b>a. Do coops have sufficient fund to meet current credit demand? Projected credit demand?</b>  No
	<b>b. Is limited internal fund a constraint for expanding lending operation?</b>  Yes, because some of the coops have a little amount for lending operations. They really need funds for their plan of lending operations expansion.
	<b>c. Are you planning to get additional fund from external sources? From where? Why?</b>  Cooperative wants to avail loan from the banks like LBP, DBP, PNB and coop bank for the following reasons: <ol style="list-style-type: none"> <li>1. Low interest rate</li> <li>2. Longer repayment period</li> <li>3. With support service like trainings and seminars</li> <li>4. With insurance and incentives</li> <li>5. Coop has no choice, no other options</li> </ol>
	Interest rate is a matter.
<b>Demand for credit</b>	<b>a. What are your projections for future credit demand? Will there be an increase in lending to the agriculture sector?</b>  There will be higher demand for credit. A 30-90% increase in lending of agriculture sector will be observed.  Some answered “they don’t know the future credit demand for agriculture sector”.
	<b>b. In which agricultural projects will you expand your lending operations, assuming additional/external fund is available? Why?</b>  If somebody lend to farmers/coop, they will accept the loan for: <ol style="list-style-type: none"> <li>1. Banana production and marketing</li> <li>2. Livestock production</li> <li>3. Farm inputs supply</li> <li>4. Copra buying for oil production</li> <li>5. Marketing of rubber products</li> </ol>

	6. Hog raising 7. Fish farming 8. Passion Fruit production 9. Cacao production
	<b>c. Do you foresee significant increase in new farmer-borrowers in the future? Please estimate (%).</b>  Yes, there will be significant increase in new farmer-borrowers in the future if there will be available funds with minimal requirements and low interest rate.  A 65% increase is estimated.
	<b>d. Historically, were you able to meet your loan targets in agriculture?</b>  No
<b>Other lending program</b>	<b>a. Are you planning to develop new lending programs that will allow non-member farmers to get loans?</b>  No, first priority is members
	<b>b. Are you planning to engage in micro-finance to allow non-members to avail themselves of loans? Will you expand your funding allocation for micro-finance?</b>  Yes, so many plans for micro finance, although, it is very risky
<b>Constraints</b>	<b>a. What do you think are the problems in expanding lending operations?</b>  They don't and cannot expand their lending operations because of the following reasons: 49. No funds 50. No policy (coop) 51. Fear of risk 52. Wrong people in the leadership 53. No financial support from the government 54. Numerous CDA requirements 55. High seminar/.training cost 56. Uneducated coop members and officers 57. Coop policies were not implemented well 58. No competency among coop manpower 59. Lack of skills and knowledge of top management 60. Forgotten obligations of each members
	<b>b. What are your suggestions to solve these problems?</b>  36. Loan or grant 37. Educating the members and officers 38. Free training/seminars from DA, CDA and, DOLE, DOST and DAR will help gradually 39. Reduce the reporting requirements 40. Hire effective manpower

	41. Change of leadership 42. Additional knowledge on lending operations 43. Creation of effective policies
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### Absorptive Capacity

Items	Guide Questions
<b>Capacity to expand lending operation</b>	<b>a. If you get additional fund from external sources will you lend to more farmers/fisherfolk?</b>  Absolutely yes, they need it much
	<b>b. Do you plan to establish new branch/extension office to service your borrowers?</b>  Absolutely yes
	<b>c. Will you need to increase your manpower complement?</b>  Absolutely yes
	<b>d. Will you need training to further enhance your lending knowledge/skill? In what areas?</b>  Yes, to the following areas: 30. General Cooperative Management 31. Risk Management and Solutions 32. Marketing 33. Entrepreneurial Skills and Management 34. Loan Delinquency Management
	<b>e. Will there be changes in your lending policies/requirements? What changes?</b>  Yes, on the following aspects: 25. borrowers criteria 26. collection strategy 27. sanction for delinquent borrowers 28. interest rate 29. repayment period 30. system of releasing
	<b>f. What assistance do you need from the government to improve your absorptive capacity?</b>  14. Funds 15. Technical Training 16. Frequent monitoring of CDA to the activities of the coop 17. LGU and CDA alertness for the incoming projects
	<b>g. Do you plan to make amendments in your lending policies in relation to the above?</b>  Absolutely yes
<b>Additional funding requirement</b>	<b>a. How much external fund can you absorb to support your</b>

	<p><b>lending operation?</b></p> <p>1 to 200 million</p> <p><b>b. What reasonable terms and conditions do you think will make you decide to avail yourselves of the external fund?</b></p> <p>5 years to pay with 1-12% interest rate per year and credit line No other charges</p>
<p><b>Will coop make good financing conduit for farmers?</b></p>	<p>Yes, to serve coop members</p> <p>The coop members itself will be the beneficiaries</p> <p>Coop is flexible to adjust to the needs of the farmers</p> <p>Coop is locally located at the location of the farmers</p>

## INTEGRATED FOCUS GROUP DISCUSSION

**Venue:** Conference Hall, Samahang Nayon Cooperative, Koronadal City, South Cotabato

**Date:** January 10, 2015

**Participants:** Refer to the Attendance Sheet

**Facilitator:** Willy Mercado

### Before the discussion proper:

The Regional Director gave a splendid welcome remark to all the participants:

The facilitator gave an introduction by the following:

- ww. Title of the project
- xx. What is ACPC?
- yy. What are MMDC and its role to ACPC project?
- zz. Background of the ACPC project
- aaa. Objectives of the study
- bbb. Objectives of Focus Group Discussion (FGD)
- ccc. FGD participants
- ddd. Methodology of the discussion

## GUIDE QUESTIONS

### Potential for Expanding Credit

Items	Guide Questions
<b>Current Credit Situation</b>	<p><b>a. Where/how do farmers/fishers financed production cost?</b></p> <p>Because only 10-15% of the farmers have the capacity to finance their entire farm operation, most of them borrowed capital from formal and informal sources of credits.</p> <p>30-40% of the farmers financed their production by borrowing capital/money primarily from the following <b>formal sources of credits</b>:</p> <ul style="list-style-type: none"><li>9. Cooperatives<ul style="list-style-type: none"><li>• 40-60% of farmers borrowed capital from cooperative with 2-5% monthly interest</li></ul></li><li>10. Rural Banks<ul style="list-style-type: none"><li>• 10 of the farmers borrowed capital from rural bank with 8% per annum</li></ul></li><li>11. Private Lending Institutions (PLI)<ul style="list-style-type: none"><li>• 20% of the farmers borrowed capital from rural bank with 3% monthly interest</li></ul></li><li>12. Micro Financing Institutions (MFI)<ul style="list-style-type: none"><li>• 3% of farmers borrowed capital from MFI with</li></ul></li></ul>

	<p>3% monthly interest</p> <p>60-70% of the farmers financed their production by borrowing capital/money primarily from the following <b>informal sources of credits</b>:</p> <ol style="list-style-type: none"> <li>8. Relatives <ul style="list-style-type: none"> <li>• 10-20% of farmers borrowed capital came from their rich relatives in abroad; cousins, friends and others with 3 sacks of palay equivalent payment for 5,000 borrowed money in 4 months period.</li> </ul> </li> <li>9. Bombay (5/6) <ul style="list-style-type: none"> <li>• 5-10% of farmers borrowed capital came from Indian lenders and Filipino 5/6 lenders with 20% monthly interest</li> </ul> </li> <li>10. Private farm inputs supplier (middleman or traders) <ul style="list-style-type: none"> <li>• 60-70% of farmers borrowed capital from middlemen and traders with 10-15% monthly interest</li> </ul> </li> </ol> <p><b>b. Who are the informal lenders patronized by farmers/fisherfolk? Interest rate?</b></p> <p>See above</p> <p><b>c. Why do farmers patronize these informal sources?</b></p> <p>Farmers patronize this sources because of the following reasons:</p> <ol style="list-style-type: none"> <li>17. Easy process of loaning (release in just 1 hour)</li> <li>18. No heavy requirements</li> <li>19. No collateral</li> <li>20. Easy to talk and negotiate</li> <li>21. No time frame</li> <li>22. No filling fee and service fee</li> <li>23. No co-maker required</li> <li>24. Sure market of products to traders and middlemen</li> <li>25. No project proposal preparation/feasibility study</li> </ol> <p><b>d. Do you think these farmers can shift to formal sources of loans?</b></p> <p>No, for the following reasons:</p> <ol style="list-style-type: none"> <li>13. Farmers cannot borrow without co-maker and collateral. These are lack to informal lenders.</li> <li>14. They are not patient enough to comply with the requirements of formal lenders.</li> <li>15. Negative acceptance to the coop</li> </ol>
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	<p>16. Bad experience and news to the coop  17. No money for share capital  18. Don't know the benefits of being a coop member  19. The coop has a limited funds  20. With BI/CI  21. With filling and service fee</p> <p><b>e. How actively do coops campaign for increased membership among farmers?</b></p> <p>Cooperatives are campaigning by the following methods:</p> <p>16. Conduct PMES-like lecture  17. No marketing moves  18. Add more services to attract them  19. Conduct lots of training for farmers; that being in a cooperative is an advocacy and a business.  20. People empowerment</p> <p><b>f. In your area of operation, what % of farmers are not yet coop members? Why are they not joining coops?</b></p> <p>35% of the farmers of one area are members of the coop because of the following reasons:</p> <p>22. Difficult membership procedures  23. There is initial share capital requirements, farmers don't have budget for this amount.  24. For them they don't need coop to borrow money  25. They don't want to accept obligations  26. Lack or limited information about the benefits of being a coop member.  27. There is community faction and conflicts  28. They don't like the current coop officers/management  29. People have bad news pertaining to specific coop</p> <p><b>g. Can coops relax membership requirement to encourage non-members to join?</b></p> <p>Yes, for the welfare of their members</p> <p>No, coop needs securities of their loan to members (collateral and co-maker cannot be remove)</p> <p><b>j. Aside from coops, what are the other formal sources of credit? How well are they patronized by farmers/fisherfolk?</b></p> <p>See above</p>
<b>Existing and potential livelihood activities</b>	<p><b>a. What are the major agriculture projects that need credit provision?</b></p>

	31. Farm inputs supply 32. Land preparation 33. Vegetables production 34. Poultry production 35. Product processing 36. Hog raising 37. Sari-sari store (groceries)
	<p>c. What other agriculture projects do you plan to include in your lending program?</p> 17. Farm machinery rental 18. Food processing 19. Meat processing 20. Agri facilities 21. Postharvest facilities
<b>Supply of credit fund</b>	<p>a. Do coops have sufficient fund to meet current credit demand? Projected credit demand?</p> <p>No</p>
	<p>b. Is limited internal fund a constraint for expanding lending operation?</p> <p>Yes, because some of the coops have a little amount for lending operations. They really need funds for their plan of lending operations expansion.</p>
	<p>c. Are you planning to get additional fund from external sources? From where? Why?</p> <p>Most of the coops want to avail additional fund from the government due to the following reasons:</p> 6. Low interest rate 7. Obligation of the government
<b>Demand for credit</b>	<p>a. What are your projections for future credit demand? Will there be an increase in lending to the agriculture sector?</p> <p>There will be higher demand for credit. More than 20% increase in lending of agriculture sector will be observed.</p>
	<p>b. In which agricultural projects will you expand your lending operations, assuming additional/external fund is available? Why?</p> <p>If somebody lend to farmers/coop, they will accept the loan for:</p> 10. Corn production 11. Livestock production 12. Farm inputs supply 13. Hog raising 14. Rice Production
	<p>c. Do you foresee significant increase in new farmer-borrowers in the future? Please estimate (%).</p>

	<p>Yes, there will be significant increase in new farmer-borrowers in the future if there will be available funds with minimal requirements and low interest rate.</p> <p>A 20% increase is estimated.</p> <p>d. Historically, were you able to meet your loan targets in agriculture?</p> <p>No</p>
<b>Other lending program</b>	<p>a. Are you planning to develop new lending programs that will allow non-member farmers to get loans?</p> <p>No specific plan as of now</p> <p>b. Are you planning to engage in micro-finance to allow non-members to avail themselves of loans? Will you expand your funding allocation for micro-finance?</p> <p>Yes</p>
<b>Constraints</b>	<p>a. What do you think are the problems in expanding lending operations?</p> <p>They don't and cannot expand their lending operations because of the following reasons:</p> <ul style="list-style-type: none"> <li>61. No funds</li> <li>62. Limited manpower</li> <li>63. No farm machineries for production</li> <li>64. No policy (coop)</li> <li>65. No marketing tie up or linkages</li> <li>66. Uneducated people</li> </ul> <p>b. What are your suggestions to solve these problems?</p> <ul style="list-style-type: none"> <li>44. Get loan or grant</li> <li>45. Educating the members and officers</li> <li>46. Hire effective manpower</li> <li>47. Change of leadership</li> <li>48. Additional knowledge on lending operations</li> </ul>

### Absorptive Capacity

Items	Guide Questions
<b>Capacity to expand lending operation</b>	<p>a. If you get additional fund from external sources will you lend to more farmers/fisherfolk?</p> <p>Absolutely yes, they need it much</p>
	<p>b. Do you plan to establish new branch/extension office to service your borrowers?</p> <p>Absolutely yes</p>
	<p>c. Will you need to increase your manpower complement?</p> <p>Absolutely yes</p>

	<p>d. Will you need training to further enhance your lending knowledge/skill? In what areas?</p> <p>Yes, to the following areas:</p> <ul style="list-style-type: none"> <li>35. Technical competency</li> <li>36. Organizational strengthening</li> <li>37. Leadership</li> <li>38. Values formation</li> <li>39. General Cooperative Management</li> <li>40. Marketing</li> <li>41. Entrepreneurial Skills and Management</li> </ul>
	<p>e. Will there be changes in your lending policies/requirements? What changes?</p> <p>Yes, on the following aspects:</p> <ul style="list-style-type: none"> <li>31. Amount of loan</li> <li>32. Recording</li> <li>33. borrowers criteria</li> <li>34. collection strategy</li> <li>35. sanction for delinquent borrowers</li> <li>36. interest rate</li> <li>37. repayment period</li> <li>38. system of releasing</li> <li>39. systems and procedures</li> <li>40. amendments of bylaws</li> </ul>
	<p>f. What assistance do you need from the government to improve your absorptive capacity?</p> <ul style="list-style-type: none"> <li>18. Funds</li> <li>19. Orientation seminar and monitoring</li> <li>20. Technical Training</li> <li>21. Documentation assistance</li> <li>22. Frequent monitoring of CDA to the activities of the coop</li> </ul>
	<p>g. Do you plan to make amendments in your lending policies in relation to the above?</p> <p>Absolutely yes</p>
<b>Additional funding requirement</b>	<p>a. How much external fund can you absorb to support your lending operation?</p> <p>500,000 to 10 million</p>
	<p>b. What reasonable terms and conditions do you think will make you decide to avail yourselves of the external fund?</p> <p>3-10 years to pay with 0-1% interest rate per year and credit line No other charges With grace period</p>

<b>Will coop make good financing conduit for farmers?</b>	<p>Yes, to serve coop members and non-members</p> <p>The coop members itself will be the beneficiaries</p> <p>Coop is flexible to adjust to the needs of the farmers</p> <p>Coop is locally located at the location of the farmers</p> <p>Coop can monitor easily their loan program for their members</p>
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## INTEGRATED FOCUS GROUP DISCUSSION

**Venue:** Conference Hall, Asiaten Hotel, San Sebastian, Tarlac City

**Date:** January 23, 2015

**Participants:** Refer to the Attendance Sheet

**Facilitator:** Willy Mercado

### Before the discussion proper:

The facilitator gave an introduction by the following:

- eee. Title of the project
- fff. What is ACPC?
- ggg. What are MMDC and its role to ACPC project?
- hhh. Background of the ACPC project
- iii. Objectives of the study
- jjj. Objectives of Focus Group Discussion (FGD)
- kkk. FGD participants
- III. Methodology of the discussion

## GUIDE QUESTIONS

### Potential for Expanding Credit

Items	Guide Questions
<b>Current Credit Situation</b>	<p><b>a. Where/how do farmers/fishers financed production cost?</b></p> <p>15-30% of the farmers financed their production by borrowing capital/money primarily from the following <b>formal sources of credits:</b></p> <ul style="list-style-type: none"><li>13. Cooperatives<ul style="list-style-type: none"><li>• 20-35% of farmers borrowed capital from cooperative with 3-6% monthly interest</li></ul></li><li>14. Rural Banks<ul style="list-style-type: none"><li>• 5-10% of the farmers borrowed capital from rural bank with 1.5% monthly interest</li></ul></li><li>15. NGOs<ul style="list-style-type: none"><li>• 10% of farmers borrowed capital from cooperative with 0% interest</li></ul></li><li>16. Micro Financing Institutions (MFI)<ul style="list-style-type: none"><li>• 50-60% of farmers borrowed capital from MFI with 5-10% monthly interest</li></ul></li></ul> <p>80-85% of the farmers financed their production by borrowing capital/money primarily from the following <b>informal sources of credits:</b></p>

	<p>11. Relatives</p> <ul style="list-style-type: none"> <li>• 10-15% of farmers borrowed capital came from their rich tito/tita; cousins, friends and relatives with 5% monthly interest</li> </ul> <p>12. Bombay (5/6)</p> <ul style="list-style-type: none"> <li>• 10% of farmers borrowed capital came from Indian lenders and Filipino 5/6 lenders with 10-20% monthly interest</li> </ul> <p>13. Private farm inputs supplier (middleman or traders)</p> <ul style="list-style-type: none"> <li>• 80% of farmers borrowed capital from middlemen and traders with 7-10% monthly interest</li> </ul> <p><b>b. Who are the informal lenders patronized by farmers/fisherfolk? Interest rate?</b></p> <p>See above</p> <p><b>c. Why do farmers patronize these informal sources?</b></p> <p>Farmers patronize this sources because of the following reasons:</p> <ol style="list-style-type: none"> <li>26. Easy process of loaning (release in just 3 days)</li> <li>27. No heavy requirements</li> <li>28. No collateral</li> <li>29. Easy to talk and negotiate</li> <li>30. No co-maker required</li> <li>31. No project proposal preparation</li> </ol> <p><b>d. Do you think these farmers can shift to formal sources of loans?</b></p> <p>No, for the following reasons:</p> <ol style="list-style-type: none"> <li>22. Farmers cannot borrow without co-maker and collateral. These are lack to informal lenders.</li> <li>23. They are not patient enough to comply with the requirements of formal lenders.</li> <li>24. Negative acceptance to the coop</li> <li>25. Bad experience and news to the coop</li> <li>26. Don't know the benefits of being a coop member</li> <li>27. The coop has a limited funds</li> </ol> <p><b>e. How actively do coops campaign for increased membership among farmers?</b></p> <p>Cooperatives are campaigning by the following methods:</p> <ol style="list-style-type: none"> <li>21. Give non-member a business that can generate income</li> <li>22. Add more services to attract them</li> </ol>
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	<p>23. Clustering of farmers to educate them on cooperatives</p> <p>24. Fascinating the family members</p> <p>25. Conduct lots of training for farmers; that being in a cooperative is an advocacy and a business.</p> <p>26. People empowerment</p> <p>27. Being a model farmer and coop by the upliftment of the lifestyle</p> <p><b>f. In your area of operation, what % of farmers are not yet coop members? Why are they not joining coops?</b></p> <p>60% of the farmers of one area are members of the coop because of the following reasons:</p> <p>30. Difficult membership procedures</p> <p>31. No time to attend for PMES</p> <p>32. There is initial share capital requirements, farmers don't have budget for this amount.</p> <p>33. Lack or limited information about the benefits of being a coop member.</p> <p>34. They don't like the current coop officers/management</p> <p>35. People have bad news pertaining to specific coop</p> <p><b>g. Can coops relax membership requirement to encourage non-members to join?</b></p> <p>Yes, for the welfare and benefits of their members</p> <p><b>j. Aside from coops, what are the other formal sources of credit? How well are they patronized by farmers/fisherfolk?</b></p> <p>See above</p>
<p><b>Existing and potential livelihood activities</b></p>	<p><b>a. What are the major agriculture projects that need credit provision?</b></p> <p>38. Vegetables production</p> <p>39. Livestock production</p> <p>40. Product processing</p> <p>41. Sugar byproducts processing</p> <p>42. Hog raising</p> <p>43. Goat production</p> <p>44. Cattle production and processing</p> <p>45. Fertilizer production</p> <p>46. Sari-sari store</p> <p>47. Layer chicken production</p> <p>48. Ducks production</p> <p>49. Milling facilities</p> <p><b>c. What other agriculture projects do you plan to include in your lending program?</b></p>

	22. Farm machinery rental 23. Irrigation supply 24. Palay production financing 25. Trading of palay 26. Muscovado production 27. Cane vinegar production
<b>Supply of credit fund</b>	<b>a. Do coops have sufficient fund to meet current credit demand? Projected credit demand?</b>  No
	<b>b. Is limited internal fund a constraint for expanding lending operation?</b>  Yes, because some of the coops have a little amount for lending operations. They really need funds for their plan of lending operations expansion.
	<b>c. Are you planning to get additional fund from external sources? From where? Why?</b>  Cooperative wants to avail loan from the cooperative or coop bank and LBP for the following reasons: <ul style="list-style-type: none"> <li>8. Low interest rate</li> <li>9. Longer repayment period</li> <li>10. With support service like trainings and seminars</li> <li>11. With insurance and incentives</li> <li>12. Coop has no choice, no other options</li> </ul>
	Interest rate is a matter.
<b>Demand for credit</b>	<b>a. What are your projections for future credit demand? Will there be an increase in lending to the agriculture sector?</b>  There will be higher demand for credit. A 60-90% increase in lending of agriculture sector will be observed.  Some answered “they don’t know the future credit demand for agriculture sector”.
	<b>b. In which agricultural projects will you expand your lending operations, assuming additional/external fund is available? Why?</b>  If somebody lend to farmers/coop, they will accept the loan for: <ul style="list-style-type: none"> <li>15. Livestock production</li> <li>16. Farm inputs supply</li> <li>17. Rice buying for oil production</li> <li>18. Marketing of sugarcane products</li> <li>19. Hog raising</li> <li>20. Establishment of milling facilities</li> <li>21. Corn production</li> <li>22. Vegetable production</li> </ul>

	<p>c. Do you foresee significant increase in new farmer-borrowers in the future? Please estimate (%).</p> <p>Yes, there will be significant increase in new farmer-borrowers in the future if there will be available funds with minimal requirements and low interest rate.</p> <p>An 85% increase is estimated.</p>
	<p>d. Historically, were you able to meet your loan targets in agriculture?</p> <p>No</p>
Other lending program	<p>a. Are you planning to develop new lending programs that will allow non-member farmers to get loans?</p> <p>No, first priority is members</p>
	<p>b. Are you planning to engage in micro-finance to allow non-members to avail themselves of loans? Will you expand your funding allocation for micro-finance?</p> <p>Yes, so many plans for micro finance, although, it is very risky</p>
Constraints	<p>a. What do you think are the problems in expanding lending operations?</p> <p>They don't and cannot expand their lending operations because of the following reasons:</p> <ul style="list-style-type: none"> <li>67. No funds</li> <li>68. Wrong people in the leadership</li> <li>69. Numerous CDA requirements</li> <li>70. High seminar/.training cost</li> <li>71. Uneducated coop members and officers</li> <li>72. Coop policies were not implemented well</li> <li>73. No competency among coop manpower</li> <li>74. Lack of skills and knowledge of top management</li> </ul>
	<p>b. What are your suggestions to solve these problems?</p> <ul style="list-style-type: none"> <li>49. Loan or grant</li> <li>50. Educating the members and officers</li> <li>51. Free training/seminars from DA, CDA and, DOLE, DOST and DAR will help gradually</li> <li>52. Reduce the reporting requirements</li> <li>53. Hire effective manpower</li> <li>54. Change of leadership</li> <li>55. Creation of effective policies</li> </ul>

## Absorptive Capacity

Items	Guide Questions
<b>Capacity to expand lending operation</b>	<p>a. If you get additional fund from external sources will you lend to more farmers/fisherfolk?</p> <p>Absolutely yes, they need it much</p>
	<p>b. Do you plan to establish new branch/extension office to service your borrowers?</p> <p>Absolutely yes</p>
	<p>c. Will you need to increase your manpower complement?</p> <p>Absolutely yes</p>
	<p>d. Will you need training to further enhance your lending knowledge/skill? In what areas?</p> <p>Yes, to the following areas:</p> <ul style="list-style-type: none"> <li>42. General Cooperative Management</li> <li>43. Risk Management and Solutions</li> <li>44. Marketing</li> <li>45. Entrepreneurial Skills and Management</li> <li>46. Loan Delinquency Management</li> </ul>
	<p>e. Will there be changes in your lending policies/requirements? What changes?</p> <p>Yes, on the following aspects:</p> <ul style="list-style-type: none"> <li>41. borrowers criteria</li> <li>42. sanction for delinquent borrowers</li> <li>43. interest rate</li> <li>44. repayment period</li> <li>45. system of releasing</li> </ul>
	<p>f. What assistance do you need from the government to improve your absorptive capacity?</p> <ul style="list-style-type: none"> <li>23. Funds</li> <li>24. Technical Training</li> <li>25. Frequent monitoring of CDA to the activities of the coop</li> </ul>
	<p>g. Do you plan to make amendments in your lending policies in relation to the above?</p> <p>Absolutely yes</p>
<b>Additional funding requirement</b>	<p>a. How much external fund can you absorb to support your lending operation?</p>

	1 to 600 million
	<p>b. What reasonable terms and conditions do you think will make you decide to avail yourselves of the external fund?</p> <p>5-10 years to pay with 0-12% interest rate per year and credit line</p>
<b>Will coop make good financing conduit for farmers?</b>	<p>Yes, to serve coop members</p> <p>The coop members itself will be the beneficiaries</p> <p>Coop is flexible to adjust to the needs of the farmers</p>

## **ANNEX B**

### **Survey Questionnaire**

Questionnaire No. \_\_\_\_\_

## SURVEY QUESTIONNAIRE

### ASSESSMENT OF CAPACITY OF COOPERATIVES AS FINANCING CONDUITS

#### IDENTIFYING INFORMATION

1	Name of cooperative		
2	Type of coop	MPC _____	Credit _____
3	Size Category	Micro _____	Small _____ Med _____ Large _____
4	Address of cooperative		
5	Telephone		
6	Name of respondent		
7	Position in the cooperative		

#### ORGANIZATION AND MANAGEMENT

1	Year of original registration with CDA		
2	Year of latest CGS issued by CDA		
3	No. of BOD members		
4	Educational attainment: BOD	No. College level _____ No. HS level _____ No. Elem. level _____	
5	Frequency of BOD meetings		
6	Do BOD members receive honorarium?	Yes _____ No _____ If yes, how much? Chair _____ Vice Chair _____ Member _____	
7	Position and number of officers and staff of coop?		
8	Do officers and staff receive salaries?	Yes _____ No _____	
9	What are the other benefits given to officers and staff?		
10	Office equipment (relevant to lending operation)	Type	Number
11	Membership requirements		

12	No. of satellite/branches	Satellite: _____	Branches _____	
13	Does coop use software in preparing financial stmts?	Yes _____	No _____	
14	Frequency of preparing financial statements	Mo: _____	Qtr: _____	Year: _____
15	Frequency of auditing financial statements	Mo: _____	Qtr: _____	Year: _____
16	Who does the auditing of financial statements	In-house/Audit Comm: _____		External: _____
17	Compliance with CDA requirements	Yes: _____		No: _____
18	Compliance with BIR requirements	Yes: _____		No: _____

**FINANCIAL CONDITION** (If copy of 2013 FS can be secured (preferably audited), skip this section)

1	Assets	Current: _____	Non-current: _____
2	Liabilities	Short-term: _____	Long-term: _____
3	Members' equity		
4	Gross revenues		
5	Revenues from lending operations		
6	Total operating expenses		
7	Net surplus (before distribution)		
8	Financial indicators		
	- ROI		
	- Current Ratio		
	- Net worth Ratio		

### OTHER BUSINESS OF COOP

Other businesses	
- Trading (specify merchandise, e.g. food, household needs, farm inputs, etc)	
- Processing (specify type of products)	
- Drug store	
- Others (specify)	
- Others (specify)	
- Others (specify)	

### SOURCES OF LOAN FUNDS

1	External sources of funds for lending	Approved credit line	Amount availed to date	Purpose	Repayment status
	Source 1 _____				
	Source 2 _____				
	Source 3 _____				
	Source 4 _____				
	Source 5 _____				
2	Previous coop loans (paid in full)	Source		Amount	
	- Most recent				

	- 2 <sup>nd</sup> Most recent		
	- 3 <sup>rd</sup> Most recent		
3	Internal ( amount allocated this year)		

### LENDING OPERATIONS

1	Amount of loan portfolio, year-end 2013			
2	Total amount of loan approved, 2013			
3	Total amount of loan released, 2013			
4	Total amount of loan outstanding at present			
5	Of the total amount of loan approved, how much are for agri-production/ fishing?			
6	Types of agricultural/fishery projects/loans financed?	Max. Loan Amt.	Maximum Repayment Period	Interest Rate
7	Other Loan products (commercial/productive, providential)	Max. Loan Amt.	Maximum Repayment Period	Interest Rate
8	Is interest deducted in advance?	Yes: _____ No _____		
9	Other charges/deductions	Amount (P or % of loan)		
	- Service fee			
	- Loan insurance			
	- Others (specify)			
	- Others (specify)			
	- Others (specify)			
	- Others (specify)			
10	Who evaluates loan applications?			
11	Do you conduct BI/CI	Yes _____ No _____		
12	Loan evaluation criteria/securities			
	5Cs (collateral, character, capital, capacity to pay, co-maker)? Arrange from most to least important.			
	Kinds of collateral accepted?			

	Length of membership (How long?):		
	Others (specify):		
13	Educational level of loan evaluators	Highest level/Course	Compensation
	- Chairperson		
	- Member		
	- Member		
14	Time from loan application to release	New/1 <sup>st</sup> loan _____	Repeat loan _____
15	Loan collection system	Thru collectors:	
		Thru banks:	
		Members come to office:	
		Others (specify):	
16	Current loan collection performance	Delinquency (past due, %):	PAR (%):
17	Management of delinquent loans	TDK:	Demand Letters:
		Legal action:	Others:
		Others:	
18	Staff involved in lending operations	Position	Number
19	Do you monitor projects/loans financed? How?	Yes _____	No _____
20	What are the sanctions in case of diversion in the use of loan fund?		
21	Other financial services		
	Savings deposit	Interest rate/ yr: _____	
	Time deposit	Interest rate/ yr: _____	
	Others ( specify)		

### ASSESSMENT OF LENDING OPERATIONS

1	What are your most successful lending programs/loan products?	

2	Criteria for considering a program/product successful (e.g. delinquency rate/PAR, impact on members, etc)?	
3	What factors contribute to their success (e.g. stringent loan evaluation, strict monitoring, etc)?	
4	What are your unsuccessful lending programs?	
5	Why do you consider them unsuccessful?	
6	What factors contribute to being unsuccessful?	
7	Plans to improve lending performance	

### **CREDIT DEMAND AND SUPPLY**

1	No. of members	
2	No. of active members	
3	No. of active borrowers	Farmer/Fisherfolk _____ Others _____
4	Assessment of the potential for expanding lending	
	- Are there more unserved potential borrowers among your members?	Yes _____ No _____ Estimated number _____
	- Are there more small farmers & fisherfolks in the area not yet accessing loan from formal sources (e.g. coops)?	Yes _____ No _____ Estimated number _____
5	Other projects/products for which the coop plans to provide financing (specify)	

6	If external fund can be accessed, are you willing to get such fund? Estimated amount you can absorb?	
7	Can your present manpower handle the expanded lending operation?	Yes _____ No _____
8	Trend in credit demand among members?	Constant:
		Increasing: %/yr:
		Decreasing: %/yr:
9	What are the most common purposes for which farmers/fisherfolks apply for loans?	
	- Farm inputs/supplies/equipment	
	- Family needs/education/health	
	- Business	
	- Others (specify)	
	- Others (specify)	

**COOP PESOS** (Selected Indicators) (If this can be secured, skip this section)

	ITEM	MIN. RAW SCORE	COOP'S SCORE
<b>I. COOP</b>			
1	Compliance with CDA requirements		
	Submission of annual report, Audited FS & Info sheet	5	
2	Organization		
	Attendance of majority members in general assembly	2	
	capital build up/savings mobilization (70% of members regularly contribute to share capital)	2	
	Savings mobilization (at least 70% of total members are depositors)	2	
	Business alliance with federation	1	
	Business alliance with other coops	1	
3	Operation and Management		
	Manual on loaning	4	
	Meeting of directors	1	
	Full-time qualified manager	3	
<b>II. PESOS</b>			
1	Asset yield		
	Undivided net surplus/ Average total asset		
	- At least inflation rate	4	
	- 1-2% below inflation rate	3	
	- 3-4% below inflation rate	2	
	- More than 4% below inflation rate	1	
	- 0 or negative asset yield	0	
2	Operational self-sufficiency		
	(Interest income from loans + service fees + Filing fees + Fines, penalties, surcharges) / (Financing cost + Admin cost)	4	
	- 120% and above	3	
	- 111-119%	2	

	<ul style="list-style-type: none"> <li>- 101-110%</li> <li>- 100%</li> <li>- Below 100%</li> </ul>	1 0	
3	Cost per peso loan		
	(Financing costs + (Admin costs – Members’ benefits expense)) / Ave. total loan outstanding <ul style="list-style-type: none"> <li>- 0.1 &amp; below</li> <li>- 0.11-0.15</li> <li>- 0.16-0.2</li> <li>- Above 0.2</li> </ul>	2 1.5 1 0	
4	Liquidity		
	(Liquid assets - Short term payables) / Total deposits <ul style="list-style-type: none"> <li>- 15% &amp; above</li> <li>- 12-14%</li> <li>- 9-11%</li> <li>- 6-8%</li> <li>- 1-5%</li> <li>- Zero</li> </ul>	10 8 6 4 2 0	
5	Trend in external borrowing		
	(Ending external borrowing- Beginning external borrowings) / Beginning external borrowings <ul style="list-style-type: none"> <li>- Zero</li> <li>- Decreasing compared w/previous period</li> <li>- Status quo</li> <li>- Increasing compared to previous period</li> </ul>	5 3 2 0	
6	Asset quality		
	Non-earning assets / Total assets <ul style="list-style-type: none"> <li>- 5% &amp; below</li> <li>- 6-7%</li> <li>- 8-9%</li> <li>- 10-11%</li> <li>- 12-13%</li> <li>- 14% &amp; above</li> </ul>	5 4 3 2 1 0	

### SERVICES RECEIVED FROM CDA

1	What services has CDA given to your coop?	
2	What services should CDA provide to help in the development of your coop?	
3	In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA’s performance of its functions?	Rating _____ Why? _____

**OTHERS**

1. Request copy of audited financial statements (income stmt, balance sheet, cash flow) in last three years.
2. Request for latest COOP PESOS
3. Brochure/Flyer; Annual souvenir program

Enumerator

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Date

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## **ANNEX C**

### **Detailed Tables by Size, by Region, by Type**

**LUZON**

**Table 1a. Organization and Management Profile, Luzon MPC**

Items	Large		Medium		Small		Micro		All	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. No. of years originally registered CDA	4	25	13	16	16	17	12	12	45	16
b. 2013/2014 CGS issued by CDA?										
Yes	4	100	11	85	13	76	10	83	38	83
No			1	8					1	2
No answer			1	8	4	24	2	17	7	15
Total	4	100	13	100	17	100	12	100	46	100
c. Ave. No. of BOD members	4	7	13	6	17	6	12	7	46	6
d. Educational attainment, BOD										
College	3	89	9	71	13	62	7	30	32	60
HS	3	11	9	27	13	36	7	70	32	39
Elementary	3	0	9	2	13	2	7	0	32	1
Total	3	100	9	100	13	100	7	100	32	100
e. Frequency of BOD meetings										
Monthly	3	75	13	100	16	94	11	92	43	93
Thrice a month	1	25							1	2
Weekly					1	6			1	2
No answer							1	8	1	2
Total	4	100	13	100	17	100	12	100	46	100
f. BOD members receive honorarium?										
Yes	4	100	11	85	17	100	10	83	42	91
No			2	15			1	8	3	7
No answer							1	8	1	2
Total	4	100	13	100	17	100	12	100	46	100
g. Officers and staff receive salaries?										
Yes	3	75	12	92	17	100	10	83	42	91
No			1	8			1	8	2	4
No answer	1	25					1	8	2	4
Total	4	100	13	100	17	100	12	100	46	100
h. Other benefits given to officers and staff:										
Personal benefits	4	100	13	100	17	100	8	67	25	100
Bonus incentives	4	100	13	100	17	100	10	83	25	100
Insurance	2	50	1	8	1	6			4	16
None	1	25	1	8			3	25	5	20
Total	4	*	13	*	17	*	12	*	25	*
i. Office equipment (relevant to lending operation)										
Desktop computer	4	100	13	100	15	88	10	83	42	91
Laptop	3	75	6	46	4	24	1	8	14	30
Copier	1	25	1	8					2	4
Bill counter	1	25							1	2
Printer	2	50	4	31	13	76	7	58	26	57
Telephone/telefax	1	25	1	8	3	18			5	11
Typewriter			1	8	3	18	1	8	5	11
Motorcycles			1	8					1	2
Vault			1	8					1	2
Calculator					1	6			1	2
Computer table							1	8	1	2
Total	4	*	13	*	17	*	12	*	46	*

**Table 1b. Operational Profile, Luzon MPC**

Items	Large		Medium		Small		Micro		All	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. Membership requirements:										
Age should be between 18-70	2	50	10	77			13	108	25	54
Residency in community	1	25	10	77			12	100	23	50
Must have capital stock/share	1	25	6	46	11	65			18	39
Membership / application fee	1	25	6	46			10	83	17	37
Must attend PMES	1	25	4	31	7	41	2	17	14	30
Barangay clearance			3	23			2	17	5	11
Good moral character			2	15					2	4
Certification of 1 member of coop							1	8	1	2
Total	4	*	13	*	17	*	12	*	46	*
b. No. of satellite/branches										
One	2	50	3	23	1	6	2	17	8	17
Two										
Three or more	1	25							1	2
No answer / none	1	25	10	77	16	94	10	83	37	80
Total	4	100	13	100	17	100	12	100	46	100
c. Frequency of preparing financial statements										
Monthly	3	75	10	77	13	76	10	83	36	78
Quarterly	1	25	1	8	1	6	1	8	4	9
Annual	2	50	4	31	3	18	1	8	10	22
Total	4	*	13	*	17	100	12	100	46	*
d. Compliance with CDA requirements										
Yes	4	100	13	100	16	94	12	100	45	98
No										
No answer					1	6			1	2
Total	4	100	13	100	17	100	12	100	46	100
e. Compliance with BIR requirements										
Yes	4	100	13	100	16	94	12	100	45	98
No									0	0
No answer					1	6			1	2
Total	4	100	13	100	17	100	12	100	46	100

\* Multiple response

**Table 1c. Organization and Management Profile, Luzon CREDIT**

Items	Large		Medium		Small		Micro		All	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. No. of years originally registered CDA	1	5	2	12	6	11	5	5	14	8
b. 2013/2014 CGS issued by CDA?										
Yes	1	100	1	50	5	83	5	100	12	86
No										
No answer			1	50	1	17			2	14
Total	1	100	2	100	6	100	5	100	14	100
c. Ave. No. of BOD members	1	7	2	5	6	5	5	5	14	5
d. Educational attainment, BOD										
College	1	100	1	71	3	60	3	80	8	74
HS			1	29	3	40	3	20	8	26
Elementary										
Total	1	100	1	100	3	100	3	100	8	100
e. Frequency of BOD meetings										
Monthly	1	100	2	100	4	67	4	80	11	79
Once every two months					1	17			1	7
Twice a month					1	17			1	7
Quarterly							1	20	1	7
Total	1	100	2	100	6	100	5	100	14	100
f. BOD members receive honorarium?										
Yes	1	100	2	100	4	67	2	50	9	64
No					2	33	3	50	5	36
Total	1	100	2	100	6	100	5	100	14	100
g. Officers and staff receive salaries?										
Yes	1	100	1	50	3	50	2	50	7	50
No			1	50	2	33			3	21
No answer					1	17	3	50	4	29
Total	1	100	2	100	6	100	5	100	14	100
h. Other benefits given to officers and staff:										
Personal benefits	1	100	2	100	5	83	1	20	9	64
Bonus/incentives			2	100	5	83	1	20	8	57
Insurance							1	20	1	7
None					1	17	4	80	5	36
Total	1	100	2	*	6	*	5	*	14	*
i. Office equipment (relevant to lending operation)										
Desktop computer	1	100	2	100	5	83	1	20	9	64
Printer	1	100	2	100	3	50	1	20	7	50
Bill counter			1	50					1	7
Telephone/telefax			1	50	2	33			3	21
Laptop					2	33			2	14
Computer table							1	20	1	7
Vault							1	20	1	7
Calculator							1	20	1	7
Cabinet							1	20	1	7
Office tables							1	20	1	7
None							1	20	1	7
Total	1	*	2	*	6	*	5	*	14	*

**Table 1d. Operational Profile, Luzon Credit**

Items	Large		Medium		Small		Micro		All	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
j. Membership requirements:										
Membership / application fee			2	100	2	33	5	100	9	64
Must have capital stock/share			2	100	3	50	4	80	9	64
Age should be between 18-70	1	100			3	50	3	60	7	50
Residency in community	1	100	1	50	3	50	3	60	8	57
Must attend PMES			2	100	2	33	1	20	5	36
Must have an initial savings account			1	50	2	33			3	21
Barangay clearance					2	33	1	20	3	21
Permanent job/existing business					2	33			2	14
Total	1	*	2	*	6	*	5	*	14	*
k. No. of satellite/branches										
One					1	17			1	7
Two										
Three or more	1	100							1	7
No answer / none			2	100	5	83	5	100	12	86
Total	1	100	2	100	6	100	5	100	14	100
l. Frequency of preparing financial statements										
Monthly	1	100	2	100	4	67			7	50
Quarterly			1	50	1	17	3	60	5	36
Annual			1	50	2	33	1	20	4	29
Twice a year							1	20	1	7
Total	1	100	2	*	6	*	5	100	14	*
m. Compliance with CDA requirements										
Yes	1	100	2	100	6	100	5	100	14	100
No										
No answer										
Total	1	100	2	100	6	100	5	100	14	100
n. Compliance with BIR requirements										
Yes	1	100	2	100	6	100	5	100	14	100
No										
Total	1	100	2	100	6	100	5	100	14	100

\* Multiple response

Table 2a. Financial Conditions, Luzon MPC

Items	Large		Medium		Small		Micro		All	
	NR	Average	NR	Average	NR	Average	NR	Average	NR	Average
1. Assets		937,647,191.89		31,509,159.37		10,080,913.42		2,325,564.73		96,177,355.22
Current	4	678,158,408.32	12	22,965,979.79	17	7,261,514.71	12	1,978,801.39	45	69,675,927.94
Non-current	4	259,488,783.57	12	8,543,179.58	17	2,819,398.71	12	346,763.34	45	26,501,427.28
2. Liabilities										
Short term	3	313,185,699.75	12	17,133,271.56	17	4,482,249.25	11	534,194.56	43	28,540,249.66
Long term	4	58,481,103.88	9	3,746,922.86	6	1,704,217.37	3	1,781,131.76	22	12,873,428.22
3. Members' equity	4	392,034,074.01	12	8,910,272.60	17	3,316,572.52	12	1,280,211.02	45	38,817,862.94
4. Gross revenues	4	100,187,997.87	12	4,881,637.02	17	1,978,656.00	12	462,896.88	45	11,078,301.12
5. Revenues from lending operations	4	36,980,136.01	10	3,443,812.15	15	735,079.37	10	283,131.46	39	5,031,183.86
6. Total operating expenses	4	67,532,526.97	12	3,890,656.72	17	1,366,150.01	12	371,283.82	45	7,655,509.88
7. Net surplus (before distribution)	4	33,320,683.31	12	1,070,315.83	17	588,572.61	11	120,549.45	44	3,578,597.76
9. Financial indicators										
Current Ratio*		2.17		1.34		1.62		3.70		2.44
Net Worth Ratio**		0.42		0.28		0.33		0.55		0.40

\* current asset/current liabilities

\*\* Equity/ total assets

**Table 2b. Financial Conditions, Luzon CREDIT**

Items	Large		Medium		Small		Micro		All	
	NR	Average	NR	Average	NR	Average	NR	Average	NR	Average
1. Assets		156,124,494.62		48,529,461.51		9,781,821.55		1,542,430.94		21,266,819.26
Current	1	147,912,726.79	1	43,592,250.96	6	6,855,782.94	5	1,424,761.74	13	18,443,344.93
Non-current	1	8,211,767.83	1	4,937,210.55	6	2,926,038.61	3	117,669.20	11	2,823,474.33
2. Liabilities										
Short term	1	63,658,751.00	1	17,550,838.88	6	2,407,049.03	5	150,994.71	13	7,415,912.12
Long term	1	18,982,332.00	1	5,785,788.56	4	2,340,157.04	2	70,652.66	8	4,283,756.76
3. Members' equity	1	73,483,410.12	1	25,192,834.07	6	3,066,331.96	5	1,070,817.89	13	9,417,563.49
4. Gross revenues	1	27,034,106.28	1	4,903,584.61	6	1,030,113.86	5	347,187.01	13	3,065,716.08
5. Revenues from lending operations	1	27,026,936.28	1	4,577,252.81	6	887,259.47	4	420,717.18	12	3,217,551.22
6. Total operating expenses	1	16,628,775.68	1	2,505,111.94	6	1,022,887.70	5	120,483.59	13	1,990,279.37
7. Net surplus (before distribution)	1	10,405,330.60	1	2,416,187.18	6	7,226.17	5	226,703.41	13	1,076,799.37
9. Financial indicators										
Current Ratio*		2.32		2.48		2.85		9.44		2.49
Net Worth Ratio**		0.47		0.52		0.31		0.69		0.44

\* current asset/current liabilities

\*\* Equity/ total assets

Table 3a. Other Business of Luzon MPC

Items	Large		Medium		Small		Micro		All	
	NR	%	NR	%	NR	%	NR	%	NR	%
<b>Commodity Trading:</b>										
Agri-Inputs	4	100	1	8	2	12	3	25	10	22
Farm Products	4	100	2		10	59	3	25	19	41
Fishery/Fishing Paraphernalia							1	8	1	2
Other Commodities	1	25	2	15	4	24	4	33	11	24
<b>Processing:</b>										
Crop Products										
Food					3	18			3	7
Non-food										
Meat/Animal Products	1	25					1	8	2	4
Fishery Products					2	12			2	4
Others										
<b>Services:</b>										
Financial Services	1	25	4	31	9	53	5	42	19	41
Agri-Services			1	8	4	24			5	11
Other Services	4	100	5	38	1	6			10	22
<b>Total</b>	<b>4</b>	<b>*</b>	<b>13</b>	<b>*</b>	<b>17</b>	<b>*</b>	<b>12</b>	<b>*</b>	<b>46</b>	<b>*</b>

\* There are multiple responses

Table 3b. Other Business of Luzon CREDIT

Items	Large		Medium		Small		Micro		All	
	NR	%	NR	%	NR	%	NR	%	NR	%
<b>Commodity Trading:</b>										
Agri-Inputs					2	33			2	14
Farm Products					1	17			1	7
Fishery/Fishing Paraphernalia										
Other Commodities			1	50			1	20	1	7
<b>Processing:</b>										
Crop Products										
Food					1	17			1	7
<b>Services:</b>										
Financial Services			1	50	2	33	2	40	5	36
Agri-Services										
Other Services			1	50						
<b>No answer</b>							2	40	2	14
<b>Total</b>	<b>1</b>		<b>2</b>	<b>*</b>	<b>6</b>	<b>100</b>	<b>5</b>	<b>100</b>	<b>14</b>	<b>86</b>

**Table 4a. Source of Fund, Luzon MPC**

Sources of Fund	Large		Medium		Small		Micro		All	
	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt
<b>External Sources:</b>										
<i>Bank Loan:</i>										
LBP	2	125,000,000.00	6	18,416,666.67	6	1,658,333.33	3	3,103,402.67	17	22,338,835.77
BPI	1	90,000,000.00	6	10,900,000.00					7	22,200,000.00
Metrobank	1	90,000,000.00							1	90,000,000.00
Metro South Coop Bank	1	30,000,000.00							1	30,000,000.00
UCPB			1	1,000,000.00	1	500,000.00			2	750,000.00
<i>Government Programs:</i>										
ACPC			2	7,000,000.00			1	150,000.00	4	3,537,500.00
DTI					1	4,000,000.00			1	4,000,000.00
DAR					1	2,200,000.00			1	2,200,000.00
LGU					1	150,000.00			1	150,000.00
Maynilad							1	1,600,000.00	1	1,600,000.00
<i>NGOs/Other Sources:</i>										
CCSFM	1	50,000,000.00							1	50,000,000.00
NLDC			1	25,000,000.00					1	25,000,000.00
Private Source			1	6,500,000.00	2	1,410,000.00	2	409,000.00	5	2,027,600.00
Center for Communication Transformation			1	2,500,000.00					1	2,500,000.00
National Confederation of Cooperatives			1	16,000,000.00					1	16,000,000.00
Pangasinan Credit Surety Fund			1	4,000,000.00					1	4,000,000.00
Seed Finance			1	2,000,000.00					1	2,000,000.00
MCDC			1	400,000.00	1	400,000.00	1	200,000.00	3	333,333.33
NTA					1	700,000.00			1	700,000.00
ULP					1	1,000,000.00			1	1,000,000.00
PEF					2	1,500,000.00			2	1,500,000.00
Ramago International Corporation					1	500,000.00			1	500,000.00
Agri Solutions					1	400,000.00			1	400,000.00
La Trinidad Sunrise Trading					1	5,000,000.00			1	5,000,000.00
Tabakaw Coop							1	1,000,000.00	1	1,000,000.00
<b>Internal Fund</b>	2	166,300,000.00	8	11,900,000.00	16	4,705,318.75	9	773,111.11	35	14,572,660.00

Table 4b. Source of Fund, Luzon CREDIT										
Sources of Fund	Large		Medium		Small		Micro		All	
	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt
<b>External Sources:</b>										
<i>Bank Loan:</i>										
LBP					2	850,000.00			2	850,000.00
<i>Government Programs:</i>										
DSWD			1	200,000.00					1	200,000.00
DTI					1	1,000,000.00			1	1,000,000.00
<i>NGOs/Other Sources:</i>										
Livelihood Corporation					1	500,000.00			1	500,000.00
Private Source							1	100,000.00	1	100,000.00
Botica Binhi							1	25,000.00	1	25,000.00
General Fund							1	50,000.00	1	50,000.00
<b>Internal Fund</b>	1	200,000,000.00	1	23,000,000.00	3	11,000,000.00	3	462,633.30	8	32,173,487.49

<b>Table 5a. Lending Operation, Luzon MPC</b>					
Items	Large	Medium	Small	Micro	All
Number Reporting	4	12	16	8	40
Ave. Amount of loan portfolio, end 2013	284,157,087.50	16,917,552.31	5,458,298.02	1,306,442.78	35,935,582.21
Number Reporting	4	10	15	8	37
Ave. Total amount of loan approved, 2013	422,959,814.16	20,538,202.54	6,110,014.53	1,926,131.63	54,169,744.68
Number Reporting	4	10	15	8	37
Ave. Total amount of loan released, 2013	428,985,373.16	19,365,970.32	5,843,347.86	1,838,006.63	54,377,174.78
Number Reporting	4	12	16	9	41
Ave. Total amount of loan outstanding at present	282,531,683.69	17,507,120.77	4,082,441.80	896,887.71	34,478,127.86
Number Reporting	4	11	16	10	41
Ave percent for agriculture/ fishing?	27.25	45.48	73.30	45.46	54.55
<b>Table 5b. Lending Operation, Luzon CREDIT</b>					
Items	Large	Medium	Small	Micro	All
Number Reporting	1	2	4	6	13
Ave. Amount of loan portfolio, end 2013	180,800,000.00	26,354,582.04	4,974,214.05	2,047,937.97	20,437,972.93
Number Reporting	1	2	5	6	14
Ave. Total amount of loan approved, 2013	136,071,463.92	29,847,695.00	5,828,475.38	1,812,862.50	16,841,886.13
Number Reporting	1	2	5	6	14
Ave. Total amount of loan released, 2013	116,486,203.20	25,647,695.00	6,093,521.98	1,802,862.50	14,933,312.72
Number Reporting	1	2	5	5	13
Ave. Total amount of loan outstanding at present	142,556,774.99	25,708,496.85	8,025,301.37	1,948,996.00	18,757,327.35
Number Reporting	1	2	5	5	13
Ave percent for agriculture/ fishing?	68.10	27.19	36.80	82.48	55.30

**Table 6a. Other Financial Services, Luzon MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
a) Savings deposit:										
Interest rate/ yr	4	1.33	9	3.67	15	2.39	5	2.50	33	2.63
b) Time deposit										
Interest rate/ yr	2	4.00	7	9.14	13	3.00	5	0.80	27	4.26

**Table 6b. Other Financial Services, Luzon CREDIT**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
a) Savings deposit:										
Interest rate/ yr	1	2.50	2	3.00	5	2.60	2	2.00	10	2.55
b) Time deposit										
Interest rate/ yr	1	3.00	2	5.75	4	5.48	2	1.25	9	4.32

Table 7a. Other Information on Lending, Luzon MPC

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
<b>Types of agricultural/fishery projects/loans financed:</b>										
<b>Crop:</b>										
Ave. maximum loan amount	2	310000	6	154333	6	57667	6	39333	20	106400
Ave. maximum repayment period (mo)	2	27	6	7	6	5	6	8	20	9
Ave interest rate (%/yr)	2	15	6	27	6	49	6	21	20	31
<b>Livestock &amp; Poultry:</b>										
Ave. maximum loan amount	2	6000000	1	300000	2	12500	2	35000	7	1770714
Ave. maximum repayment period (mo)	2	34	1	12	2	5	2	13	7	17
Ave interest rate (%/yr)	2	14	1	3	2	48	2	27	7	26
<b>Fishery:</b>										
Ave. maximum loan amount			3	210000			2	37500	5	141000
Ave. maximum repayment period (mo)			3	10			2	12	5	11
Ave interest rate (%/yr)			3	30			2	10	5	22
<b>Others:</b>										
Ave. maximum loan amount	1	100000	3	303333	6	146167	4	52500	14	149786
Ave. maximum repayment period (mo)	1	24	3	7	6	9	4	7	14	9
Ave interest rate (%/yr)	1	19	3	32	6	93	3	30	13	59
<b>Other Loan products</b>										
<b>Commercial:</b>										
Ave. maximum loan amount	1	1820000	2	225000	8	158875	3	25000	14	258286
Ave. maximum repayment period	1	24	2	9	8	13	3	6	14	12
Ave interest rate	1	18	2	30	8	23	3	16	14	22
<b>Productive:</b>										
Ave. maximum loan amount										
Ave. maximum repayment period (mo)										
Ave interest rate (%/yr)										
<b>Providential:</b>										
Ave. maximum loan amount	3	1976667	5	80000	6	173333	5	22000	19	393684
Ave. maximum repayment period (mo)	2	12	5	5	6	4	5	7	18	6
Ave interest rate (%/yr)	2	16	5	22	6	18	5	19	18	19
<b>Livelihood:</b>										
Ave. maximum loan amount					1	25000	1	30000	2	27500
Ave. maximum repayment period (mo)					1	12	1	5	2	9
Ave interest rate (%/yr)					1	10	1	24	2	17

Table 7b. Other Information on Lending, Luzon Credit

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
<b>Types of agricultural/fishery projects/loans financed:</b>										
<b>Crop:</b>										
Ave. maximum loan amount			1	70000	2	85000	2	126000	5	98400
Ave. maximum repayment period (mo)			1	5	2	12	2	6	5	8
Ave interest rate (%/yr)			1	30	2	15	1	18	4	20
<b>Livestock &amp; Poultry:</b>										
Ave. maximum loan amount			1	100000	2	80000	1	11000	4	67750
Ave. maximum repayment period (mo)			1	6	2	9	1	12	4	9
Ave interest rate (%/yr)			1	18	2	15	1	36	4	21
<b>Fishery:</b>										
Ave. maximum loan amount			1	100000	1	400000			2	250000
Ave. maximum repayment period (mo)			1	6	1	24			2	15
Ave interest rate (%/yr)			1	18	1	24			2	21
<b>Others:</b>										
Ave. maximum loan amount					1	50000	1	700000	2	375000
Ave. maximum repayment period (mo)					1	6	1	36	2	21
Ave interest rate (%/yr)					1	64	1	18	2	41
<b>Other Loan products</b>										
<b>Commercial:</b>										
Ave. maximum loan amount			2	562500	3	158333	1	100000	6	283333
Ave. maximum repayment period			2	12	3	12	1	7	6	11
Ave interest rate			2	29	3	17	1	18	6	21
<b>Productive:</b>										
Ave. maximum loan amount										
Ave. maximum repayment period (mo)										
Ave interest rate (%/yr)										
<b>Providential:</b>										
Ave. maximum loan amount			1	100000	3	365000	2	7750	6	201750
Ave. maximum repayment period (mo)			1	12	3	12	2	7	6	10
Ave interest rate (%/yr)			1	18	3	16	2	24	6	19

**Table 8a. Other Information on Lending, Luzon MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Do you conduct BI/CI?										
Yes	4	100	12	92	15	88	8	67	39	85
No					2	12	3	25	5	11
No answer			1	8			1	8	2	4
Total	4	100	13	100	17	100	12	100	46	100
Loan evaluation criteria/securities:										
5Cs (collateral, character, capital, capacity to pay, co-maker)	4	100	11	85	13	76	10	83	38	83
No past due					1	6			1	2
Capital share			2	15	3	18	5	42	10	22
Amount of savings deposit					1	6			1	2
Source of income						0	1	8	1	2
No. of cattle owned					1	6			1	2
Palay production area					1	6			1	2
Total	4	100	13	100	17	*	12	*	46	*
Loan collection system:										
Thru collectors	2	50	7	54	5	29	4	33	18	39
Thru banks	4	100	3	23	2	12	1	8	10	22
Members come to office	4	100	11	85	15	88	11	92	41	89
Others (specify):										
In kind thru coop			1	8					1	2
PDCs	1	25	1	8					2	4
BOD/Manager			2	15					2	4
Deduction on delivered harvest					2	12			2	4
Total	4	*	13	*	17	*	12	*	46	*
Current loan collection performance:										
Delinquency rate	4	15.49	11	28.34	16	17.25	11	13.18	42	18.92
PAR	2	27.86	4	15.32	11	21.73	3	20	20	20.80
Management of delinquent loans:										
TDK	2	50	9	69	17	100	10	83	38	83
Legal action	3	75	5	38	11	65	6	50	25	54
Demand letters	4	100	11	85	16	94	10	83	41	89
Thru barangay	1	25	5	38	2	12	2	17	10	22
Visitation	1	25							1	2
Management take-over after three times of non-payment of loans			1	8					1	2
Small claims			1	8					1	2
Total	4	*	13	*	17	*	12	*	46	*
Do you monitor projects/loans financed?										
Yes	2	50	11	85	15	88	9	75	37	80
No	2	50	0	0	2	12	2	17	6	13
No answer			2	15			1	8	3	7
Total	4	100	13	100	17	100	12	100	46	100
Sanctions in case of diversion in the use of loan fund:										
None	3	75	5	38	10	59	9	75	27	59
2% per month penalty			1	8					1	2
Due and demandable			1	8					1	2
Blacklisted/grounded for loan application			1	8					1	2
No policy yet			2	15	3	18			5	11
Verbal reprimand					1	6			1	2
Immediate repayment of loan					1	6			1	2
No answer	1	25	3	23	2	12	3	25	9	20
Total	4	100	13	100	17	100	12	100	46	100

**Table 8b. Other Information on Lending, Luzon CREDIT**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Do you conduct BI/CI?										
Yes	1	100	2	100	5	83	4	80	12	86
No										
No answer					1	17	1	20	2	14
Total	1	100	2	100	6	100	5	100	14	100
Loan evaluation criteria/securities:										
5Cs (collateral, character, capital, capacity to pay, co-maker)					6	100	4	80	10	71
Track record	1	100	2	100	1	17			4	29
No answer							1	20	1	7
Total	1	100	2	100	6	*	5	100	14	*
Loan collection system:										
Thru collectors	1	100	1	50	5	83	3	60	10	71
Thru banks	1	100			3	50	1	20	5	36
Members come to office	1	100	2	100	6	100	5	100	14	100
Total	1	*	2	*	6	*	5	*	14	*
Current loan collection performance:										
Delinquency rate	1	20.00	2	33.50	6	31.17	5	5.00	14	21.36
PAR	1	15.00	1	82.00	2	19.50	2	50.00	6	39.33
Management of delinquent loans:										
TDK	1	100	2	100	4	67	4	80	11	79
Legal action	1	100	2	100	1	17	1	20	5	36
Demand letters	1	100	2	100	6	100		0	9	64
Call, text or FB			1	50						
BOD persuasion					1	17			1	7
Thru barangay					2	33	1	20	3	21
Follow-up					1	17			1	7
Dialogue							1	20	1	7
Assign collectors							1	20	1	7
Total	1	*	2	*	6	*	5	*	14	*
Do you monitor projects/loans financed?										
Yes	1	100	2	100	5	83	5	100	13	93
No					1	17			1	7
Total	1	100	2	100	6	100	5	100	14	100
Sanctions in case of diversion in the use of loan fund:										
None	1	100	1	50	3	60	2	50	7	58
2% of the amount					1	20			1	8
Lower amount on next loan										
Blacklisted / grounded on next loan					1	20			1	8
Counselling										
Reprimand/warning							1	25	1	8
No policy yet										
Man-to-man talk							1	25	1	8
No answer			1	50					1	8
Total	1	100	2	100	5	100	4	100	12	100

**Table 9a. Assessment of Lending Operation, Luzon MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
What are your most successful lending programs/loan products?										
Agricultural loan			4	31	7	41	3	25	14	30
Palay production loan			3	23	1	6	2	17	6	13
Micro finance project					2	12	1	8	3	7
Commercial/regular loan	1	100			1	6			2	4
Vegetable production					1	6	1	8	2	4
Educational loan							1	8	1	2
Tahong production							1	8	1	2
Feeds	1	100							1	2
EQUAL loan	1	100							1	2
Cash loan	1	100							1	2
Onion production			1	8					1	2
Traders' loan			1	8					1	2
SME loan			1	8					1	2
Petroleum products loan			1	8					1	2
Re-lending			1	8					1	2
Input trading/loan			1	8					1	2
Transportation loan			1	8					1	2
Livelihood program loan					1	6			1	2
Emergency loan					1	6			1	2
Collateral loan					1	6			1	2
Sidecar loan					1	6			1	2
Multi-purpose loan					1	6			1	2
Dairy loan					1	6			1	2
Consumer loan					1	6			1	2
Supply loan					1	6			1	2
Hog raising loan					1	6			1	2
Inputs to hog contract growing							1	8	1	2
All loans							1	8	1	2
Business loan							1	8	1	2
Fertilizer input loan							1	8	1	2
Soft loans							1	8	1	2
Livestock							1	8	1	2
<b>Total</b>	<b>1</b>	<b>100</b>	<b>13</b>	<b>*</b>	<b>17</b>	<b>*</b>	<b>12</b>	<b>*</b>	<b>46</b>	<b>*</b>
Criteria for considering a program/product successful (e.g. delinquency rate/PAR, impact on members, etc)?										
Good repayment performance	3	75	8	62	8	47	7	58	26	57
Positive/beneficial impact on members	2	50	6	46	9	53	3	25	20	43
Good income of members			1	8	4	24	6	50	11	24
Low delinquency rate					4	24			4	9
High profit					1	6	2	17	3	7
Greatest number of borrowers	1	25							1	2
Improvement/expansion of project	1	25							1	2
Security	1	25							1	2
Savings among members			1	8					1	2
Good production			1	8					1	2
Volume of farmers satisfied			1	8					1	2
Lower past due rate					1	6			1	2
More loans							1	8	1	2
<b>Total</b>	<b>4</b>	<b>*</b>	<b>13</b>	<b>*</b>	<b>17</b>	<b>*</b>	<b>12</b>	<b>*</b>	<b>46</b>	<b>*</b>

What factors contribute to their success (e.g. stringent loan evaluation, strict monitoring, etc)?										
Strict monitoring	2	50	8	62	8	47	6	50	24	52
Stringent loan evaluation			8	62	4	24	2	17	14	30
Strict implementation of policies	1	25	1	8	1	6	1	8	4	9
Strict evaluation of applicants			1	8	3	18			4	9
Good character, discipline of borrowers					1	6	1	8	2	4
Really needed by members					2	12			2	4
Coop buys and markets members' products	1	25							1	2
Streamlining of procedures	1	25							1	2
Enhancement of operating system	1	25							1	2
Diligence	1	25							1	2
Good customer relation	1	25							1	2
Collection of loans			1	8					1	2
Faithful members			1	8					1	2
Transparency			1	8					1	2
Complex evaluation			1	8					1	2
Frequent meeting with borrowers					1	6			1	2
Proper management					1	6			1	2
More borrowers					1	6			1	2
They know each other							1	8	1	2
High income for farmers							1	8	1	2
Project evaluation							1	8	1	2
Total	4	*	13	*	17	*	12	*	46	*
What are your unsuccessful lending programs?										
Providential loan			2	15	2	12			4	9
Hog raising loan	1	25			1	6	1	8	3	7
Farming	1	25					1	8	2	4
Salary loans			1	8	1	6			2	4
Production loan			1	8			1	8	2	4
Loan in kind	1	25							1	2
Biogas digester	1	25							1	2
Vegetable production			1	8					1	2
Health medication			1	8					1	2
Cash loans			1	8					1	2
Onion production			1	8					1	2
Calamity			1	8					1	2
Livestock loan					1	6			1	2
Micro-finance					1	6			1	2
Professional loan					1	6			1	2
Consumer store							1	8	1	2
Feed inputs for hog							1	8	1	2
Appliance loan							1	8	1	2
Emergency loan							1	8	1	2
None			1	8	7	41	2	17	10	22
No answer			3	23	3	18	3	25	9	20
Total	4	100	13	100	17	100	12	100	46	100

Why do you consider them unsuccessful?										
Very low repayment performance			3	23	4	29	5	56	12	30
Not generating income	1	25	1	8	3	21			5	13
Price problem (market)			1	8	1	7			2	5
Poor monitoring system	1	25							1	3
Unsecured in relation to hog fattening & breeding	1	25							1	3
Quality of onion for marketing			1	8					1	3
Late payers							1	11	1	3
No answer	1	25	7	54	6	43	3	33	17	43
Total	4	100	13	100	14	100	9	100	40	100
What factors contribute to being unsuccessful?										
Bad weather	1	25	2	15			1	11	4	10
Price stability			1	8			1	11	2	5
Not income generating			1	8			1	11	2	5
Used to pay other loans			1	8	1	7			2	5
Due to diseases (for hogs)							2	22	2	5
Location too far from coop for monitoring	1	25							1	3
Members aren't used to livelihood projects	1	25							1	3
High cost of inputs	1	25							1	3
Capacity of digester	1	25							1	3
Climate change			1	8					1	3
Smuggling of onion			1	8					1	3
Lack of CI/BI			1	8					1	3
Members are unfaithful to coop so they don't pay					1	7			1	3
Character & attitude of borrowers					1	7			1	3
No answer			5	38	11	79	4	44	20	50
Total	4	*	13	100	14	100	9	100	40	*
Plans to improve lending performance										
Yes	4	100	13	100	17	100	9	75	43	93
No									0	0
No							3	25	3	7
Total	4	100	13	100	17	100	12	100	46	100

**Table 9b. Assessment of Lending Operation, Luzon CREDIT**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
What are your most successful lending programs/loan products?										
Commercial/regular loan	1	100	1	50	3	50	1	20	6	43
Agricultural loans			1	50	1	17	2	40	4	29
ATM/pension loan	1	100							1	7
Micro-finance projects					1	17			1	7
Sari-sari store					1	17			1	7
Market vendor					1	17			1	7
Quick loan					1	17			1	7
Commodity loan					1	17			1	7
Organic vegetable					1	17			1	7
Herb production loan					1	17			1	7
Palay production loan							1	20	1	7
Vegetable production							1	20	1	7
Time deposit and savings program							1	20	1	7
Providential loan							1	20	1	7
Total	1	*	2	100	6	*	5	*	14	*
Criteria for considering a program/product successful (e.g. delinquency rate/PAR, impact on members, etc)?										
Good repayment performance			2	100	5	83	3	60	10	71
High profit/good income for members	1	100	1	50	1	17	2	40	5	36
Positive/beneficial impact on members			1	50	2	33	2	40	5	36
Low delinquency rate	1	100			1	17	1	20	3	21
Lowest PAR			1	50					1	7
Fast return of cash					1	17			1	7
Easy to monitor					1	17			1	7
Low risk					1	17			1	7
Funds are always available							1	20	1	7
Fast processing							1	20	1	7
No impact yet							1	20	1	7
Total	1	*	2	*	6	*	5	*	14	*
What factors contribute to their success (e.g. stringent loan evaluation, strict monitoring, etc)?										
Stringent loan evaluation	1	7	2	100	4	67	3	60	10	71
Strict monitoring	1	7	2	100	5	83	5	100	13	93
Good customer relation					1	17			1	7
Quality service					1	17			1	7
Total	1	*	2	*	6	*	5	*	14	*

What are your unsuccessful lending programs?										
Providential loan					3	50			3	21
Vending loan			1	50	1	17			2	14
Easy cash					1	17			1	7
Salary loan					1	17			1	7
Fisherfolk loan					1	17			1	7
Livestock loan					1	17			1	7
Corn production							1	20	1	7
Regular loan							1	20	1	7
No answer	1	100	1	50			3	60	5	36
Total	1	100	2	100	6	*	5	100	14	*
Why do you consider them unsuccessful?										
Not generating income			1	50	1	17			2	14
Very low repayment performance			2	100	4	67	2	40	8	57
Beyond control of management with strict lending policies									0	0
Always bear with family problem					1	17			1	7
No answer	1	100			1	17	4	80	6	43
Total	1	100	2	*	6	*	5	120	14	*
What factors contribute to being unsuccessful?										
Price stability			1	50					1	3
Government regulation on taxes			1	50					1	3
Effort of supply and demand			1	50					1	3
Character and attitude					1	17			1	3
Bad weather					1	17			1	3
No self discipline					1	17			1	3
Personal interest					1	17			1	3
Do not know					1	17			1	3
None							1	20	1	3
No answer	1	100			2	33	5	100	8	20
Total	1	100	2	*	6	*	5	120	14	*
Plans to improve lending performance										
Yes			2	100	6	100	5	100	13	93
No										
No answer	1	100							1	7
Total	1	100	2	100	6	100	5	100	14	100

Table 10a. Credit Supply and Demand, Luzon MPC

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Average number of active members	4	7352	13	659	17	218	12	259	46	974
Average number of active borrowers										
Farmer/Fisherfolk	3	4688	12	226	17	141	12	260	44	507
Others	3	4823	6	434	4	112	1	23	14	1253
Assessment of the potential for expanding lending:										
Are there more unserved potential borrowers?										
Yes	3	75	9	69	12	71	11	92	35	76
No	1	25	4	31	5	29	1	8	11	24
Total	4	100	13	100	17	100	12	100	46	100
Average estimated number	3767		208		133		295		515	
Are there more small farmers and fisherfolks not yet accessing from formal sources?										
Yes	2	50	8	62	11	65	8	67	29	63
No	0	0	3	23	5	29	3	25	11	24
No answer	2	50	2	15	1	6	1	8	6	13
Total	4	100	13	100	17	100	12	100	46	100
Average estimated number	2600		1157		518		141		589	
Other projects/products for which the coop plans to provide financing (specify)										
Expansion of lending operations			1	8	2	12	2	17	5	11
Water refilling station					2	12	3	25	5	11
Farm inputs/supply			1	8	1	6	2	17	4	9
Gasoline station			1	8	2	12	1	8	4	9
Business capital loan			1	8	3	18			4	9
Expansion of existing loan	1	50	1	8			1	8	3	7
Micro-financing					3	18			3	7
Housing loan	1	50					1	8	2	4
Livelihood projects			2	15					2	4
Sari-sari store			2	15					2	4
Food processing			1	8	1	6			2	4
Agricultural production loan			1	8			1	8	2	4
Piggery loan					1	6	1	8	2	4
Motorcycle/tricycle loan					1	6	1	8	2	4
Expansion of water system					2	12			2	4
Establish 10 greenhouses					2	12			2	4
Organic fertilizer inputs					2	12			2	4
Educational loan							2	17	2	4
None							1	8	1	2
Total	2	100	13	*	17	*	12	*	46	*

If external fund can be accessed, are you willing to get such fund?										
Yes	2	50	13	100	17	100	10	83	42	91
No	2	50					1	8	3	7
Depends							1	8	1	2
Total	4	100	13	100	17	100	12	100	46	100
Average estimated amount you can absorb	2	110,000,000.00	12	14,333,333.33	16	23,637,500.00	10	15,750,000.00	40	23,192,500.00
Can your present manpower handle the expanded lending operation?										
Yes	2	50	10	77	10	59	7	58	29	63
No			2	15	6	35	3	25	11	24
Depends	1	25	1	8	1	6			3	7
No answer							1	8	1	2
Don't know	1	25					1	8	2	4
Total	4	100	13	100	17	100	12	100	46	100
Trend in credit demand among members:										
Constant										
Increasing	3	13	13	32	16	40	12	46	44	37
Declining										
No answer	1				1				2	
What are the most common purposes for which farmers/fisherfolks apply for loans?										
Farm inputs/supplies/equipment	4	100	13	100	17	100	12	100	46	100
Family needs/education/health	2	50	7	54	4	24	5	42	18	39
Business	2	50	4	31	1	6	4	33	11	24
Cash for regular loan					1	6			1	2
Total	4	*	13	*	17	*	12	*	46	*

Table 10b. Credit Supply and Demand, Luzon CREDIT										
Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Average number of active members	1	4000	2	306	6	265	5	40	14	457
Average number of active borrowers										
Farmer/Fisherfolk	1	2600	2	95	6	62	5	24	14	234
Others	1	1400	1	370	3	202	2	20	7	345
Assessment of the potential for expanding lending:										
Are there more unserved potential borrowers?										
Yes			2	100	5	83	4	80	11	79
No	1	100			1	17	1	20	3	21
Total	1	100	2	100	6	100	5	100	14	100
Average estimated number			1	52	5	119	4	14	10	70
Are there more small farmers and fisherfolks not yet accessing from formal sources?										
Yes			2	100	3	50	5	100	10	71
No	1	100			2	33			3	21
No answer					1	17			1	7
Total	1	100	2	100	6	100	5	100	14	100
Average estimated number			2	250	3	100	5	66	10	113
Other projects/products for which the coop plans to provide financing (specify)										
Expansion of lending operations					1	14	2	33	3	21
Other projects					2	29	5	83	7	50
Total	0	100	2	*	7	*	6	*	14	*
If external fund can be accessed, are you willing to get such fund?										
Yes			1	50	5	83	5	100	11	79
No	1	100	1	50	1	17			3	21
Total	1	100	2	100	6	100	5	100	14	100
Average estimated amount you can absorb			1	10,000,000.00	5	10,850,000.00	5	11,540,000.00	11	11,086,363.64
Can your present manpower handle the expanded lending operation?										
Yes	1	100	1	50	4	67	4	80	10	71
No					1	17	1	20	2	14
No answer			1	50	1	17			2	14
Total	1	100	2	100	6	100	5	100	14	100
Trend in credit demand among members:										
Constant										
Increasing	1	30	1	50	4	67	5	35	11	47
Declining										
No answer			1	50	2	33			3	39
What are the most common purposes for which farmers/fisherfolks apply for loans?										
Farm inputs/supplies/equipment	1	100	2	100	6	100	4	80	13	93
Family needs/education/health	1	100	1	50	3	50	2	40	7	50
Business	1	100			2	33	2	40	5	36
Repair of ponds					1	17			1	7
No answer							1	20	1	7
Total	1	*	2	*	6	*	5	*	14	*

**Table 11a . Services Received from CDA, Luzon MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%	NR	%	NR	%	NR	%	NR	%
1. What services has CDA given to your coop?										
Training and seminars (legal, policy matters; as speakers)	2	50	7	54	7	41	6	50	22	48
Help on legal matters	1	25	1	8					2	4
Assistance in the preparation of required reports & papers	1	25	6	46	5	29	4	33	16	35
Technical advisory services	2	50			1	6			3	7
Regulatory services	2	50							2	4
Giving recognition to outstanding coops & individuals	1	25							1	2
Coop monitoring & visitation	1	25	1	8	5	29	2	17	9	20
Providing assistance	1	25			1	6	1	8	3	7
Guidance on operations	1	25			1	6	2	17	4	9
Nothing/none			1	8					1	2
No comment			1	8					1	2
Regulations			1	8	2	12			3	7
Evaluation of coop performance			1	8	1	6			2	4
Info on new policies			1	8					1	2
Records inspection/monitoring					3	18			3	7
Good standing					1	6	1	8	2	4
Assistance in the preparation of budget & farm planning					1	6			1	2
Reserve speaker in trainings conducted							1	8	1	2
No answer										
Total	4	*	13	*	17	*	12	*	46	*
2. What services should CDA provide to help in the development of your coop?										
Hands on supervision and monitoring	1	25	2	15	4	24			7	15
Outsourcing of funds to be loaned to coop	2	50	2	15					4	9
Enhancement of tax provision	1	25							1	2
Tax exemptions on coop	2	50							2	4
Standardization of salaries for all coops	1	25							1	2
Lessen the requirements			2	15	1	6			3	7
Continuous support			1	8					1	2
Make links to market outlets			1	8					1	2
Linkages (financial/other agencies/market outlets)			2	15			2	17	4	9
Strengthen/initiate formulation of federation			1	8					1	2
Frequent visits to give assistance and guidance			1	8	1	6	1	8	3	7
Operation review			1	8					1	2
Regulate member of coops/area			1	8					1	2
Conduct free trainings			3	23					3	7
None			1	8			1	8	2	4
Training (lending, for officers, capability)					10	59	5	42	15	33
No comment					1	6			1	2
Assistance for improvement of coop					1	6			1	2
No suggestion					1	6			1	2
Help on legal matters					1	6			1	2
Financial assistance					2	12	2	17	4	9
Review policies					1	6			1	2
Standardize reports required					1	6			1	2
Explain requirements of RA 9520					1	6			1	2
Prompt notice on certain requirements to avoid penalties							1	8	1	2
Total	4	*	13	*	17	*	12	100	46	*
3. In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA's performance of its functions?										
10					1	6	1	8	2	4
9	1	25			3	18			4	9
8	1	25	2	15	4	24	4	33	11	24
7			1	8	1	6	1	8	3	7
6			3	23	2	12			5	11
5			1	8	1	6			2	4
4									0	0
3									0	0
2									0	0
1									0	0
0									0	0
No answer	2	50	6		5	29	6	50	19	41
Total	4	100	13	54	17	100	12	100	46	100

\* Multiple response

Table 11b . Services Received from CDA, Luzon CREDIT

Items	Large		Medium		Small		Micro		All	
	NR	%	NR	%	NR	%	NR	%	NR	%
1. What services has CDA given to your coop?										
Nothing/none	1	100					1	20	2	14
Trainings and seminars			1	50	4	67	2	40	7	50
Coop monitoring and visitation			1	50	1	17	3	60	5	36
Reserve speaker in trainings conducted			1	50			1	20	2	14
Conducted forums					1	17			1	7
Provide assistance					1	17	1	20	2	14
Assist coop in preparation of required papers/reports					2	33	1	20	3	21
Technical advisory services							1	20	1	7
Total	1	100	2	*	6	*	5	*	14	164.286
2. What services should CDA provide to help in the development of your coop?										
Frequent visits to coop to give assistance and guidance	1	100							1	7
Trainings for officers/lending	1	100	1	50	1	17	1	20	4	29
Operation review	1	100							1	7
Provide technical assistance for research and development			1	50					1	7
Low cost of registration					1	17			1	7
Full field assistance					1	17			1	7
CDA should mediate in coop's financial problems					1	17			1	7
CDA should provide the training to lessen costs					1	17			1	7
Assistance for improvement of coop					1	17			1	7
Outsourcing of funds to be loaned to coop					1	17	1	20	2	14
Links to market outlets					1	17			1	7
Lessen the requirements					2	33			2	14
No comment							1	20	1	7
Funding							1	20	1	7
Assistance in strengthening attendance of members in meetings							1	20	1	7
No answer							1	20	1	7
Total	1	*	2	100	6	*	5	*	14	*
3. In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA's performance of its functions?										
10										
9							2	40	2	14
8					1	17	2	40	3	21
7					1	17			1	7
6			1	50					1	7
5										
4										
3										
2	1	100			1	17			2	14
1										
0										
No answer			1	50	4	67	2	40	7	50
Total	1	100	2	100	6	*	5	*	14	*

\* Multiple response

Table 12. COOP PESOS, Luzon						
Item	MPC		Credit		All	
	NR	Ave. Score	NR	Ave. Score	NR	Ave. Score
P-ORTFOLIO QUALITY (25%)	6	17.67	2	8.5	8	15.38
E-FFICIENCY (20%)	22	9.26	7	6.43	29	8.58
S-TABILITY (30%)	21	10.67	8	10.5	29	10.62
O-PERATIONS (10%)	19	4.95	8	5.88	27	5.23
S-TRUCTURE OF ASSETS (15%)	21	3.00	7	2.93	28	2.98
TOTAL	22	30.40	8	23.75	30	28.63

**VISAYAS**

**Table 1a. Organization and Management Profile, Visayas MPC**

Items	Large		Medium		Small		Micro		All	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. No. of years originally registered CDA	4	23	3	20	7	19	10	13	24	17
b. 2013/2014 CGS issued by CDA?										
Yes	4	100	3	100	7	100	9	90	23	96
No							1	10	1	4
Total	4	100	3	100	7	100	10	100	24	100
c. Ave. No. of BOD members	4	9	3	7	7	6	10	6	24	6
d. Educational attainment, BOD										
College	1	100	3	100	6	82	8	52	18	47
HS					6	16	8	48	14	37
Elementary					6	2			6	16
Total	1	100	3	100	18	100	8	100	38	100
e. Frequency of BOD meetings										
Monthly	4	100	3	100	7	100	10	100	24	100
Thrice a month										
Weekly										
Total	4	100	3	100	7	100	10	100	24	100
f. BOD members receive honorarium?										
Yes	4	100	3	100	7	100	7	70	21	88
No							3	30	3	13
Total	4	100	3	100	7	100	10	100	24	100
g. Officers and staff receive salaries?										
Yes	3	75	3	100	7	100	7	70	20	83
No							3	30	3	13
No answer	1	25							1	4
Total	4	100	3	100	7	100	10	100	24	100
h. Other benefits given to officers and staff:										
Personal benefits	2	50	3	100	7	100			12	48
Bonus/incentives	4	100	3	100	7	100	4	40	18	72
Insurance	1	25	2	67			1	10	4	16
None					1	14	5	50	6	24
Total	4	*	3	*	7	*	10	100	25	*
i. Office equipment (relevant to lending operation)										
Desktop computer	4	100	3	100	5	71	5	50	17	68
Printer	4	100	1	33	3	43	3	30	11	44
Laptop	3	75			1	14	1	10	5	20
Calculator					1	14	4	40	5	20
Copier machine			2	67	1	14			3	12
Typewriter					3	43			3	12
Telephone/fax	2	50							2	8
Office tables							2	20	2	8
CCTV			1	33					1	4
Computer table					1	14			1	4
Cabinet							1	10	1	4
Monobloc chairs							1	10	1	4
Total	4	*	3	*	7	*	10	*	25	*

\* Multiple response

**Table 1b. Operational Profile, Visayas MPC**[illegible]

**Table 1c. Organization and Management Profile, Visayas**

Item	NR	Ave/%
a. No. of years originally registered CDA	7	10
b. 2013/2014 CGS issued by CDA?		
Yes	7	100
No		
Total	7	100
c. Ave. No. of BOD members	7	6
d. Educational attainment, BOD		
College	4	73
HS	4	27
Elementary		
Total	4	100
e. Frequency of BOD meetings		
Monthly	7	100
Once every two months		
Twice a month		
Quarterly		
Total	7	100
f. BOD members receive honorarium?		
Yes	6	86
No	1	14
Total	7	100
g. Officers and staff receive salaries?		
Yes	5	71
No	2	29
Total	7	100
h. Other benefits given to officers and staff:		
Personal benefits	6	86
Bonus incentives	6	86
None	1	14
Total	7	*
i. Office equipment (relevant to lending operation)		
Desktop computer	5	71
Printer	5	71
Telephone/fax	2	29
Laptop	1	14
Monobloc table	1	14
Monobloc chairs		0
GPS	1	14
Overhead projector	1	14
Total	7	*

\* Multiple response

**Table 1d. Operational Profile, Visayas Credit**

Item	NR	Ave/%
j. Membership requirements:		
Must attend PMES	6	86
Age should be 18-70	5	71
Residency in community	4	57
Must have share capital/capital stock	5	71
Membership application/fee	3	43
Have required papers	2	29
Barangay clearance	1	14
ARB	2	29
Total	7	*
k. No. of satellite/branches		
One	1	14
Two		
Three or more		
No answer / none	6	86
Total	7	100
l. Frequency of preparing financial statements		
Monthly	4	57
Quarterly	1	14
Annual	2	29
No answer	1	14
Total	7	*
m. Compliance with CDA requirements		
Yes	7	100
No		
No answer		
Total	7	100
n. Compliance with BIR requirements		
Yes	7	100
No		
Total	7	100
* Multiple response		

**Table 2a. Financial Conditions, Visayas MPC**

Items	Large		Medium		Small		Micro		All	
	NR	Average	NR	Average	NR	Average	NR	Average	NR	Average
1. Assets		157,251,595.69		63,336,159.45		8,086,188.98		1,224,263.57		38,907,429.58
Current	4	137,540,986.73	2	48,992,194.80	7	7,539,697.76	8	640,561.48	21	33,621,462.51
Non-current	3	19,710,608.96	2	14,343,964.65	7	546,491.22	6	583,702.09	18	5,285,967.07
2. Liabilities										
Short term	4	95,948,483.43	2	44,439,284.71	6	2,325,108.72	7	295,940.30	19	25,720,775.66
Long term	2	462,017,584.71	2	19,616,035.98	4	1,094,863.36	3	207,504.88	11	88,024,473.59
3. Members' equity	4	53,973,332.67	2	20,973,174.42	7	3,517,987.52	8	737,077.12	21	13,731,533.77
4. Gross revenues	4	21,427,428.14	2	8,031,733.60	7	1,809,962.53	8	425,702.64	21	5,611,835.17
5. Revenues from lending operations	4	15,067,126.33	2	5,329,743.05	7	1,000,420.97	6	62,953.68	19	4,121,508.44
6. Total operating expenses	4	17,786,421.77	2	16,294,170.21	7	1,333,297.67	8	330,215.88	21	5,509,944.68
7. Net surplus (before distribution)	4	3,186,233.62	2	(8,262,436.62)	7	455,275.41	8	89,352.85	21	5,800.57
9. Financial indicators										
Current Ratio*		1.43		1.10		3.24		2.16		1.31
Net Worth Ratio**		0.34		0.33		0.44		0.60		0.35

\* current asset/current liabilities

\*\* Equity/ total assets

**Table 2b. Financial Conditions, Visayas CREDIT**

Item	NR	Average
1. Assets		14,874,785.34
Current	6	12,555,387.14
Non-current	4	2,319,398.20
2. Liabilities		
Short term	6	12,879,689.97
Long term	1	232,995.98
3. Members' equity	6	1,592,629.97
4. Gross revenues	6	1,375,766.73
5. Revenues from lending operations	6	1,002,652.16
6. Total operating expenses	6	1,356,837.78
7. Net surplus (before distribution)	6	471,823.26
9. Financial indicators		
Current Ratio*		0.97
Net Worth Ratio**		0.11

\* current asset/current liabilities

\*\* Equity/ total assets

**Table 3a. Other Business of Visayas MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%	NR	%	NR	%	NR	%	NR	%
<b>Commodity Trading:</b>										
Agri-Inputs							4	40	4	17
Farm Products			3	100	3	43	6	60	12	50
Fishery/Fishing Paraphernalia										
Other Commodities	2	50	2	67	2	29	5	50	11	46
<b>Processing:</b>										
Crop Processing										
Food							1	10	1	4
Non-food										
Animal Products			1	33					1	4
Fishery Products							1	10	1	4
Others										
<b>Services:</b>										
Financial	2	50			1	14	4	40	7	29
Agri-Services					1		1			
Other services			2	67	2	29	1	10	5	21
<b>Total</b>	4	100	3	*	7	*	10	*	24	*

**Table 3b. Other Business of Visayas CREDIT**

Items	NR	%
Credit/lending	3	43
Grocery	1	14
<b>Total</b>	7	57

Table 4a. Source of Fund, Visayas MPC

Sources of Fund	Large		Medium		Small		Micro		All	
	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt
<b>External Sources:</b>										
<i>Bank Loan:</i>										
LBP	2	21,150,000.00	4	6,675,000.00	4	3,225,000.00	1	2,200,000.00	11	7,645,454.55
UCPB	1	1,500,000.00			1	500,000.00			2	1,000,000.00
Cooperative Bank of Bohol										
<i>Government Programs:</i>										
DAR					1	131,600.00			1	131,600.00
DSWD					1	500,000.00			1	500,000.00
LGU (grant)					2	625,000.00			2	625,000.00
DAR-ARCP-LBP					1	2,000,000.00			1	2,000,000.00
DOLE (grant)							1	100,000.00	1	100,000.00
<i>NGOs/Other Sources:</i>										
NLDC	1	4,700,000.00							1	4,700,000.00
NATCO Party List (grant)			1	11,500,000.00					1	11,500,000.00
NATTCO			3	5,833,333.33					3	5,833,333.33
PCF			1	7,000,000.00					1	7,000,000.00
Metro Cebu Surety Fund			1	10,000,000.00					1	10,000,000.00
Aboitiz							4	950,000.00	4	950,000.00
<b>Internal Fund</b>	3	64,333,333.33	2	29,000,000.00	6	921,741.14	8	686,749.13	19	13,790,759.99

Table 4b. Source of Fund, Visayas CREDIT

Sources of Fund	NR	Ave Amt
<b>External Sources:</b>		
<i>Bank Loan:</i>		
LBP	2	33,571,200.00
<b>Internal Fund</b>	6	2,368,666.67

Table 5a. Lending Operation, Visayas MPC					
Items	Large	Medium	Small	Micro	All
Number Reporting	3	3	7	7	20
Ave. Amount of loan portfolio, end 2013	91,266,666.67	35,674,348.53	5,486,219.36	657,161.74	21,191,335.67
Number Reporting	4	3	7	7	21
Ave. Total amount of loan approved, 2013	68,306,796.75	20,161,881.33	4,610,101.65	757,285.71	17,680,216.31
Number Reporting	4	3	7	7	21
Ave. Total amount of loan released, 2013	68,306,796.75	20,161,881.33	4,967,244.51	750,142.86	17,796,882.98
Number Reporting	4	3	7	6	20
Ave. Total amount of loan outstanding at present	108,400,000.00	30,105,483.23	5,594,594.98	670,587.05	28,355,106.84
Number Reporting	4	3	7	6	20
Ave percent for agriculture/ fishing?	15.42	30.49	35.33	34.93	30.50
Table 5b. Lending Operation, Visayas CREDIT					
Items	All				
Number Reporting	7				
Ave. Amount of loan portfolio, end 2013	7,369,492.81				
Number Reporting	7				
Ave. Total amount of loan approved, 2013	8,216,171.43				
Number Reporting	7				
Ave. Total amount of loan released, 2013	8,136,171.43				
Number Reporting	6				
Ave. Total amount of loan outstanding at present	8,812,000.00				
Number Reporting	6				
Ave percent for agriculture/ fishing?	81.59				

**Table 6a. Other Financial Services, Visayas MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
a) Savings deposit:										
Interest rate/ yr	4	4.25	3	3.67	7	3.71	5	2.40	19	3.47
b) Time deposit										
Interest rate/ yr	4	5.75	2	8.00	3	6.00	4	1.35	13	4.80

**Table 6b. Other Financial Services, Visayas CREDIT**

Items	All	
	NR	%/Ave
a) Savings deposit:		
Interest rate/ yr	6	2.33
b) Time deposit		
Interest rate/ yr		



Table 7a. Other Information on Lending, Visayas MPC

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
<b>Types of agricultural/fishery projects/loans financed:</b>										
<b>Crop:</b>										
Ave. maximum loan amount			1	10000	2	67500	3	6200	6	27267
Ave. maximum repayment period (mo)			1	6	2	12	3	6	6	8
Ave interest rate (%/yr)			1	24	2	25	3	27	6	26
<b>Livestock &amp; Poultry:</b>										
Ave. maximum loan amount			2	40000	2	4750	3	5667	7	15214
Ave. maximum repayment period (mo)			2	5	2	8	3	11	7	8
Ave interest rate (%/yr)			2	30	2	27	3	30	7	29
<b>Fishery:</b>										
Ave. maximum loan amount	1	25000			1	300000	1	3000	3	109333
Ave. maximum repayment period (mo)	1	12			1	18	1	4	3	11
Ave interest rate (%/yr)	1	30			1	30	1	36	3	32
<b>Others:</b>										
Ave. maximum loan amount	1	40000	1	50000	3	140000	2	12500	7	76429
Ave. maximum repayment period (mo)	1	10	1	12	3	34	2	4.5	7	19
Ave interest rate (%/yr)	1	36	1	24	3	24	2	42	7	31
<b>Other Loan products</b>										
<b>Commercial:</b>										
Ave. maximum loan amount	2	1285000	2	510000	3	168333			7	585000
Ave. maximum repayment period	2	24	2	19	3	17			7	20
Ave interest rate	2	24	1	36	3	21			6	25
<b>Productive:</b>										
Ave. maximum loan amount	1	1000000	1	1000000					2	1000000
Ave. maximum repayment period (mo)	1	10	1	24					2	17
Ave interest rate (%/yr)	1	30	1	36					2	33
<b>Providential:</b>										
Ave. maximum loan amount	3	876667	3	240000	6	85000	6	7583	18	216972
Ave. maximum repayment period (mo)	3	35	3	16	6	13	6	3	18	14
Ave interest rate (%/yr)	3	27	3	29	6	25	6	14	18	22
<b>Livelihood:</b>										
Ave. maximum loan amount					1	200000	1	30000	2	115000
Ave. maximum repayment period (mo)					1	60	1	12	2	36
Ave interest rate (%/yr)					1	9	1	24	2	16

**Table 7b. Other Information on Lending, Visayas Credit**

Items	NR	%/Ave
<b>Types of agricultural/fishery projects/loans financed:</b>		
<b>Crop:</b>		
Ave. maximum loan amount	3	41333
Ave. maximum repayment period (mo)	3	8
Ave interest rate (%/yr)	3	30
<b>Livestock &amp; Poultry:</b>		
Ave. maximum loan amount		
Ave. maximum repayment period (mo)		
Ave interest rate (%/yr)		
<b>Fishery:</b>		
Ave. maximum loan amount	1	8000
Ave. maximum repayment period (mo)	1	1
Ave interest rate (%/yr)	1	60
<b>Others:</b>		
Ave. maximum loan amount	3	16667
Ave. maximum repayment period (mo)	3	6
Ave interest rate (%/yr)	3	32
<b>Other Loan products</b>		
<b>Commercial:</b>		
Ave. maximum loan amount		
Ave. maximum repayment period		
Ave interest rate		
<b>Productive:</b>		
Ave. maximum loan amount		
Ave. maximum repayment period (mo)		
Ave interest rate (%/yr)		
<b>Providential:</b>		
Ave. maximum loan amount	4	32500
Ave. maximum repayment period (mo)	4	8.75
Ave interest rate (%/yr)	4	36

**Table 8a. Other Information on Lending, Visayas MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Do you conduct BI/CI?										
Yes	4	100	3	100	6	86	7	70	20	83
No					1	14	2	20	3	13
No answer							1	10	1	4
Total	4	100	3	100	7	100	10	100	24	100
Loan evaluation criteria/securities:										
5Cs (collateral, character, capital, capacity to pay, co-maker)	3	75	3	100	6	86	8	80	20	83
Capital share	1	25			2	29	2	20	5	21
Track record							2	20	2	8
Active participation in coop activities							1	10	1	4
Total	4	100	3	100	7	*	10	*	24	*
Loan collection system:										
Thru collectors	4	100	3	100	4	57	4	40	15	63
Thru banks	1	25	1	33	2	29	1	10	5	21
Members come to office	4	100	3	100	7	100	8	80	22	92
Total	4	*	3	*	7	*	10	*	24	*
Current loan collection performance:										
Delinquency rate	4	21.15	3	40.75	6	15.17	7	25.25	20	23.73
PAR	3	24.89	1	30.00	4	14.33	1	59.00	9	24.55
Management of delinquent loans:										
Demand letters	4	100	3	100	7	100	6	60	20	83
TDK	3	75	1	33	4	57	4	40	12	50
Legal action	3	75	3	100	2	29	1	10	9	38
Thru barangay			2	67	2	29	3	30	7	29
BOD summons			1	33			1	10	2	8
Mediation			1		1	14			2	8
Personal visits							1	10	1	4
Visitation by manager							1	10	1	4
Follow-up							2	20	2	8
Attendance to monthly ownership meeting							1	10	1	4
Talk with reconciliation committee					1	14			1	4
Total	4	*	3	*	7	*	10	*	24	*
Do you monitor projects/loans financed?										
Yes	4	100	3	100	6	86	7	64	20	83
No					1	14	3	27	4	17
No answer							1	9	1	4
Total	4	100	3	100	7	100	11	100	24	104.167
Sanctions in case of diversion in the use of loan fund:										
Due and demandable			1	33			1	10	2	8
No policy yet					2	29			2	8
BOD inquiry	1	25							1	4
10% surcharge as usual penalty	1	25							1	4
Blacklisted/grounded for loan application			1	33					1	4
Warning			1	33					1	4
Impose fine/penalty (additional 5% per month)							1	10	1	4
Restricted/limited loans afterwards	1	25							1	4
None	1	25			1	14	3	30	5	21
No answer					4	57	5	50	9	38
Total	4	100	3	100	7	100	10	100	24	100

<b>Table 8b. Other Information on Lending, Visayas CREDIT</b>		
<b>Items</b>	<b>NR</b>	<b>%/Ave</b>
Do you conduct BI/CI?		
Yes	5	71
No	2	29
Total	7	100
Loan evaluation criteria/securities:		
5Cs (collateral, character, capital, capacity to pay, co-maker)	5	71
Capital share	2	29
Total	7	100
Loan collection system:		
Thru collectors	4	57
Thru banks		
Members come to office	7	100
Total	7	*
Current loan collection performance:		
Delinquency rate	5	11.33
PAR	4	62.00
Management of delinquent loans:		
TDK	6	86
Demand letters	7	100
Legal action	1	14
Thru barangay	1	14
BOD summons	1	14
Follow-up	2	29
Total	7	*
Do you monitor projects/loans financed?		
Yes	5	71
No	2	29
Total	7	100
Sanctions in case of diversion in the use of loan fund:		
Blacklisted/grounded from loan application	1	14
Counselling	2	29
None	2	29
No answer	2	29
Total	7	100

**Table 9a. Assessment of Lending Operation, Visayas MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
What are your most successful lending programs/loan products?										
Regular loan/commercial	2	50	2	67	1	14	1	10	6	25
Micro-finance loan project	2	50	1	33	1	14	1	10	5	21
Providential loan	1	25			1	14	1	10	3	13
Agricultural loans					2	29			2	8
Emergency loan					1	14	1	10	2	8
Livelihood program loan							2	20	2	8
Multi-purpose loan	1	25							1	4
Palay production loan					1	14			1	4
Soft loan					1	14			1	4
ATM pension loan					1	14			1	4
Sugarcane production					1	14			1	4
Hog raising loan					1	14			1	4
Inputs trading loan							1	10	1	4
Native chicken							1	10	1	4
Milled rice consumption loan							1	10	1	4
Petty cash loan							1	10	1	4
Consumer store							1	10	1	4
Hospitalization loan program	1	25							1	4
Total	4	*	3	100	7	*	10	*	24	*
Criteria for considering a program/product successful (e.g. delinquency rate/PAR, impact on members, etc)?										
Good repayment performance	2	50	3	100	4	57	5	50	14	58
Positive impact on members	1	25	2	67	2	29	3	30	8	33
Good income of members/high profit	2	50			1	14	1	10	4	17
Improvement on business and life			1	33	1	14			2	8
Easy to pay/easily repaid					1	14	1	10	2	8
Beneficial to members							2	20	2	8
Tied up with Damayan Program	1	25							1	4
Low delinquency rate					1	14			1	4
Lowest PAR					1	14			1	4
Give employment					1	14			1	4
Lower interest rate					1	14			1	4
Total	4	*	3	*	7	*	10	*	24	*
What factors contribute to their success (e.g. stringent loan evaluation, strict monitoring, etc)?										
Stringent loan evaluation	3	75	1	33	6	86	3	30	13	54
Strict monitoring	1	25	1	33	5	71	3	30	10	42
Good character, discipline of borrower					1	14	2	20	3	13
Trust and confidence of officers and staf for the coop							2	20	2	8
Collection of loans	1	25							1	4
Strict credit investigation	1	25							1	4
Less requirement to apply for loan			1	33					1	4
Lesser risk due to lower loan amount			1	33					1	4
Able to send children to school					1	14			1	4
Seminar/coop session						0	1	10	1	4
Members are members of PBMA							1	10	1	4
Need for food							1	10	1	4
Promisory note							1	10	1	4
Cash payment							1	10	1	4
Total	4	*	3	*	7	*	10	*	24	*

What are your unsuccessful lending programs?										
Piggery			1	33					1	4
Honorarium loan					1	14			1	4
Providential loan							1	10	1	4
Cash lending to borrowers							1	10	1	4
Hog raising							1	10	1	4
Coop loans							1	10	1	4
Fishing gears/boat							1	10	1	4
Vending loans	1	25							1	4
None	3	75	1	33	5	71	4	40	13	54
No answer			1	33	1	14	2	20	4	17
Total	4	100	3	100	7	100	10	*	24	*
Why do you consider them unsuccessful?										
Very low repayment rate performance	1	25			1	14	3	30	5	21
Not generating income			1	33			1	10	2	8
Payment is on lump sum basis			1	33					1	4
No answer	3	75	1	33	6	86	6	60	16	67
Total	4	100	3	100	7	100	10	100	24	100
What factors contribute to being unsuccessful?										
Bad weather			1	33			1	10	2	8
Price stability			1	33					1	4
Lack of technology			1	33					1	4
No ready outlet for marketing			1	33					1	4
Not income generating							1	10	1	4
Used to pay other loans							1	10	1	4
Slaughterhouse not paying on time or on installment							1	10	1	4
Weak monitoring					1	14			1	4
Trusting members too much					1	14			1	4
Reduction in market prices			1	33					1	4
Don't know	1	25							1	4
No answer	3	75			5	71	6	60	14	58
Total	4	100	3	*	7	100	10	100	24	*
Plans to improve lending performance										
Yes	4	100	3	100	7	100	10	100	24	100
No										
Total	4	100	3	100	7	100	10	100	24	100

<b>Table 9b. Assessment of Lending Operation, Visayas CREDIT</b>		
<b>Items</b>	<b>NR</b>	<b>%/Ave</b>
What are your most successful lending programs/loan products?		
Vegetable production	1	14
Micro-finance	3	43
Educational loan	1	14
Sugarcane production	1	14
No answer	1	14
Total	7	100
Criteria for considering a program/product successful (e.g. delinquency rate/PAR, impact on members, etc)?		
Positive impact on members	4	57
Good repayment performance	4	57
Good income of members	2	29
Good production	1	14
Easily repaid	1	14
Total	7	*
What factors contribute to their success (e.g. stringent loan evaluation, strict monitoring, etc)?		
Stringent loan evaluation	4	57
Strict monitoring	4	57
No answer	1	14
Total	7	*
What are your unsuccessful lending programs?		
Providential loan	2	29
LBP lending program	1	14
Regular coop lending	1	14
Fishing gears/boat	1	14
Agricultural	1	14
Vermi-composting loan	1	14
Total	7	*
Why do you consider them unsuccessful?		
Very low repayment performance	2	29
Not income generating	1	14
Used to pay other outside loan	1	14
No answer	3	43
Total	7	100
What factors contribute to being unsuccessful?		
Bad weather	3	43
Not income generating	1	14
No answer	3	43
Total	7	100
Plans to improve lending performance		
Yes	7	100
No		
Total	7	100

**Table 10a. Credit Supply and Demand, Visayas MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Average number of active members	4	5099	3	2020	7	501	10	73	24	1279
Average number of active borrowers										
Farmer/Fisherfolk	4	1294	3	704	5	570	9	45	21	502
Others	1	5260	3	725	5	115	2	94	11	745
Assessment of the potential for expanding lending:										
Are there more unserved potential borrowers?										
Yes	2	50	2	67	4	57	5	50	13	54
No	2	50	1	33	3	43	3	30	9	38
No answer							2	20	2	8
Total	4	100	3	100	7	100	10	100	24	100
Average estimated number	2	8792	2	1320	4	115	5	29	4	5526
Are there more small farmers and fisherfolks not yet accessing from formal sources?										
Yes	2	50	3	100	5	71	9	90	19	79
No	1	25			1	14	1	10	3	13
No answer	1	25			1	14			2	8
Total	4	100	3	100	7	100	10	100	24	100
Average estimated number	1	2000	2	5000	5	528	9	524	5	3871
Other projects/products for which the coop plans to provide financing (specify):										
Cacao production	1	33	2	67	1	33			4	17
Poultry (egg production)			1	33			4	40	5	21
Agricultural production loan					2	67			2	8
Expansion of lending operations	2	67					1	10	3	13
Farm inputs/supply							4	40	4	17
Food processing							2	20	2	8
Water refilling station							1	10	1	4
Rice trading							1	10	1	4
Rice milling							1	10	1	4
Vegetable production							1	10	1	4
None yet							2	20	2	8
Total	3	100	3	100	3	100	10	*	24	108

If external fund can be accessed, are you willing to get such fund?										
Yes	4	100	3	100	6	200	9	90	22	92
No										
Don't know					1	33			1	4
Not yet decided							1	10	1	4
Total	4	100	3	100	7	233	10	100	24	100
Average estimated amount you can absorb	3	195,833,333.33	3	16,666,666.67	6	10,500,000.00	7	16,185,714.00	19	42,831,578.84
Can your present manpower handle the expanded										
Yes	3	75	2	67	6	86	7	70	18	75
No			1	33	1	14	2	20	4	17
No answer	1	25					1	10	2	8
Total	4	100	3	100	7	100	10	100	24	100
Trend in credit demand among members:										
Constant										
Increasing	4	48	3	65	6	39	8	80	21	60
Declining										
What are the most common purposes for which farmers/fisherfolks apply for loans?										
Farm inputs/supplies/equipment	4	100	3	100	7	100	8	80	22	92
Family needs/education/health	2	50			3	43	2	20	7	29
Business	1	25			2	29			3	13
Swine raising			1	33					1	4
Total	4	*	3	*	7	*	10	*	24	*

<b>Table 10b. Credit Supply and Demand, Visayas CREDIT</b>		
<b>Items</b>	<b>NR</b>	<b>%/Ave</b>
Average number of active members	7	285
Average number of active borrowers		
Farmer/Fisherfolk	7	139
Others	2	31
Assessment of the potential for expanding lending:		
Are there more unserved potential borrowers?		
Yes	5	71
No	2	29
<b>Total</b>	<b>7</b>	<b>100</b>
Average estimated number	5	311
Are there more small farmers and fisherfolks not yet accessing from formal sources?		
Yes	6	86
No	1	14
<b>Total</b>	<b>7</b>	<b>100</b>
Average estimated number	6	492
Other projects/products for which the coop plans to provide financing (specify)		
Business capital loan	1	14
Financing for vegetable production	1	14
Expansion of lending operations	2	29
Construction of new office building	1	14
Tree crop loan	1	14
Ice/chilling station	1	14
Tricycle loan	1	14
None yet	1	14
Expansion of production loan for farmers & fisherfolks	2	29
Consumer store	1	14
<b>Total</b>	<b>7</b>	<b>*</b>
If external fund can be accessed, are you willing to get such fund?		
Yes	7	100
No		
<b>Total</b>	<b>7</b>	<b>100</b>
Average estimated amount you can absorb	6	22,666,667.00
Can your present manpower handle the expanded		
Yes	5	71
No	2	29
<b>Total</b>	<b>7</b>	<b>100</b>
Trend in credit demand among members:		
Constant	1	14
Increasing	4	57
Declining	2	29
What are the most common purposes for which farmers/fisherfolks apply for loans?		
Farm inputs/supplies/equipment	7	100
Family needs/education/health	3	43
Business	3	43
<b>Total</b>	<b>7</b>	<b>*</b>

**Table 11a . Services Received from CDA, Visayas MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%	NR	%	NR	%	NR	%	NR	%
1. What services has CDA given to your coop?										
Assist coop in preparation of required papers/reports			1	33	3	43	6	60	10	42
Coop monitoring and visitation	4	100			6	86	4	40	14	58
Technical assistance thru trainings and seminars	1	25	1	33	3	43	2	20	7	29
Training on legal and policy matters about coop	1	25					2	20	3	13
Providing assistance					2	29	1	10	3	13
Evaluation of coop performance			1	33	1	14	1	10	3	13
Providing operations guidance					1	14	1	10	2	8
Conduct of membership seminars							2	20	2	8
Updates	1	25							1	4
Give subsidy (audit)					1	14			1	4
Evaluation of reports							1	10	1	4
Assist in accessing grants/donations	1	25							1	4
Assist with CDA requirements							1	10	1	4
Regulatory supervision			1	33					1	4
Mediation to settle conflicts			1	33					1	4
Technical assistance	1	25							1	4
Nothing/none							2	20	2	8
Total	4	*	3	*	7	*	10	*	24	*
2. What services should CDA provide to help in the development of your coop?										
CDA should provide training to lessen costs	2	50	1	33	5	71	4	40	12	50
Financial linkages/linkages					1	14	1	10	2	8
Closer monitoring	1	25			1	14			2	8
Facilitate sourcing of funds to augment internal fund of coop			1	33					1	4
Provide linkages with LGU & NGOs to promote cooperativism			1	33					1	4
Help find land for nursery					1	14			1	4
Help in system development					1	14			1	4
Marketing assistance					1	14			1	4
Sponsorships	1	25							1	4
Help reactivate Municipal Cooperative Development Council			1	33					1	4
Reduce documentary requirements	1	25	1	33					2	8
Provide loan to coops							1	10	1	4
Give feedback to coop to improve performance							1	10	1	4
None					2	29			2	8
No comment			1	33	1	14	4	40	6	25
Total	4	*	3	*	7	*	10	110	24	*
4. In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA's performance of its functions?										
10							2	20	2	8
9	1	25					1	10	2	8
8			1	33	2	29	1	10	4	17
7					2	29	2	20	4	17
6	1	25			1	14	1	10	3	13
5			1	33	2	29			3	13
4			1	33					1	4
3	1	25					1	10	2	8
2									0	0
1							1	10	1	4
0									0	0
No answer	1	25					1	10	2	8
Total	4	100	3	100	7	100	10	100	24	100

\* Multiple response

**Table 11b . Services Received from CDA, Visayas CREDIT**

Items	NR	%
1. What services has CDA given to your coop?		
Training/seminars as speakers	3	43
Evaluation of coop performance	2	29
Assist with CDA requirements	2	29
Technical assistance thru training and seminars	1	14
Assist coop in preparation of required papers/reports	2	29
Coop monitoring and visitation	2	29
None	1	14
Total	7	*
2. What services should CDA provide to help in the development of your coop?		
Hands on supervision and monitoring	1	14
Trainings for officers	4	57
Regulate member of coops/area	1	14
None	2	29
Total	7	*
4. In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA's performance of its functions?		
10		
9	1	14
8	1	14
7		
6		
5	1	14
4	1	14
3	1	14
2	2	29
1		
0		
No answer		
Total	7	100
* Multiple response		

Table 12 . COOP PESOS, MPC						
Item	MPC		Credit		All	
	NR	Ave. Score	NR	Ave. Score	NR	Ave. Score
P-ORTFOLIO QUALITY (25%)	2	9			2	9
E-FFICIENCY (20%)	9	5.36	3	3.33	12	4.85
S-TABILITY (30%)	10	6.41	3	10	13	7.24
O-PERATIONS (10%)	9	2.67	2	5	11	3.09
S-TRUCTURE OF ASSETS (15%)	8	3.44	3	3.67	11	3.50
TOTAL	10	21.54	3	20.33	13	21.26

**MINDANAO**

**Table 1a. Organization and Management Profile, Mindanao MPC**

Items	Large		Medium		Small		Micro		All	
	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%	NR	Ave/%
a. No. of years originally registered CDA	5	40	11	18	9	16	2	8	27	21
b. 2013/2014 CGS issued by CDA?										
Yes	5	100	11	100	9	100	2	100	27	100
No									0	0
Total	5	100	11	100	9	100	2	100	27	100
c. Ave. No. of BOD members	5	8	11	7	9	8	2	5	27	7
d. Educational attainment, BOD										
College	5	100	11	86	8	59	2	80	26	80
HS			11	14	8	41	2	20	26	20
Elementary										
Total	5	100	11	100	8	100	2	100	26	100
e. Frequency of BOD meetings										
Monthly	4	80	10	91	8	89	2	100	24	89
Thrice a month	1	20	1	9	1	11			3	11
Total	5	100	11	100	9	100	2	100	27	100
f. BOD members receive honorarium?										
Yes	5	100	11	100	8	89	2	100	26	96
No					1	11			1	4
Total	5	100	11	100	9	100	2	100	27	100
g. Officers and staff receive salaries?										
Yes	5	100	10	91	6	67	2	100	23	85
No			1	9	2	22			3	11
No answer					1	11			1	4
Total	5	100	11	100	9	100	2	100	27	100
h. Other benefits given to officers and staff:										
Personal benefits	5	100	10	91	8	89	2	17	25	93
Bonus incentives	5	100	9	82	8	89	2	17	25	93
Insurance	3	60	2	18					5	19
None			1	9	1	11			2	7
Total	5	*	11	*	9	*	12	*	27	*
i. Office equipment (relevant to lending operation)										
Desktop computer	5	100	10	91	9	100	2	100	26	96
Laptop	2	40	4	36	4	44			10	37
Copier	1	20	4	36	1	11	1	50	7	26
LCD					1	11			1	4
Printer	3	60	4	36	3	33	2	100	12	44
Risograph			1	9					1	4
Typewriter			1	9					1	4
Vehicle	1	20	1	9					2	7
Motorcycle			1	9					1	4
Vault			1	9					1	4
Calculator			1	9	3	33	1	50	5	19
None			1	9					1	4
Total	5	*	11	*	9	*	2	*	27	*

[illegible]

**Table 1c. Organization and Management Profile, Mindanao CREDIT**

Item	NR	Ave/%
a. No. of years originally registered CDA	7	3
b. 2013/2014 CGS issued by CDA?		
Yes	6	86
No		
No answer	1	14
Total	7	100
c. Ave. No. of BOD members	7	6
d. Educational attainment, BOD		
College	7	85
HS	7	15
Elementary		
No answer		
Total	7	100
e. Frequency of BOD meetings		
Monthly	6	86
Once every two months		
Twice a month		
Quarterly	1	14
Total	7	100
f. BOD members receive honorarium?		
Yes	4	57
No	3	43
Total	7	100
g. Officers and staff receive salaries?		
Yes	5	71
No	1	14
No answer	1	14
Total	7	100
h. Other benefits given to officers and staff:		
Personal benefits	5	71
Bonus/incentives	3	43
Insurance	2	29
None	2	29
Total	7	100
i. Office equipment (relevant to lending operation)		
Desktop computer	4	57
Printer	4	57
Typewriter	2	29
Calculator	2	29
None	1	14
Total	7	*

**Table 1d. Operational Profile, Luzon Credit**

Items	Large	
	NR	Ave/%
j. Membership requirements:		
Membership / application fee	5	71
Must have capital stock/share	5	71
Age should be between 18-70	4	57
Residency in community	4	57
Must attend PMES	6	86
Must have an initial savings account	1	14
Has a farm	2	29
With ID	1	14
Total	7	*
k. Number of satellite/branches:		
One	1	14
Two		
Three or more	2	29
No answer / none	4	57
Total	7	100
l. Frequency of preparing financial statements		
Monthly	3	43
Quarterly	3	43
Annual	5	71
Twice a year		
Total	7	100
m. Compliance with CDA requirements		
Yes	7	100
No		
Total	7	100
n. Compliance with BIR requirements		
Yes	7	100
No		
Total	7	100
* Multiple response		

**Table 2a. Financial Conditions, Mindanao MPC**

Items	Large		Medium		Small		Micro		All	
	NR	Average	NR	Average	NR	Average	NR	Average	NR	Average
1. Assets		322,597,101.88		41,570,834.16		6,858,653.46		2,123,442.88		60,251,243.63
Current	3	229,445,366.04	11	33,088,771.92	9	5,261,754.32	2	2,056,562.68	25	44,151,260.14
Non-current	3	93,151,735.84	9	8,482,062.24	9	1,596,899.14	2	66,880.20	23	16,099,983.49
2. Liabilities										
Short term	3	173,561,134.42	10	20,649,696.86	9	2,713,457.11	1	125,290.95	23	32,683,772.90
Long term	1	180,039,196.00	8	9,341,730.03	1	3,181,012.00	2	120,917.00	12	21,516,323.52
3. Members' equity	5	145,901,798.68	11	14,094,840.23	9	3,791,750.47	2	1,939,910.40	27	34,168,807.81
4. Gross revenues	5	71,339,408.93	11	8,357,789.10	9	5,264,576.54	2	3,577,382.59	27	18,635,876.99
5. Revenues from lending operations	4	73,269,109.16	11	4,561,873.81	6	480,757.10	1	51,199.00	22	15,736,035.92
6. Total operating expenses	5	45,773,224.48	11	6,153,188.51	9	4,875,834.21	2	3,727,214.43	27	12,884,745.66
7. Net surplus (before distribution)	5	25,566,144.45	11	2,208,286.03	9	382,075.56	2	(16,858.66)	27	5,760,253.01
9. Financial indicators										
Current Ratio*		1.32		1.60		1.94		16.41		1.35
Net Worth Ratio**		0.45		0.34		0.55		0.91		0.57

\* current asset/current liabilities

\*\* Equity/ total assets

**Table 2b. Financial Conditions, Mindanao CREDIT**

Items	NR	Average
1. Assets		225,677,231.67
Current	4	205,532,374.91
Non-current	4	20,144,856.76
2. Liabilities		
Short term	4	20,717,142.75
Long term	4	4,745,607.75
3. Members' equity	7	36,189,656.58
4. Gross revenues	6	48,119,056.89
5. Revenues from lending operations	4	24,413,796.50
6. Total operating expenses	6	21,572,386.30
7. Net surplus (before distribution)	7	11,852,794.79
9. Financial indicators		
Current Ratio*		9.92
Net Worth Ratio**		0.16

\* current asset/current liabilities

\*\* Equity/ total assets

**Table 3a. Other Business of Mindanao MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%	NR	%	NR	%	NR	%	NR	%
<b>Trading:</b>										
Agri-Inputs	1	20	2	18					3	11
Farm Products	1	20	6	55	5	56	1	50	13	48
Fishery/Fishing Paraphernalia										
Other commodities	1	20	4	36	3	33			8	30
<b>Processing:</b>										
Crop Processing										
Food			1	9	1	11			2	7
Non-food										
Meat Processing										
Fishery Products										
Others										
<b>Services:</b>										
Financial Services	2	40	4	36	5	56			11	41
Agri-Services	1	20	2	18	1	11			4	15
Other Services	3	60	8	73	4	44	1	50	16	59
<b>Total</b>	5	*	11	*	9	*	2	*	27	*

\* There are multiple responses

**Table 3b. Other Business of Mindanao CREDIT**

	NR	%
<b>Trading:</b>		
Agri-Inputs	2	29
Farm Products	2	29
Fishery/Fishing Paraphernalia		
Other commodities	2	29
<b>Processing:</b>		
Crop Processing		
Food		
Non-food		
Meat Processing		
Fishery Products		
Others		
<b>Services:</b>		
Financial Services	4	57
Agri-Services	2	29
Other Services	2	29
<b>Total</b>	7	*

\* There are multiple responses

Table 4a. Source of Fund, Mindanao MPC										
Sources of Fund	Large		Medium		Small		Micro		All	
	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt	NR	Ave Amt
<b>External Sources:</b>										
<i>Bank Loan:</i>										
LBP	1	400,000,000.00	9	8,218,222.22	1	7,600,000.00			11	43,778,545.45
Metro South Coop Bank			1	3,000,000.00					1	3,000,000.00
UCPB					1	300,000.00			1	300,000.00
<i>Government Programs:</i>										
DTI	1	2,000,000.00							1	2,000,000.00
DOLE					1	100,000.00			1	100,000.00
DA					1	50,000.00			1	50,000.00
City Government / Office of Mayor					2	125,000.00			2	125,000.00
Office of the Congresswoman					1	300,000.00			1	300,000.00
LGU					1	500,000.00			1	500,000.00
Mindanao Rural Development Program					1	250,000.00			1	250,000.00
<i>NGOs/Other Sources:</i>										
City Cooperative Development Office (CCDO)							1	100,000.00	1	100,000.00
Maitana Foundation					1	14,000,000.00			1	14,000,000.00
Legazpi Oil Company					1	300,000.00			1	300,000.00
CSDO			2	3,500,000.00					2	3,500,000.00
NATCCO			1	1,000,000.00					1	1,000,000.00
MASS SPECC			2	5,000,000.00					2	5,000,000.00
Federation of People's Sustainable Dev't Corp			1	8,000,000.00					1	8,000,000.00
<b>Internal Fund</b>	4	379,750,000.00	11	17,772,727.27	7	3,914,285.71	2	4,025,000.00	24	72,914,583.33

**Table 4b. Source of Fund, Mindanao CREDIT**

Source of Fund	NR	Ave Amt
<b>External Sources:</b>		
<i>Bank Loan:</i>		
LBP	3	20,896,666.67
UCPB	1	35,000,000.00
Consolidated Coop Bank	1	32,000,000.00
<i>NGOs/Other Sources:</i>		
MASS SPECC	2	4,000,000.00
People's Credit Finance Corporation	1	2,000,000.00
Peace & Equity Foundation	1	2,000,000.00
Foundation for Sustainable Society Inc.	1	8,000,000.00
Federation of People's Sustainable Dev't Coop	1	10,000,000.00
<b>Internal Fund</b>	5	101,024,000.00

<b>Table 5a. Lending Operation, Mindanao MPC</b>					
Items	Large	Medium	Small	Micro	All
Number Reporting	4	11	8	1	24
Ave. Amount of loan portfolio, end 2013	216,478,619.99	20,287,101.12	20,663,768.03	146,151.00	52,272,036.98
Number Reporting	4	11	8	1	24
Ave. Total amount of loan approved, 2013	450,000,000.00	29,375,127.27	21,462,246.00	280,000.00	95,629,348.67
Number Reporting	4	11	8	1	24
Ave. Total amount of loan released, 2013	450,000,000.00	29,375,127.27	21,462,246.00	280,000.00	95,629,348.67
Number Reporting	5	9	7	1	22
Ave. Total amount of loan outstanding at present	296,755,413.20	25,110,636.05	3,741,861.90	180,000.00	78,915,719.26
Number Reporting	5	10	8	1	24
Ave percent for agriculture/ fishing?	33	52	56	100	51
<b>Table 5b. Lending Operation, Mindanao CREDIT</b>					
Items	All				
Number Reporting	4				
Ave. Amount of loan portfolio, end 2013	171,827,709.55				
Number Reporting	5				
Ave. Total amount of loan approved, 2013	73,359,800.00				
Number Reporting	6				
Ave. Total amount of loan released, 2013	57,836,833.33				
Number Reporting	4				
Ave. Total amount of loan outstanding at present	204,068,000.00				
Number Reporting	5				
Ave percent for agriculture/ fishing?	69				

Table 6a. Other Financial Services, Mindanao MPC										
Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
a) Savings deposit:										
Interest rate/ yr	5	3.10	11	3.27	8	3.25	1	0.00	25	3.10
b) Time deposit										
Interest rate/ yr	5	6.40	10	5.76	4	0.00	1	0.00	20	4.48
Table 6b. Other Financial Services, Mindanao CREDIT										
Items	NR	%/Ave								
a) Savings deposit:										
Interest rate/ yr	4	3.50								
b) Time deposit										
Interest rate/ yr	3	4.58								

Table 7a. Other Information on Lending, Mindanao MPC

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
<b>Types of agricultural/fishery projects/loans financed:</b>										
<b>Crop:</b>										
Ave. maximum loan amount	5	588,000.00	11	247,545.45	7	38,000.00	1	15,000.00	24	247,666.66
Ave. maximum repayment period (mo)	5	20	11	12	7	10	1	3	24	13
Ave interest rate (%/yr)	5	17	11	26	7	36	1	60	24	28
<b>Livestock &amp; Poultry:</b>										
Ave. maximum loan amount	4	625,000.00	5	102,000.00	1	5,000.00			10	301,500.00
Ave. maximum repayment period (mo)	4	22	4	13	1	5			9	16
Ave interest rate (%/yr)	4	17	5	27	1	30			10	23
<b>Fishery:</b>										
Ave. maximum loan amount	2	150,000.00	1	30,000.00	1	75,000.00	1	20,000.00	5	85,000.00
Ave. maximum repayment period (mo)	2	9	1	5	1	24	1	3	5	10
Ave interest rate (%/yr)	2	15	1	30	1	16	1	60	5	27
<b>Others:</b>										
Ave. maximum loan amount			2	204,500.00					2	204,500.00
Ave. maximum repayment period (mo)			2	53					2	53
Ave interest rate (%/yr)			2	19					2	19
<b>Other Loan products</b>										
<b>Commercial:</b>										
Ave. maximum loan amount	2	750,000.00	6	421,666.67	2	145,000.00			10	432,000.00
Ave. maximum repayment period	2	18	6	17	2	10			10	16
Ave interest rate	2	18	6	31	2	22			10	27
<b>Productive:</b>										
Ave. maximum loan amount										
Ave. maximum repayment period (mo)										
Ave interest rate (%/yr)										
<b>Providential:</b>										
Ave. maximum loan amount	3	933,333.33	9	72,222.22	5	27,000.00			17	210,882.35
Ave. maximum repayment period (mo)	3	28	9	15	5	8			17	15
Ave interest rate (%/yr)	3	19	9	28	5	29			17	27

**Table 7b. Other Information on Lending, Mindanao Credit**

<b>Items</b>	<b>NR</b>	<b>%/Ave</b>
<b>Types of agricultural/fishery projects/loans financed:</b>		
<b>Crop:</b>		
Ave. maximum loan amount	4	114,500.00
Ave. maximum repayment period (mo)	4	11
Ave interest rate (%/yr)	4	27
<b>Livestock &amp; Poultry:</b>		
Ave. maximum loan amount	1	50,000.00
Ave. maximum repayment period (mo)	1	4
Ave interest rate (%/yr)	1	24
<b>Fishery:</b>		
Ave. maximum loan amount	1	30,000.00
Ave. maximum repayment period (mo)	1	5
Ave interest rate (%/yr)	1	24
<b>Others:</b>		
Ave. maximum loan amount	1	25,000.00
Ave. maximum repayment period (mo)	1	4
Ave interest rate (%/yr)	1	30
<b>Other Loan products</b>		
<b>Commercial:</b>		
Ave. maximum loan amount	4	142,875.00
Ave. maximum repayment period	4	12
Ave interest rate	4	34
<b>Providential:</b>		
Ave. maximum loan amount	2	400,000.00
Ave. maximum repayment period (mo)	2	30
Ave interest rate (%/yr)	2	24

Table 8a. Other Information on Lending, Mindanao MPC

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Do you conduct BI/CI?										
Yes	5	100	11	100	8	89	1	50	25	93
No										
No answer					1	11	1	50	2	7
Total	5	100	11	100	9	100	2	100	27	100
Loan evaluation criteria/securities:										
5Cs (collateral, character, capital, capacity to pay, co-maker)	5	100	10	91	8	89	1	50	24	89
Condition of borrowers/farm	4	80	3	27	1	11			8	30
No answer					1	11	1	50	2	7
Total	5	*	11	*	9	*	2	100	27	*
Loan collection system:										
Thru collectors	5	100	6	55	5	56	1	50	17	63
Thru banks	1	20	4	36	2	22			7	26
Members come to office	4	80	10	91	8	89	1	50	23	85
Others (specify):										
Daily collection							1	50	1	4
Salary deduction			2	40					2	7
Thru ATM			1	20					1	4
PDCs	2	40							2	7
Direct from sugar central	1	20							1	4
No answer					1	89	1	50	2	7
Total	5	*	11	*	9	*	2	*	27	*
Current loan collection performance:										
Delinquency rate	5	21.44	11	15.45	8	24.69			24	19.78
PAR	3	27.23	3	5.48	1	17.5			7	16.52
Management of delinquent loans:										
TDK	3	60	3	27	4	44			10	37
Legal action	5	100	8	73	6	67			19	70
Demand letters	4	80	7	64	6	67			17	63
Follow-up	1	20	2	18	1	11	1	50	5	19
Reminders	1	20	2	18			1	50	4	15
Mediation committee	1	20	4	36	3	33			8	30
Restructuring	1	20			1	11			2	7
Notices	3	60	4	36	2	22			9	33
Texting	1	20							1	4
Phone calls			1	9			1	50	2	7
Visitation			1	9					1	4
Invitation to office			1	9	1	11			2	7
Foreclosure			1	9					1	4
Barangay intervention					2	22			2	7
Penalty					1	11			1	4
No double loan if successive past due within 4 months					1	11			1	4
Monitoring							1	50	1	4
No answer							1	50	1	4
Total	5	*	11	*	9	*	2	*	27	*
Do you monitor projects/loans financed?										
Yes	5	100	11	100	8	89	1	50	25	93
No										
No answer					1	11	1	50	2	7
Total	5	100	11	100	9	100	2	100	27	100
Sanctions in case of diversion in the use of loan fund:										
None					2	22	1	50	3	11
Not applicable	1	20	5	45	2	22			8	30
Can't borrow again					1	11			1	4
No policy yet	2	40	4	36	2	22			8	30
They don't meddle					1	11			1	4
Cooperation with mediation committee			1	9					1	4
Plan of payment			1	9					1	4
Call their attention	1	20							1	4
Foreclosure of collateral	1	20							1	4
No answer			1	9	1	11	1	50	3	11
Total	5	100	11	*	9	100	2	100	27	*

<b>Table 8b. Other Information on Lending, Mindanao CREDIT</b>		
<b>Items</b>	<b>NR</b>	<b>%/Ave</b>
Do you conduct BI/CI?		
Yes	5	71
No	2	29
Total	7	100
Loan evaluation criteria/securities:		
5Cs (collateral, character, capital, capacity to pay, co-maker)	6	86
Condition of farm/borrower	2	29
No answer	1	14
Total	7	*
Loan collection system:		
Thru collectors	2	29
Thru banks	1	14
Members come to office	6	86
Bring harvest to coop	1	14
By branch	1	14
Total	7	*
Current loan collection performance:		
Delinquency rate	4	14.13
PAR	1	77.00
Management of delinquent loans:		
TDK	2	29
Legal action	3	43
Demand letters	2	29
Follow-up	1	14
Monitoring	1	14
Mediation committee	1	14
Notices	2	29
Visitation	1	14
Invitation to office	1	14
Foreclosure	1	14
Total	7	*
Do you monitor projects/loans financed?		
Yes	6	86
No	1	14
Total	7	100
Sanctions in case of diversion in the use of loan fund:		
None	3	43
Sending demand notices	1	14
Plan of payment agreement	1	14
No policy yet	3	43
Total	7	*

**Table 9a. Assessment of Lending Operation, Mindanao MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
What are your most successful lending programs/loan products?										
Crop / agricultural production loan	1	20	6	55	3	33	1	50	11	41
Consumer coop store					1	11			1	4
Lending					2	22			2	7
Business loan	1	20	2	18					3	11
Providential/regular loan	2	40	3	27	3	33			8	30
Secured loans	1	20							1	4
No answer					1	11	1	50	2	7
Total	5	100	11	100	9	*	2	100	27	*
Criteria for considering a program/product successful (e.g. delinquency rate/PAR, impact on members, etc)?										
Great help in farming activities					1	11	1	50	2	7
High repayment rate	5	100	10	91	5	56			20	74
Improvement on members' life	2	40	2	18	1	11			5	19
No past due					1	11			1	4
Higher profit					2	22			2	7
Low delinquency rate	1	20	1	9	1	11			3	11
Big volume of borrowers	1	20	3	27	1	11			5	19
Short maturity			1	9					1	4
Collateralized			1	9					1	4
Fast turn over			1	9					1	4
Issuance of PDC			1	9					1	4
ATM system of collection			1	9					1	4
Easy to collect	1	20							1	4
Monthly returns	1	20							1	4
No comment			1	9					1	4
No answer							1	50	1	4
Total	5	*	11	*	9	*	2	100	27	*
What factors contribute to their success (e.g. stringent loan evaluation, strict monitoring, etc)?										
Close/strict monitoring	2	40	8	73	4	44	1	50	15	56
Stringent loan evaluation	4	80	6	55	5	56			15	56
With collateral					1	11			1	4
Automatic collection					1	11			1	4
Members really patronize coop					1	11			1	4
Many walk-in clients					1	11			1	4
Following package of technology			1	9					1	4

Loan is secured			1	9					1	4
Fast turn over			1	9					1	4
Method of payment is thru salary deduction			1	9					1	4
BI/CI of farmers			1	9					1	4
Easy to collect	1	20							1	4
No diversion of loan	1	20							1	4
Technical support of coop	1	20							1	4
No answer					1	11	1	50	2	7
Total	5	*	11	*	9	*	2	*	27	*
What are your unsuccessful lending programs?										
None	1	20	4	36	3	33			8	30
Mango production loan	1	20					1	50	2	7
Special loan	1	20							1	4
Providential loan	1	20							1	4
Micro-finance/lending			2	18	1	11			3	11
Botika sa Barangay			1	9					1	4
Crop production loan			1	9					1	4
Palm oil production loan			1	9					1	4
Business loan			2	18					2	7
Livelihood					1	11			1	4
Collateralized loan					1	11			1	4
Agri-business					1	11			1	4
Consumer store					1	11			1	4
No answer	1	20			1	11	1	50	3	11
Total	5	100	11	100	9	100	2	100	27	100
Why do you consider them unsuccessful?										
Low repayment rate	1	25	3	27					4	17
Limited number of borrowers	2	50	1	9					3	13
Non-income generating	1	25							1	4
Low sales			1	9					1	4
Risky due to pests, poor water supply & natural calamities			2	18					2	8
Small amount of loan			1	9					1	4
Requires close monitoring			1	9					1	4
Loan diversion					1	13			1	4
Borrower's character					1	13			1	4
Change in collection schedule					1	13			1	4
High delinquency rate					1	13			1	4
Lack of supplier, small volume only					1	13			1	4

Not patronized by all					1	13			1	4
Marketing problem							1	100	1	4
No answer			2	18	2	25			4	17
Total	4	100	11	100	8	100	1	100	24	100
What factors contribute to being unsuccessful?										
Few market outlets							1	100	1	4
Just starting	1	25							1	4
Small volume	1	25							1	4
Poor credit evaluation	1	25							1	4
Poor financial management on the part of the borrower	1	25							1	4
Limited number of clients			1	9					1	4
Low price of products			2	18					2	8
Low level of technology			1	9					1	4
Tedious, requires a lot of time			1	9					1	4
A lot of competitors in micro-finance			1	9					1	4
Low repayment rate			1	9					1	4
No support program for business of borrowers			1	9					1	4
Poor criteria of evaluation					1	13			1	4
Unstable payment					1	13			1	4
They don't pay because they have collateral					1	13			1	4
Can't compete with other traders regarding buying price of agri-production					1	13			1	4
Less profit					1	13			1	4
No answer			3	27	3	38			6	25
Total	4	100	11	100	8	100	1	100	24	100
Plans to improve lending performance										
Yes	5	100	10	91	8	89	1	50	24	89
No			1	9					1	4
No answer					1	11	1	50	2	7
Total	5	100	11	100	9	100	2	100	27	100

<b>Table 9b. Assessment of Lending Operation, Mindanao CREDIT</b>		
<b>Items</b>	<b>NR</b>	<b>%/Ave</b>
What are your most successful lending programs/loan products?		
Crop/agricultural production loan	4	57
P.O. financing	1	14
Farm input loan	1	14
Post-harvest facilities	1	14
No answer	1	14
Total	7	*
Criteria for considering a program/product successful (e.g. delinquency rate/PAR, impact on members, etc)?		
High repayment rate	4	57
Improvement on members' life	1	14
Low delinquency rate	1	14
No answer	1	14
Total	7	100
What factors contribute to their success (e.g. stringent loan evaluation, strict monitoring, etc)?		
Close/strict monitoring	3	43
Volume of borrowers	1	14
Every member is known to the coop	1	14
Close & strong relationship among members	1	14
Passion to help farmers	1	14
Educational background of borrower	1	14
No answer	1	14
Total	7	*
What are your unsuccessful lending programs?		
Micro-finance / lending	2	29
Business loan	1	14
None	3	43
No answer	1	14
Total	7	100
Why do you consider them unsuccessful?		
Loan diversion	1	33
Small volume	1	33
Just starting	1	33
Too many loan providers in the area	1	33
Total	3	*
What factors contribute to being unsuccessful?		
Just starting	1	33
No comment	1	33
No answer	1	33
Total	3	100
Plans to improve lending performance		
Yes	3	43
No	1	14
No comment	1	14
No answer	2	29
Total	7	100

**Table 10a. Credit Supply and Demand, Mindanao MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave	NR	%/Ave
Average number of active members	5	14,520	11	1,684	9	394	2	258	27	3,525
Average number of active borrowers										
Farmer/Fisherfolk	5	2,400	10	519	9	270	2	86	26	761
Others	4	15,150	9	763	8	140	2	172	23	2,997
Assessment of the potential for expanding lending:										
Are there more unserved potential borrowers?										
Yes	5	100	10	91	7	78	1	50	23	85
No			1	9	2	22		0	3	11
No answer							1	50	1	4
Total	5	100	11	100	9	100	2	50	27	100
Average estimated number	5	5480	9	319	7	315	1	35	7	4,532
Are there more small farmers and fisherfolks not yet accessing from formal sources?										
Yes	5	100	10	91	6	67	1	50	22	81
No			1	9	2	22			3	11
No idea					1	11			1	4
No answer							1	50	1	4
Total	5	100	11	100	9	100	2	100	27	100
Average estimated number	3	11667	7	18913	3	2000600			13	474,553
Other projects/products for which the coop plans to provide financing (specify)										
Cacao production	1	20	2	18			1	50	4	15
Expand lending operations					2	22	1	50	3	11
Banana production			1	9	2	22			3	11
Crop production					1	11	1	50	2	7
Expansion of existing projects			1	9	1	11			2	7
Micro-financing			1	9	1	11			2	7
Livelihood program			1	9	1	11			2	7
Livestock raising			1	9	1	11			2	7
Trading of farm products			1	9					1	4
Flour making							1	50	1	4
Oil processing mill					1	11			1	4
Farm inputs and supply					1	11			1	4
Additional fund for merchandizing					1	11			1	4
Rolling store					1	11			1	4
Small enterprise					1	11			1	4
Post-harvest facilities					1	11			1	4
Integrated farming			1	9					1	4
Additional marketing capital			1	9					1	4
Trucking services			1	9					1	4
Farm machineries			1	9					1	4
Food processing			1	9					1	4
Garments			1	9					1	4
Special health loan			1	9					1	4

Purchase of agricultural lot			1	9				1	4
Coconut production			1	9				1	4
Rice production			1	9				1	4
Rubber tree			1	9				1	4
Poultry production			1	9				1	4
Cassava production			1	9				1	4
Vegetable production			1	9				1	4
Coffee financing	1	20						1	4
Memorial plan	1	20						1	4
Financing for farmers	1	20						1	4
Real estate	1	20						1	4
Maintain present loans	1	20						1	4
None					1	11		1	4
No answer	1	20						1	4
Total	5	*	11	*	9	*	2	*	27
If external fund can be accessed, are you willing to get such fund?									
Yes	4	80	10	91	9	100	2	100	25
No	1	20	1	9				2	7
Total	5	100	11	100	9	100	2	100	27
Average estimated amount you can absorb	4	18,750,000.00	10	10,700,000.00	9	9,222,222.22	2	3,500,000.00	25
Can your present manpower handle the expanded lending operation?									
Yes	4	80	10	91	9	100	2	100	25
No									
No answer	1	20	1	9				2	7
Total	5	100	11	100	9	100	2	100	27
Trend in credit demand among members (%):									
Constant					2	10.00		2	10
Increasing	4	20.25	10	21.25	7	21.25	1	7.5	64
Declining									
What are the most common purposes for which farmers/fisherfolks apply for loans?									
Farm inputs/supplies/equipment	5	100	11	100	9	100	1	50	26
Family needs/education/health	2	40			2	22		4	15
Business	2	40			2	22		4	15
Labor in land preparation	1	20						1	4
Farm expansion			1	9				1	4
No answer							1	50	4
Total	5	*	11	*	9	*	2	*	27

<b>Table 10b. Credit Supply and Demand, Mindanao CREDIT</b>		
<b>Items</b>	<b>NR</b>	<b>%/Ave</b>
Average number of active members	7	3956
Average number of active borrowers		
Farmer/Fisherfolk	7	741
Others	3	7501
Assessment of the potential for expanding lending:		
Are there more unserved potential borrowers?		
Yes	5	71
No	2	29
<b>Total</b>	<b>7</b>	<b>100</b>
Average estimated number	4	3190
Are there more small farmers and fisherfolks not yet accessing from formal sources?		
Yes	6	86
No	1	14
No answer		
<b>Total</b>	<b>7</b>	<b>100</b>
Average estimated number	2	1,150
Other projects/products for which the coop plans to provide financing (specify)		
Post-harvest facilities	2	29
Cacao production	1	14
Banana production	1	14
Farm machineries services	1	14
Coconut production	1	14
Copra processing	1	14
Lending to farmers	1	14
Buy and sell of palay and corn	1	14
Cash loan for farm production	1	14
Truck drier	1	14
Buy and sell	1	14
Fishery	1	14
Fish cages loan	1	14
Farm equipment	1	14
Irrigation facilities	1	14
<b>Total</b>	<b>7</b>	<b>100</b>
If external fund can be accessed, are you willing to get such fund?		
Yes	7	100
No		
<b>Total</b>	<b>7</b>	<b>100</b>
Average estimated amount you can absorb	6	20,333,333.33
Can your present manpower handle the expanded lending operation?		
Yes	6	86
No	1	14
<b>Total</b>	<b>7</b>	<b>100</b>
Trend in credit demand among members (%):		
Constant		
Increasing	7	40
Declining		
What are the most common purposes for which farmers/fisherfolks apply for loans?		
Farm inputs/supplies/equipment	5	71
Family needs/education/health	1	14
Labor in land preparation	2	29
No answer	1	14
<b>Total</b>	<b>7</b>	<b>*</b>

**Table 11a . Services Received from CDA, Mindanao MPC**

Items	Large		Medium		Small		Micro		All	
	NR	%	NR	%	NR	%	NR	%	NR	%
1. What services has CDA given to your coop?										
Training	1	20	6	55	6	67	2	100	15	56
Monitoring and inspection	4	80	4	36	4	44	1	50	13	48
Technical assistance			4	36	4	44	1	50	9	33
Inspection and monitoring of required reports	1	20	3	27	2	22			6	22
Consultation	1	20	2	18	1	11			4	15
Advices			2	18	1	11	1	50	4	15
Assist in preparation of documents and reports					3	33	1	50	4	15
Assessment and evaluation	1	20			1	11			2	7
Inspection and monitoring of CDA requirements			2	18					2	7
Registration/references	1	20							1	4
Guidelines on coop peso	1	20							1	4
Evaluation of submitted reports	1	20							1	4
Helping patch up some problems of CDA	1	20							1	4
Accreditation			1	9					1	4
Update of changes			1	9					1	4
Supervision and regulation					1	11			1	4
Help in improving coop					1	11			1	4
Total	5	*	11	*	9	*	2	*	27	*
2. What services should CDA provide to help in the development of your coop?										
Free training	1	20	4	36	3	33			8	30
Close monitoring	1	20	1	9	1	11			3	11
Satisfied with present situation	1	20	1	9					2	7
Help coop in BIR issues	1	20	1	9					2	7
Free auditing			1	9	1	11			2	7
Strengthening and implementing of RA 9520			2	18					2	7
Additional trainings					1	11	1	50	2	7
Technical assistance	1	20							1	4
Additional CDA personnel to cover all coops	1	20							1	4
CDA should do mandated functions	1	20							1	4
Government officials must be members of the coop			1	9					1	4
Seminars on coop devt			1	9					1	4
Provide advises and recommendations			1	9					1	4
CDA should assist coop in their application of loan					1	11			1	4
CDA should look into the idea of one member one coop					1	11			1	4
Assist in fund sourcing					1	11			1	4
Provide more info and guidance					1	11			1	4
Provide financial linkages					1	11			1	4
Lessen costs of training					1	11			1	4
Help solve their problems					1	11			1	4
No comment	1	20					1	50	2	7
No idea			1	9					1	4
No answer					1	11			1	4
Total	5	*	11	*	9	*	2	100	27	*
4. In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA's performance of its functions?										
10					2	22			2	7
9	1	20	2	18	2	22	1	50	6	22
8			5	45	2	22	1	50	8	30
7	1	20	2	18	1	11			4	15
6					1	11			1	4
5	1	20	2	18	1	11			4	15
4										
3										
2										
1										
0										
No answer	2	40							2	7
Total	5	100	11	100	9	100	2	100	27	100

\* Multiple response

<b>Table 11b . Services Received from CDA, Mindanao CREDIT</b>		
<b>Items</b>	<b>NR</b>	<b>%</b>
1. What services has CDA given to your coop?		
Training	4	57
Monitoring inspection	2	29
Technical assistance	2	29
Assessment and evaluation	2	29
Assist in preparation of documents and reports	1	14
Inspection and monitoring of required reports	1	14
Consultation	1	14
Linkages with other government agencies	1	14
Total	7	*
2. What services should CDA provide to help in the development of your coop?		
Free training	2	29
Financing from CDA to coop	1	14
No comment	1	14
Additional trainings	1	14
Financial linkages	1	14
Lessen report requirements	1	14
Eliminate penalties for late report submission	1	14
Help in establishing linkages locally and internationally	1	14
Promote cooperativism	1	14
Help officers understand ASEAN integration	1	14
Total	7	*
4. In a scale of 1 to 10 (10 = excellent; 1 = poor) how will you rate CDA's performance of its functions?		
10		
9		
8	3	43
7	3	43
6		
5	1	14
4		
3		
2		
1		
0		
Total	7	100
* Multiple response		

Table 12 . COOP PESOS, Mindanao						
Item	MPC		Credit		All	
	NR	Ave. Score	NR	Ave. Score	NR	Ave. Score
P-ORTFOLIO QUALITY (25%)	7	8.32	1	22.00	8	10.03
E-FFICIENCY (20%)	7	12.09	1	18.50	8	12.89
S-TABILITY (30%)	7	15.79	1	18.00	8	16.07
O-PERATIONS (10%)	7	4.72	1	5.00	8	4.76
S-TRUCTURE OF ASSETS (15%)	7	6.74	1	5.00	8	6.52
<b>TOTAL</b>	7	47.65	1	68.50	8	50.26

