

QUARTERLY PHYSICAL REPORT OF OPERATION

As of March 31, 2021

Agency : Department of Agriculture
 Organization Code (UACS): <not applicable>

Particulars	UACS CODE	Physical Target					Physical Accomplishment					Variance	Remarks
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
AGRICULTURAL CREDIT PROGRAM	310100000000000												
OO : Access of Small Farmers and Fisherfolk to formal credit under the AMCFP													
Outcome Indicators													
1. Percentage increase of borrowers obtaining loans from formal sources:													
a. small farmer (3 ha and below)													
b. small fisherfolk (3 tons and below)													
2. Repayment rate (loans collected/loans matured)						85%-95%							Repayment rate is reported by the end of the year. Further, in consideration of the impacts of COVID-19 to the livelihood and incomes of the SFF borrowers, affecting their ability to pay their loans, the ACPC implemented a loan moratorium until 31 December 2021.
Output Indicators													
1. Amount of loans granted to credit retailers/lenders and to end-borrowers:													
a. Credit retailers/lenders		700.00	850.00	700.00	465.00	2715.00	704.686					101%	Additional obligated amount for loans outlay was charged to available fund from other expense items, thus, the 1% excess of actual credit fund transferred to credit retailers/lenders over the target. Variance is Q1 accomplishments vs Q1 target.
b. End-borrowers		400.00	860.00	650.00	600.00	2510.00	48.13					12%	Bulk of the amount of loans released by credit retailers/partner lending conduits (PLCs) to end-borrowers was sourced from the Bayanihan II fund, which was transferred by ACPC to credit retailers/partner lending conduits towards the end of the 4th quarter of 2020. The ACPC only received its Bayanihan 2 appropriation in November 2020. Indicated accomplishment data pertains only to releases under GAA 2021. Reports of loan disbursements by PLCs to end-borrowers are yet to be completed. Variance is Q1 accomplishments vs Q1 target.

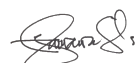
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1	2	3	4	5	6	7	8	9	10	11	12	13	14
2. Number of credit program orientations and credit matching seminars and workshops conducted		6	8	10	8	32	6					100%	Orientations were conducted online and on-ground. Variance is Q1 accomplishment vs Q1 target.
3. Number of farmers and fisherfolk organizations provided with institutional capacity building assistance		35	35	35	35	140	8					23%	Travel and mass gathering restrictions due to community quarantine prevented the conduct of on-ground and/or organized group training and other capacity building activities as programmed. Thus, trainings were focused on the conduct of online business planning workshop for individuals, particularly MSEs who are applying for loans to enable them to comply with the required business plan. Variance is Q1 accomplishment vs. Q1 target.

This report was generated using the Unified Reporting System on 25/04/2021 09:26 ; Status : PENDING

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15 April 2021

MEMORANDUM

FOR : **MS. AGNES CATHERINE T. MIRANDA**
Assistant Secretary-Designate for Planning & Project Development
Director, Planning & Monitoring Service

FROM : **THE EXECUTIVE DIRECTOR**
Agricultural Credit Policy Council

SUBJECT : **ACPC ACCOMPLISHMENTS FOR THE PERIOD JANUARY TO MARCH 2021**

Relative to the request for inputs to the Department's FY 2021 narrative accomplishment report, we are pleased to report the following major accomplishments of the Agricultural Credit Policy Council (ACPC) for the period January to March 2021 on the provision of credit support services aimed at increasing the access of small farmers and fisherfolk to accessible, affordable, and adequate credit.

I. Support to the Department's ONE DA Approach: Credit Support

A. Easy access of small farmers and fishers to affordable, convenient & sustainable financing

In the first quarter of 2021, the ACPC has continued its efforts to support and reach out to more small farmers and fishers (SFFs) and micro and small enterprises (MSEs) recovering from the damaging effects of the pandemic and other fortuitous events through accessible and affordable credit. Under the Agro-Industry Modernization Credit and Financing Program (AMCFP), the ACPC has been implementing the following loaning facilities:

- 1. Expanded SURE Aid and Recovery Project (SURE COVID-19)** is a component of the Department's Ahon Lahat, Pagkain Sapat (ALPAS) Kontra COVID-19 or Plant, Plant, Plant Program. SFF may borrow up to P25,000, payable up to 10 years at zero-percent (0%) interest rate for their emergency and production capital requirements, while MSEs who may be under sole proprietorship, partnership, corporation, or cooperative/association may avail of up to P10 million loan at zero-percent (0%) interest rate, payable within five (5) years as working capital for food production, delivery, marketing, and other supply chain activities.
- 2. AgriNegosyo (ANYO) Loan Program** offers zero-percent (0%) interest loans of up to P300 thousand for micro agri-negosyo and up to P15.0 million for small agri-negosyo of SFFs and agri-fishery-based micro and small enterprises (MSEs), which are payable up to five (5) years based on the project cash flow.
- 3. Kapital Access for Young Agripreneurs (KAYA)** aims to engage the youth in agriculture by providing capital requirements of their start-up or existing agri-

A food-secure Philippines
with prosperous farmers and fisherfolk



fishery-based projects. Young agripreneurs or yaggies may avail of up to P500,000 loan at zero-percent (0%) interest rate which is payable up to five (5) years based on the project cash flow.

4. Survival and Recovery (SURE) Loan Assistance Program is a quick-response, post disaster survival and recovery loan assistance aimed at supporting the immediate rehabilitation of agricultural and livelihood activities of small farmers and fisherfolk affected by calamities/adversities. This program has branched out into the following sub-programs:

a. **Regular SURE** provides up to P25,000 loan per borrower at 0% interest and payable up to 3 years for the rehabilitation of the farming, fishing, livelihoods activities of SFF affected by calamities such as typhoons.

b. **SURE Hogs** provides loans to backyard hog raisers whose stocks were affected by the African Swine Fever (ASF). Eligible hog raisers may avail credit support of P3,000 per culled hog or maximum of P30,000 at zero-percent (0%) interest rate and payable up to three (3) years.

5. Production Loan Easy Access (PLEA) provides easy and affordable loan to SFFs for their agri-fishery production. Eligible SFF-borrowers can avail loans of up to P50,000 for the production of short-term crops/commodities and up to P150,000 for high value crops/long gestating crops. Having the bulk of the credit funds from the ACPC's FY 2017 to FY 2019 credit fund appropriation and a very good repayment performance, this program was continued to be implemented using program collections as revolving credit fund (reflows). PLEA program is set for evaluation within the year.

6. Expanded Rice Credit Assistance is a credit program under the Rice Competitiveness Enhancement Fund (ERCA-RCEF), which aims to increase the productivity of rice farmers and their cooperatives and associations by providing financial assistance for the increase in rice production, acquisition and establishment of agricultural production and processing facilities, and farm improvement. This program is being administered by the Landbank of the Philippines (LBP). ACPC only monitors the utilization of the program's first P1.0 billion fund allocation coursed through the agency.

For the reporting period, the ACPC has granted a total of P905.66 million to 16,686 SFFs and 43 MSEs/FFOs. The breakdown of releases and number of borrowers served by the programs are shown in Table 1.

Table 1. Summary of accomplishments of the other ACPC lending facilities

Program	Amount of Loans Granted (in PMillion)			Number of Borrowers		Repayment Rate
	SFF	MSEs/ FFOs	Total	SFFs	MSEs/ FFOs	
SURE COVID-19	146.68	48.09	194.77	5,875	12	no matured loans
ANYO	219.81	74.75	294.56	2,411	30	no matured loans
KAYA	6.12	0.42	6.54	23	1	no matured loans
SURE						

Program	Amount of Loans Granted (in PMillion)			Number of Borrowers		Repayment Rate
	SFF	MSEs/ FFOs	Total	SFFs	MSEs/ FFOs	
- Regular SURE	81.18		81.18	3,865		100%
- SURE Hogs	0.54		0.54	30		no matured loans
PLEA	140.49		140.49	4,219		98%
ERCA-RCEF	187.59		187.59	263		no data yet
TOTAL	782.40	123.26	905.66	16,686	43	

To ensure the smooth delivery of credit services amidst the limitations brought by the COVID-19 pandemic, the following measures are being undertaken:

1. Continuous coordination with local government units (LGUs) and partner lending conduits (PLCs) for immediate submission and endorsement of validated list of borrowers as well as discussion of issues/concerns and how to address these;
2. Provision of assistance to LGUs, PLCs, and borrowers on accomplishing forms and encoding/crosschecking of validated list;
3. Facilitate online application and submission of electronic copies of loan documentary requirements through the online sign-up for ACPC credit programs;
4. Enhancement of the ACE Portal for ease in the reporting of loan disbursements of PLCs to borrowers; and
5. Conduct webinars and online meetings for program orientations and workshops on business plan preparation for loan applicants.

Simultaneously, the PLCs are doing the following:

1. Coordinating with the Municipal Agriculture Office (MAO) and ACPC focal person for the list of SFFs and MSEs and faster validation of accounts;
2. Setting a common venue for the releasing of loans that is near the borrowers;
3. Matching loan releases with the borrowers' needs/timing the fund availment and loan releases with the planting season;
4. Intensive information dissemination/marketing of the credit programs through letters, media, and tarpaulins;
5. Conduct of program orientation and pre-application; and
6. Assisting and following-up with applicants the completion of the requirements.

B. Fund Resource Management and Loans Collection

The ACPC has been constantly in coordination with the PLCs for the verification, monitoring and validation of collections from borrowers. Remittances from ACPC PLCs, amounting to P51.44 million was recorded, reflecting a collection performance of 372% compared to its P13.83 million target for the period January to March 2021.

II. Support to Credit Delivery

A. Provision of Capacity Building Assistance and Program Orientations

The ACPC conducts training on organizational development and financial management to improve the competence of selected FFOs in accessing, managing, and providing credit to their SFF-members and to educate SFFs and MSEs on credit worthiness, loan acquisition,

management and repayment. Program orientations are also conducted to disseminate credit programs and how these can be accessed.

A total of 98 virtual workshops on business planning, credit, financial and risk management, and delinquency control were completed. These training/workshops benefitted 471 individual-participants and 6 MSEs/FFOs.

Further, 7 online program orientations on KAYA, ANYO and SURE COVID-19 were conducted for 200 individuals and 5 MSEs/FFOs engaged or interested in agri-fishery based enterprises/livelihood.

The ACPC has also launched its AgriCREDITalk webinar series featuring talks on the ACPC credit programs and financial literacy. For the first quarter, four (4) episodes were conducted which were participated by 2,490 SFFs and agri-enthusiasts.

B. Conduct of Action Research

The ACPC continues to implement the action research entitled “Agricultural Value Chain Financing Support and Capacity Building thru Entrepreneurship and Organizational Development” or Project ASCEnD. This research study intends to develop the capacity of non-bank rural financial institutions (such as cooperatives/farmer organizations and agri finance corporations) to provide financing to farmers for their activities along the commodity supply chain. Farmers are also encouraged to engage in post-production activities that would add value to their crop and increase their income. The study will document value chain financing approaches that could be replicated and promoted for adoption by financing institutions and use study results/findings as basis in designing credit programs and financing policy recommendations.

The project is being implemented in Mindanao for cacao and abaca and Camarines Sur for rice. As follows are the status of its implementation:

1. Project ASCEnD for Cacao and Abaca (farm clustering)
 - Beneficiaries: 7 farmer organizations and its 82 farmer-members
 - Amount of financial assistance: P45.6 million
 - 82 hectares planted with cacao and abaca as main crops and banana and other vegetables as intercrops
 - Capacity building – technical assistance on cacao and abaca growing and maintenance is provided by technicians of the partner institutional buyer
 - Farmer-beneficiaries have a marketing agreement with a partner institutional buyer

2. Project ASCEnD for Rice (block farming)
 - Beneficiaries: 254 farmer-members sold 2.15 million kg of palay; 57 small rice farmers from three (3) organizations and 159 small rice farmers from eight (8) organizations enrolled in the project’s Rice Block Farming Program for the wet cropping season and dry cropping season respectively
 - Amount of financial assistance: P44.8 million
 - Capacity building – technical assistance on rice growing and maintenance is provided by SKKFC in coordination with the Department of Agriculture Regional Field Office V Rice Program

- Farmer-beneficiaries are selling their palay harvest to the corporation owned by their organizations which has a processing center granted by the DA

C. Compliance to Agri-Agra Reform Credit Act of 2009 or RA10000

In support of the implementation of RA 10000, the ACPC accredits non-bank rural financial institution (NBRFI) whom banks can invest its agri-agra loan funds as alternative compliance to the mandated 25% allocation of bank's loanable funds for the agriculture and agrarian sectors. The revised implementing rules and regulations (IRR) of the law removed the accreditation requirement for debt securities to be considered as agri-agra eligible.

Prior to the amendment of the law's IRR, the ACPC issued 65 certificates of eligibility for Agrarian Reform 10-year bonds with an aggregate face value of P83.51 million to 8 bank subscribers.

III. Testimonies

Amidst the pandemic, the ACPC continues to provide credit support to SFFs and MSEs. Some SFFs Pampanga, Bulacan, and Negros Oriental have shared, in their own words, how they benefitted from the loan assistance they received from ACPC.

1. Jaime Belches from Lubao, Pampanga – “Para sa mga kabataang nais magsimula sa karera sa agribusiness, sikaping abutin ang mga pangarap para sa mas maunlad na sector ng agrikultura. Ito ay maaari ninyong magawa sa tulong ng DA-ACPC. Katulad ko na nagsimula sa aking hydroponics project sa pamamagitan ng loan mula sa DA-ACPC KAYA Program. Ang inyong intensyong magsimula ay unang hakbang sa katuparan ng inyong pangarap. Dito sa KAYA, kayang kaya mo na!”
2. Lilibeth Sanchez from San Ildefonso, Bulacan – “Dati, nangungutang kami sa private lenders. Inaabot ng 5% ang interes bawat buwan. Wala kaming choice dahil walang pang-puhunan. Kaya nagpapasalamat kami sa DA-ACPC dahil pinagkatiwalaan kami. Napakalaking bagay upang magtagumpay kami sa pagne-negosyo kahit sa pandemic.”
3. Felix Lopez from Santa Catalina, Negros Oriental – “Malaking pasasalamat ko po sa DA na pinapanguluhan ni Secretary William Dar at gayon din sa ACPC na nakipagpartner sa Rural Bank of Santa Catalina para mapautang ang kagaya kong magsasaka na nangangailangan ng karagdagang kapital. Isang malaking bagay ang makautang na hindi ganun kabigat ang pagbayad, dahil walang tubo, zero percent interest at hindi ako nahirapan sa proseso. Sana ay marami pang maka-avail sa programang ito lalo na sa mga magsasakang kagaya ko.”

The photos of the said SFFs are in the attached files.

For your information and reference. Thank you.



JOCELYN ALMA R. BADIOLA