



# Philippine Agri Finance news

Agricultural Credit Policy Council News Magazine  
First Semester 2018



**PLEA & SURE: A year after**





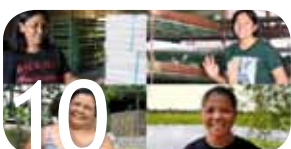
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## About the Cover

A year after its launching in June 2017, the Production Loan Easy Access (PLEA) credit facility of the Agricultural Credit Policy Council (ACPC) was able to release a total of P1.33 billion loan funds benefiting an estimated 32,024 small farmer and fisher borrowers. PLEA boasts of a 98 percent repayment rate from marginal and small farmers and fisher borrowers in 16 regions covering forty-one (41) provinces.

On the other hand, under the Survival and Recovery (SURE) Loan Assistance, a total of P91.93 million in loans was released to 8,379 farmers and fisherfolk since it started in February 2017 until July 2018.

This issue of the Philippine Agri Finance News documents farmers and fishers who were able to avail themselves of loans through the PLEA and SURE and how these credit facilities helped in increasing their productivity and improving their livelihood.



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*The Agricultural Credit Policy Council (ACPC) has released some P1.5 million to the Community Rural Bank of Catmon (Cebu), Inc. (CRBCCI) for the benefit of 85 farmers and fisherfolk from Carmen, Cebu affected by Tropical Depression Crising. ACPC Deputy Executive Director Ramon C. Yedra (3rd from left) turns over the initial fund to CRBCCI President Armida B. Jurado-Caguitle (2nd from left). Also present are (from left to right): Mr. George Molina, Compliance Officer of CRBCCI, John Rick Delgado of DA AMAD 7, Ma. Korrairie Tobias of ACPC and Eden J. Salazar of DA AMAD 7.*

## ACPC releases P91.93 M calamity loans as of July 2018

By **Rumina A. Gil**

**T**he Agricultural Credit Policy Council (ACPC) has released a total of P91.93 million in loans to 8,379 farmers and fisherfolk through 17 lending conduits under the Survival and Recovery (SURE) Loan Assistance since it started in February 2017 until July 2018.

The SURE Loan Assistance is a post-disaster facility which provides loan assistance to calamity-affected small farmers and fisherfolk and their households through partner-financial institutions or lending conduits. Conceptualized by Department of Agriculture (DA) Secretary Emmanuel F. Piñol, the SURE Loan Assistance caters to small farmers and fishers (SFF) whose livelihoods have been affected by calamities. Areas covered by the program are those declared “Under State of Calamity” with

considerable damage to agriculture as determined by the Department of Agriculture (DA) or local government units (LGUs).



*Provincial and Municipal Agriculturists from Biliran and representatives of DA-RFO 8 conduct a consultation meeting with ACPC for the implementation of SURE Loan Assistance in the area. In photo are ACPC Program Management Officer (PMO) for Leyte Ms Joanna Fernandez (seated, 2nd from left), Regional Agri-Credit Desk Officer for Region 8 Ms Evelyn Mionda, Provincial Agriculturist of Biliran Mr. Jaime Casas, ACPC Chief of Program Development and Management Office Mr. Noel Clarence M. Ducusin (3rd, 4th and 5th from left) and ACPC PMO for Leyte Ms Giemar B. Llano (leftmost, standing).*





DA Secretary Emmanuel F. Piñol (3rd from left) turns over P6 million to the Paglaum Multi-Purpose Cooperative to finance the emergency loan of 1200 farmers who were affected by Typhoon Vinta in Zamboanga del Norte. Another P6 million was also turned over to the coop for farmers and fishers affected by Typhoon Vinta in Zamboanga del Sur. Also in picture are (from left to right) Municipal Planning and Development Coordinator Engr. Ricardo L. Genturalez, ACPC PDO IV Joel Q. Matira, Sibuco OIC Mayor Laurel Mahamod, Paglaum MPC Operations Manager Mr. Arnold Parcutillo and ACPC PDO IV Ding Pereyra.

The SURE Loan Assistance financial package includes: 1) Recovery or rehabilitation loan of P25,000 interest-free loan to finance the requirements to rehabilitate the farming/fishing/livelihood activities of the affected small farm/fishing households; and 2) Loan Moratorium of affected SFF borrowers with outstanding loans from partner institutions / conduits under any of the DA-ACPC financing programs. The borrower may avail of a one (1) year moratorium on payment of his/her outstanding loan obligation. The amount due during the moratorium shall be added to the back-end of loan.

In 2017, P66.96 million have been released to 4,129 calamity affected farmers and fisherfolk through 13 lending conduits serving the areas which have been declared under a state of calamity by the concerned local government units. This include the following areas: Camarines Sur and Catanduanes,

affected by Typhoon Nina in January 2017; Agusan del Sur and Norte, affected by Tropical Depression Auring in January 2017; Carmen and Danao, Cebu, affected by Tropical Depression Crising; Marawi City due to the Marawi Crisis in May 2017; San Luis, Pampanga and San Isidro and Jaen, Nueva Ecija which were hit by Avian Influenza in August 2017.

From January to July 2018, P24.97 million have been released to 4,250 small farmers and fisherfolk beneficiaries through seven lending conduits. The areas covered are: Agusan del Sur and Norte, affected by Tropical Depression Auring; Carmen and Danao, Cebu, affected by Tropical Depression Crising; Biliran, which was hit by Tropical Storm Urduja; Lanao del Norte, Zamboanga del Norte, Zamboanga del Sur and Kabacan, Cotabato, which were all hit by Typhoon Vinta; and Albay due to the Mayon Volcano eruption.



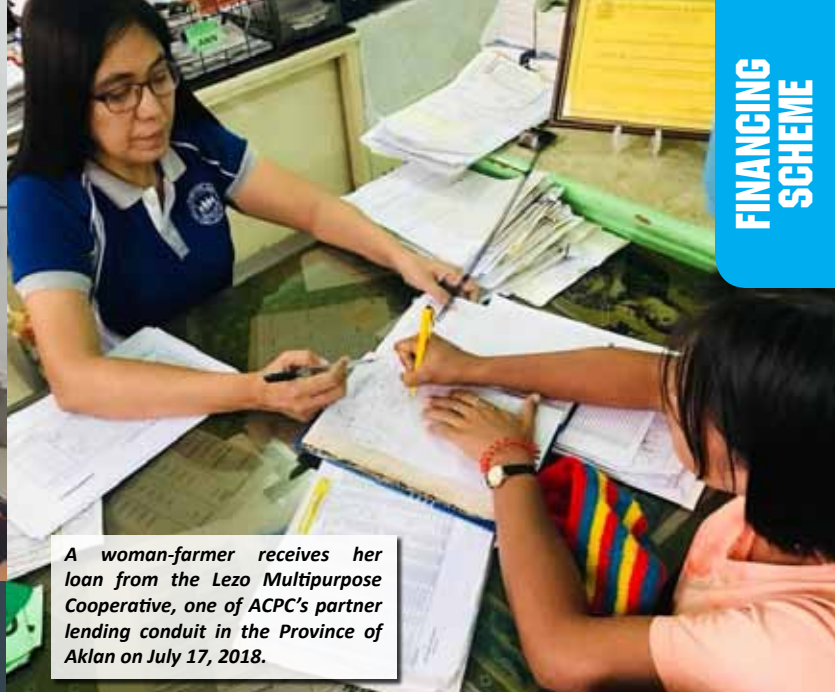
SURE Loan Assistance beneficiary in Albay, Mr. Nelson Balinquit (3rd from left), receives his loan from Banco Santiago de Libon Sto. Domingo Branch on July 6, 2018. In photo (from left to right) are, Ms. Kira Vasquez, Credit Evaluation Department; Ms. Jessa Ramirez, Branch Operating Officer and Ms. Beth Rebanal, Credit Management Department.



Small farmers from Barangay Bagumbayan, Oas, Albay received their loans under SURE Loan Assistance through the Banco Santiago de Libon Oas Branch in July 9, 2018. A total of P6.7 million was released to the bank to cover 277 small farmers affected by the eruption of Mayon Volcano.



ACPC Program Management Officer for the Province of Albay Mr. Michael Jordan Roquid with Bangko Santiago De Libon, Inc. – Albay Branch Manager Ms. Liz Dycoco (standing 2nd and 3rd from left, respectively) facilitates the PLEA loan release for the first batch of eligible small farmers and fisherfolk borrowers in Albay on July 13, 2018.



A woman-farmer receives her loan from the Lezo Multipurpose Cooperative, one of ACPC's partner lending conduit in the Province of Aklan on July 17, 2018.

## DA-ACPC's Production Loan Easy Access (PLEA) registers a high 98% repayment rate

By **Emmalyn J. Guinto** and **Mary Veronica P. Santos**

**A** year after its launch in June 2017, the Production Loan Easy Access (PLEA) credit facility boasts of a 98 percent repayment rate from marginal and small farmers and fisher borrowers in 16 regions covering forty-one (41) provinces.

Based on the data gathered by the Agricultural Credit Policy Council's (ACPC) Monitoring and Evaluation Staff, as of July 2018, ACPC was able to release a total of P1.33 billion loan funds to its 142 partner lending conduits. Of this amount, some P1.06 billion loans was released to about 32,024 small farmer and fisher-borrowers.

The PLEA is a credit facility designed to address the financial needs of small farmers and fisherfolk by providing them with easy-to-access loans. It offers non-collateralized loans for agri-fishery production through cooperatives, non-government organizations

(NGOs)/associations, rural banks and cooperative banks as lending conduits in extending loans to small farmers and fishers.

The program was launched in the town of Malimono, Surigao del Norte on June 23, 2017. Malimono is considered as one of the country's poorest fishing and agriculture area with a poverty incidence rate per family of 90 percent. Thus far, about 353 Malimono small farmers and fishers were able to borrow from the Malimono Multi-Purpose Cooperative, ACPC's partner lending conduit in the area. Based on ACPC's Monitoring Report, the repayment rate of farmer and fisher-borrowers in Malimono is a record high of 100 percent. In addition, of the 41 provinces where PLEA is currently being implemented, 36 provinces registered a 100 percent repayment rate.



Under the PLEA, eligible borrowers are marginal and small farmers and fisherfolk registered under the Registry System for Basic Sectors in Agriculture (RSBSA). Eligible farmer/fisherfolk borrowers can avail themselves of up to P50,000 for short term crops/commodities and up to P150,000 for high value crops/long gestating crops. Only one member of the household can avail of a loan at a time. Household member can be either the head, spouse or adult working member. The interest rate is 6 percent per annum or 0.5 percent per month.

The loan is payable based on cash flow and farmers and fisher-borrowers can re-avail of a loan after full payment of their existing loan.

From the initial unbanked and underbanked 15 provinces with high concentration of marginal farmers and fisherfolk, the coverage area of the PLEA has been expanded nationwide. Thus far, Regions 12,

CAR, 6 have the most number of lending conduits at 24, 20 and 18, respectively. In terms of farmers and fisherfolk beneficiaries, Regions 12, 4 and 3 registered the highest number at 4,874; 4,116 and 4,023, respectively. (Table 1)



ACPC Program Management Officer for the Province of Oriental Mindoro, Mr. Jemrick Ramos (4th from left) facilitates the PLEA loan release to Mina De Oro Agrarian Reform Beneficiaries Multi-Purpose Cooperative (MAREMBECO), one of ACPC lending conduit for Oriental Mindoro on May 11, 2018. Also present are officers of the MAREMBECO Manuel Portugal (Chairman), George Arbes (Bookkeeper), Beth Rosal (Officer) and Grace Bolanos (Treasurer) (1st, 3rd, 4th and 5th from right, respectively).

**Table 1. PLEA Performance Summary as of July 31, 2018**

Region / Province	No. of Lending Conduits	Loans Released to Lending Conduits (PhP)	Loans Granted to Marginal and Small Farmers and Fisherfolk (MSFF) (PhP)	No. of Marginal and Small Farmers and Fisherfolk (MSFF)
CAR	20	62,040,000.00	60,254,951.90	1,117
Region 1	3	111,984,000.00	40,148,300.00	1,543
Region 2	9	58,000,000.00	27,674,000.00	706
Region 3	15	158,690,000.00	156,824,999.99	4,023
Region 4	11	161,025,000.00	111,938,303.00	4,116
Region 5	4	80,000,000.00	74,790,500.00	1,759
Region 6	18	201,000,000.00	127,884,808.42	3,774
Region 7	7	58,000,000.00	40,860,000.00	1,873
Region 8	9	45,040,000.00	60,860,000.00	3,080
Region 9	4	27,409,000.00	31,926,200.00	628
Region 10	7	95,569,000.00	73,886,000.00	2,059
Region 11	1	4,557,000.00	4,557,000.00	104
Region 12	24	190,868,585.00	167,668,700.00	4,874
Region 13	9	74,500,000.00	74,424,704.76	2,137
ARMM	1	6,000,000.00	5,721,000.00	231
<b>GRAND TOTAL</b>	<b>142</b>	<b>1,334,682,585.00</b>	<b>1,059,419,468.07</b>	<b>32,024</b>

DA Secretary Emmanuel F. Piñol gives directives to the Agricultural Credit Policy Council (ACPC) to organize loan facilitation teams (LoFTs) in every province and the Agricultural Training Institute (ATI) to conduct financial literacy training for small farmers and fisherfolk.



## Sec. Piñol directs ACPC to organize Loan Facilitation Teams (LoFTs) in every province

By **Karlo Ceasar C. Abarquez**

To help farmers and fisherfolk comply with the requirements and guide them on how to easily avail loans, Department of Agriculture (DA) Secretary Emmanuel F. Piñol directed the Agricultural Credit Policy Council (ACPC) to install Loan Facilitation Teams (LoFTs) in every province during the Harmonization of DA's Extension Support, Education, and Training Services (ESETS) on April 27, 2018 in Baguio City.

According to the DA Secretary, the provincial LoFTs will be tasked to assist stakeholders in completing loan documentary requirements to make sure that they can avail of the agri-fishery credit programs.

"Let's not make things difficult for our stakeholders," the Secretary said noting that many of the farmers and fisherfolk have poor educational background. "If we can do this, things will change. Believe me," added Sec. Piñol.

During the activity organized by the Agricultural Training Institute (ATI), Secretary Piñol also announced the DA's major policy shift from subsidies to easy access financing. He explained that subsidy programs have been marked with corruption issues and slow implementation due to political interference and "lowest bidder" concept.



*DA Secretary Emmanuel F. Piñol says that the Loan Facilitation Teams (LoFTs) in the provincial and regional levels will help farmers and fisherfolk comply with the requirements and guide them on how to easily avail themselves of the agri-fishery credit programs of the DA.*

On the other hand, easy access financing leads to more efficient and faster procurement while also giving the farmers and fisherfolk freedom to choose whatever variety of seeds, brand of fertilizer and kind of equipment they need in their farms and fishing activities. He added that the government will also save money that could sustain the financing programs.

“The DA needs to prepare the stakeholders for this major policy shift,” said Piñol. Hence, he directed the ATI to conduct financial literacy training for farmers and fishermen’s groups. ACPC’s Executive Director Jocelyn Alma Badiola, together with Division Chiefs Alvin Cabato of the Institutional Capacity Building Unit and Emmalyn Guinto of the Public Affairs and Communication Division, took part in the direction-charting workshop which shall synchronize DA’s training activities with its banner programs.

During the workshop attended by key officers of DA and its attached bureaus and agencies, the Secretary also reported that under the Production Loan Easy Access (PLEA), fisherfolk of Malimono, Surigao del Norte paid their loans ahead of the

maturity date, posting an incredible repayment rate of 195%.

During the Farmer’s Forum held the same day at the Benguet Agri-Pinoy Trading Center (BAPTC) in Benguet, Secretary Piñol expressed gratitude to the farmers in the Cordillera Administrative Region (CAR) for registering a 100% repayment rate of the initial P46 million credit under the PLEA.

“Congratulations. It just proves that we can rely on the people of Cordillera in paying their loans,” said Piñol. “Thus, I am committing an additional P50 million loan fund to Cordillera under the PLEA,” he added.

Aside from the additional financial support, the Secretary also opened the Farm Machinery and Equipment Loan which the farmers could access to buy cargo trucks, motorized cultivators, hand tractors and farm tractors, and the like. Further, he committed to distribute to outstanding farmers’ cooperatives plastic crates for the handling of their vegetable produce and packaging facilities.



## Orientation on DA Credit Programs and Workshop on Establishing LoFTs

In response to the DA Secretary's directive, the Office of the Undersecretary for High Value Crops and Rural Credit (HVCRC), together with the ACPC and the Agricultural Competitiveness Enhancement Fund Project Management Secretariat (ACEF PMS), conducted an Orientation Workshop on the DA's Credit Programs and the Establishment of the LoFTs on July 3 to 6, 2018 at the Tagaytay International Convention Center in Tagaytay City.

The activity was attended by around 145 Agri Credit Desk Officers (ACDOs), ACEF Regional Coordinating Units (RCUs), ACPC focal persons, representatives from DA and its attached agencies, and other partner institutions.

The participants, who are expected to be involved in the LoFTs, were oriented on the current DA agri-fisheries financing programs such as the ACEF, the Production Loan Easy Access (PLEA), the Machinery Loan Easy Access (MLEA), the Capital Loan Easy Access (CLEA) and the Survival and Recovery Loan (SURE). They were also briefed on their roles in facilitating easy access to credit of small farmers and fisherfolk.



*Usec. Jose Gabriel La Viña of the DA Agribusiness and Marketing delivers the keynote speech during the Orientation on DA Credit Programs and Workshop on Establishing LoFTs.*

*Usec. Evelyn Laviña of the DA-High Value Crops and Rural Credit reiterates the importance of information dissemination on the DA's various credit programs.*



*Executive Director Jocelyn Alma R. Badiola presents the current state of agri-fishery credit in the Philippines.*

During the workshop portion, the participants were divided based on their major island classifications and were tasked to develop a work plan aimed at operationalizing the LoFTs. Each cluster presented their work plan before the panelists who provided comments and suggestions to improve their outputs.

The panelists were composed of Dir. Chris Morales of the DA-Agribusiness and Marketing Assistance Service (AMAS), Dep. Exec. Dir. Ramon Yedra and Dir. Alicia Ilaga of ACPC, Atty. Rani Supnet from the Office of Usec. Villano, Atty. Joycel Panlilio of the Office of Usec. Lavina, Mr. Vicente Rubin from the Office of Usec. Gabariel La Viña, Mr. Amado Ersando of ACEF and Mr. Mark Harris Jamilan of DA- Information and Communications Technology Service (ICTS).

After the presentation of outputs, Dir. Morales and Dep. Exec. Dir. Yedra facilitated the discussion on the composition of the regional and provincial LoFTs. The DA Secretary is expected to issue a Special Order to formalize the establishment and composition of the LoFTs.



*Dir. Chris Morales of the DA-AMAS facilitates the discussion on the composition of the LoFTs.*



*Deputy Executive Director Ramon C. Yedra of the ACPC provides inputs on how to operationalize the LoFTs.*





*Ms. Lorilie Espiritu, a 43-year-old quail raiser whose family business was affected by the Avian flu outbreak in Jaen, Nueva Ecija, narrates that during the outbreak, they were not able to sell their quail eggs. "We resorted to throwing away the eggs because nobody would want to eat them," she says. "However, we continued to feed the quails in the hope that we may be able to save them." She added that they shelled out a large amount of money, but still lost all their quails and did not get anything in return.*

*Ms. Espiritu said that they were directed to the Rural Bank of San Leonardo, where they were able to avail of a P20,000 loan under the SURE, using it as capital to buy quail eggs and sell them in a market in Metro Manila.*

**I**n April 2017, the first Avian flu outbreak was recorded in the Philippines. The H5N6 avian influenza virus or bird flu affected poultry in at least three towns in Central Luzon, namely: San Luis in Pampanga and Jaen and San Isidro in Nueva Ecija.

While the occurrence of the disease was reported as early as April 2017, it was only on

August 11, 2017 that the Avian flu incidence was confirmed. As a result, a state of calamity was declared in Pampanga and Nueva Ecija. A 1-km radius quarantine area within affected towns was implemented, while another 7-km radius controlled area was declared. All fowls within the quarantine area were culled within three days to control the spread of the virus, while fowls

## SURE Helps P in Central Luzon Avian Flu

By **Rumina A. Gil** and

and eggs from the controlled area were not allowed to be brought out. This resulted to great losses in the poultry production in the area.



*After she availed of a loan worth P20,000 under the SURE, Ms. Adelaida Bartolome of San Luis, Pampanga was able to recover from the Avian flu outbreak's blow to her family's 22-year-old duck egg selling business, which she feared would cost them her daughter's education.*

*"Our customers were too worried to eat duck eggs during the outbreak. That is why I learned how to make salted eggs and sell it to market for a cheaper price."*

*Through the Office of the Municipal Agriculturist and DA officials, she learned of the DA-ACPC's SURE credit facility, and was directed to the lending conduit in the area, Banko San Luis. She is thankful for the assistance provided by the DA-ACPC, as she was able to recover her business and keep sending her daughter to school.*

**Backyard poultry farm of Ms. Bartolome located beside their home in Barangay Sta. Rita, San Luis, Pampanga.**





*Ms. Maricel Punongbayan, a 37-year-old quail raiser also from Jaen, Nueva Ecija, was worried about the effects of the bird flu. "There's a possibility of a big financial loss," she explains. She says that she incurred past due loans due to the outbreak, and she had to keep borrowing money to continuously buy feeds in the hope that the quails would survive.*

*She is very thankful for the P20,000 loan extended by the government through the SURE of the DA-ACPC, which helped her save her backyard quail production. The Office of the Municipal Agriculturist linked her with the lending conduit in the area, the Rural Bank of San Leonardo, and since then, she has rehabilitated her backyard quail production. She now plans to expand by buying additional stocks.*



## Poultry Raisers on Survive the Outbreak

**Justine Trey R. Cubos**

During the forum "Sama-Sama, Tulong-Tulong sa Pagbangon at Pagsulong" held in San Fernando, Pampanga on August 28, 2017,

President Rodrigo R. Duterte, together with Department of Agriculture (DA) Secretary Emmanuel F. Piñol, gave funding assistance to poultry raisers/workers affected by the bird flu outbreak. The President released an initial amount of P29 million as compensation for the more than 600,000 chickens, ducks and quails that were culled as part of the clean-up operations.

On the other hand, the DA, through the Agricultural Credit Policy Council (ACPC) released P20 million in loans under the Survival and Recovery (SURE) Loan Assistance to help rehabilitate poultry production in Pampanga and Nueva Ecija. Through the SURE Loan Assistance, the ACPC provided interest-free loans to calamity-affected poultry raisers.

The outbreak was officially declared over in September 2017.

*Ms. Estrelita Duay, a 35-year-old duck raiser and a mother of three from San Luis, Pampanga says she feared for her duck egg selling business after the bird flu outbreak. She thought that it would surely affect their family income.*

*She is grateful for the P20,000 loan extended through the ACPC SURE Loan Assistance, which helped her buy ducks and start the business anew. The Office of the Municipal Agriculturist linked her with the lending conduit in the area, Banko San Luis.*

*"I thank the DA-ACPC for the loan they provided to us through the Banko San Luis. This will greatly benefit my business and family since the loan has no interest. I hope that the programs of the DA-ACPC will continue to expand for our farmers and fishers in the countryside."*





# ACPC Hosts Best Practices Forum on Rural and Agricultural Finance

By Rumina A. Gil



Participants from APRACA member institutions in the Philippines (BSP, Land Bank, CDA, ASKI, AGFP, KMBI, PCIC, CARD and 1st Valley Bank), DA, ACPC and other government/non-government agencies at the national level dissemination forum on Pilot Testing of Rural Finance Best Practices in Pasig City on 14 June 2018.

With the theme “Rural and Agricultural Finance Best Practices: Experiences of the Philippines”, the Agricultural Credit Policy Council (ACPC) hosted a national dissemination workshop on pilot testing rural finance best practices. The forum was conducted in collaboration with the Asia Pacific Rural and Agricultural Credit Association - Center for Training and Research for Agricultural Banking (APRACA-CENTRAB) and other APRACA-member institutions in the Philippines in Pasig City on 14 June 2018.

The conference aimed at validating the country reports on the piloting of rural finance best practices in the Philippines which were documented under the International Fund for Agricultural Development (IFAD) regional grant project “Documenting Global Best Practices on Sustainable Models of Pro-Poor Rural Financial Services in Developing Countries (RuFBep Project)”.

Around 50 participants from APRACA member institutions in Philippines, namely: Bangko Sentral ng Pilipinas (BSP), Land Bank of the Philippines (LBP), Cooperative Development Authority (CDA), Alay sa Kaunlaran, Inc. (ASKI), Agricultural Guarantee Fund Pool (AGFP), Kabalikatan sa Maunlad na Buhay, Inc., Philippine Crop Insurance Corporation (PCIC), Center

for Agriculture and Rural Development (CARD) and 1st Valley Bank, Department of Agriculture (DA), ACPC and other government/non-government agencies attended the activity.

ACPC Executive Director Jocelyn Alma R. Badiola, in her welcome remarks, said that timely, adequate and affordable credit is recognized as a key intervention in achieving the goal of increasing productivity and making food available and affordable. She said that credit helps equalize economic development opportunities in the agriculture and fisheries sector, thus, increasing incomes of small farmers and fisherfolk and reducing poverty. She added that providing access to financial resources in the rural areas is one of the important elements for rural development.



ACPC Executive Director Jocelyn Alma R. Badiola says that timely, adequate and affordable credit is recognized as a key intervention in achieving the goal of increasing productivity and making food available and affordable.

Mr. Nigel Brett, Asia and the Pacific Regional Director of the IFAD expressed his confidence that the forum will provide an excellent opportunity to validate the results of pilot testing in the Philippines and relate the good practices under this unique operating environment and their relationship with the other good practices at country level.

Dr. Prasun Kumar Das, Secretary General of the APRACA and Project Manager of the RuFBep Project, for his part, said that the project aims to sustainably reduce rural poverty





*ACPC Director Ms. Maria Cristina Lopez shares that based on the results of pilot testing in Benguet and Bukidnon, the agricultural value chain financing improves the access of small holders to credit, thus, giving them opportunities to expand their production, boost efficiency and strengthen linkages among those involved in the value chain.*



*Dr. Prasun Kumar Das, Secretary General of the APRACA and Project Manager of the RUFBeP Project, says that the RUFBeP Project aims to sustainably reduce rural poverty and improve food security for rural communities in the Asia-Pacific region.*



*Undersecretary for High Value Crops and Rural Credit of the DA Ms. Evelyn Laviña encourages the dissemination and adoption of the documented best practices which are suitable to specific environments. She thanked the IFAD, APRACA, ACPC and CENTRAB for conducting the forum.*

and improve food security in rural communities in the Asia-Pacific region. Its purpose is to assist rural finance providers and governments to extend financial services on a sustainable basis, through the application of best practices suitable to their unique operating environments.

The workshop was divided into two technical sessions. Technical Session 1 – **Rural Finance Best Practices and its Impact on Sustainable Development** involved presentations on: (1) Expert's View on Pro-Poor and Sustainable Rural Finance and Its Impact to Financial Inclusion by Mr. Jerry Pacturan, Country Programme Officer, IFAD Philippines; (2) Innovations in Rural and Agricultural Finance in the Philippines by Ms. Charlotte Conde, First Vice President Mindanao Lending Group, LBP; (3) Easy Access Financing for Small Farmers and Fisherfolk by Mr. Noel Clarence Ducusin, Chief Program Development and Production Loan Easy Access Team Leader, ACPC; and (4) Experience Sharing on Kalasag Model of Cooperative Financing by Ms. Jane Manu-doc, Microfinance Director, ASKI Philippines.

Technical Session 2 – **Validation and Scalability of Financial Products and Services Pilot Tested in the Philippines** covered two presentations: (1) Results of Pilot Testing of the Agricultural Value Chain Finance in Benguet and Bukidnon, Philippines by Ms. Maria Cristina Lopez, ACPC Director; and (2) Important Areas of Observations on the Reports and Potential Areas of Improvements by Dr. Prasun Kumas Das, APRACA Secretary General and RuFBep Project Manager.

From the sharing of experiences, not only on the pilot testing but also on the participating agencies' experience in rural and agricultural finance, the following were realized:

- Various financing support/assistance are available from private/non-governmental financial institutions (FIs), the government, international development agencies such as IFAD, etc. to the rural poor particularly small farmers and fishers that have incorporated "best-practice" elements and processes.
- APRACA's important areas of observations on the reports and potential areas of improvements, specifically on the documentation, include the following: quantification of costs and time for capacity building (e.g. number of trainings, how much spent); financing skewed towards production, financing throughout the value chain; identification of weak and strong links in the market; addressing issues such as risk management through insurance, the need for farmers to understand the market to address asymmetry of information; collateral management; collaboration/coordination done.
- Documented practices are good practices that can be adopted and scaled up. It is recommended that lessons learned from the pilot testing be disseminated. Thus, allowing the countries to adopt/adapt these practices, or scale up.

Undersecretary for High Value Crops and Rural Credit of the DA Ms. Evelyn Laviña, in her closing remarks, encouraged the dissemination and adoption of the documented best practices which are suitable to specific environments. She thanked the IFAD, APRACA, ACPC and CENTRAB for conducting the forum. She said that small farmers and fisherfolk will significantly benefit from the results of the forum discussions.



*Presenters during the Technical Session 1 - Rural Finance Best Practices and its Impact on Sustainable Development National Dissemination Workshop on Rural and Agricultural Finance Best Practices: (1) Mr. Jerry Pacturan, Country Programme Officer, IFAD Philippines presented an "Expert's view on Pro-Poor and Sustainable Rural Finance and Its Impact to Financial Inclusion," (2) Mr. Noel Clarence Ducusin, Chief Program Development and PLEA Team Leader ACPC presented "Easy Access Financing for Small Farmers and Fisherfolk," and (3) Ms. Jane Manu-doc, Microfinance Director, ASKI Philippines presented "Experience Sharing on Kalasag Model of Cooperative Financing".*

The ACPC-ISMD led by Dir. Norman William S. Kraft and Mr. Margarito Calipara together with the Loan and Information Technology (IT) Officers of ACPC's partner lending conduits conducts MIS Training in Luzon (upper left), Visayas (upper right) and Mindanao (lower right) in the 1st semester of 2018.



## ACPC MIS set to fast-track data gathering of easy to access loan programs By Justine Trey R. Cubos

The Agricultural Credit Policy Council's (ACPC) Information Systems Management Division (ISMD) conducted a series of training to educate its partner lending conduits (LCs) on the use of the ACPC Management Information System (ACPCMIS). This is to fast-track the operationalization of the information system developed for storing and organizing data and generating required reports.

The ACPCMIS is a computerized system that covers lending partners' and borrower's information, including the monitoring of the status of loan disbursements, fund balances, repayments and financed projects. The system aims to accelerate data gathering necessary for the preparation of the institutional reports, research and other related matters. Data can be accessed using electronic gadgets such as laptops, tablets and smartphones.

"One of our goals is to have an efficient, effective and reliable data information system that can be accessed with *one click of a finger*," ACPC-ISMD staff Mr. Margarito Calipara said. "The intention is to install the system to all ACPC partner LCs in order to attain a well-developed, more responsive and accessible database that allows and enables us to help our beneficiaries better," Calipara stated.

Out of 143LCs of the Production Loan Easy Access (PLEA), 8 are already using the ACPCMIS' database system. These are: Malimono Multipurpose

Cooperative in Surigao del Norte; Kooperatiba Naton MPC in Iloilo; Sentrong Ugnayan ng Mamamayang Pilipino (SUMAPI) MPC in Laguna; Bongabon Municipal Employees MPC in Nueva Ecija; and Pakiya MPC, Lengaoan MPC, Benguet Traders MPC, and Cattubo MPC in Benguet.

During the first semester of 2018, the ACPC-ISMD installed the system to another 24 PLEALCs, namely: Dinalupihan MPC, Watchlife Workers MPC, Capitol Employees of Bataan MPC, Abucay MPC, Iwahori MPC, LingapKapwa MPC and Kaizen MPC in Bataan; Hibubullao MPC, Allen Organic Vegetable Raiser, Samar MPC, Agricultural Development Workers MPC and Metro Ormoc Community MPC in Northern, Eastern and Western Samar; and Glan MPC, Malapatan MPC, Upper Lumabat Small Farmers MPC, Alabel Government Employees and People's MPC, GlanSarangani Credit Cooperative, Sarangani Vegetable Seed Growers MPC, Pangl MPC, Muslim Christian Fisherfolk MPC, Kiamba Micro Entrepreneurs MPC, Sta. Cruz MPC, United Maligang Farmers MPC and Sapu Masla Taliawid MPC in Sarangani, Sultan Kudarat and South Cotabato. These lending conduits were trained on data encoding and uploading operations of the system.

The ACPC-ISMD has also developed a system for PLEA LCs in hard to reach areas to enable ACPC to access data even without internet connection. This will be pilot-tested in some PLEA areas this year.



# Farmer Reaps Harvest from Coop Membership, PLEA

By Karlo Ceasar C. Abarquez



*Taculen Farmer's MPC's Chair, Vivien Dumingsel (2nd from left), shares that the more than P4 million loan funds under the PLEA provided a big lift in the lives of their member-farmers.*

**A**lbert Pendijo describes his decision to join the Taculen Farmers' Multi-Purpose Cooperative as life-changing.

"With the benefits I get from the cooperative, I am now able to provide better for my family," said the 27-year old farmer who is married and has two kids under four years old.

Prior to his membership at the cooperative, Albert, who hails from Matalam, Cotabato, recalled the struggles he used to bear from borrowing from traders to finance his two-hectare rice farm.

"I would borrow P10,000 with 10% monthly interest at four months to pay," narrated Albert. As part of their agreement, traders would even take possession of his produce whenever he was unable to pay his loan, he added.

"You're supposed to profit from all your hard work, but it felt like all the income just goes to the lenders," lamented Albert, who graduated as an automotive mechanic but chose to pursue farming – a livelihood he began to engaged in since he was 15 years old.

Albert admitted he was trapped in the futile cycle for many years as he just did not know of other financing options he could turn to, and that it had become the way of life for him back then. That was until a friend, who was also a farmer, shared with him about a cooperative nearby that helps small farmers like them.

"I was determined to save P2,250 for the membership fee and finally avail of their services," said Albert.

## Increased productivity through PLEA

Albert has been a member of the Taculen Farmers' MPC for more than two years and he claims that earnings from his in-bred rice activity has certainly increased.

In July 2017, through the cooperative, Albert was able to avail P50,000 under the Production Loan Easy Access (PLEA), a loan facility designed to finance production of crops, poultry, livestock and fisheries of small farmers and fisherfolk. PLEA is being implemented by the Agricultural Credit Policy Council (ACPC), an attached agency of the Department of Agriculture (DA).

Under the PLEA, the ACPC taps lending conduits such as the Taculen Farmers' MPC to extend non-collateralized loans to marginal and small farmers and fisherfolk at 6% per annum.

"I used the P35,000 to buy chemicals and fertilizers while the remaining P15,000 was spent for labor and land preparation costs," explained Albert.

Albert's two-hectare land usually produces about 120 sacks of rice per cropping or 240 sacks annually. He keeps about 50 sacks for his family's consumption while selling the 70 at about P1,150 to P1,200 per sack or P19 per kilo.

"I was able to pay my loan in six months because its 6% interest rate was very affordable," Albert narrated. "I would immediately pay after every harvest, even before the deadline."

*PLEA beneficiary Albert Pendijo of Matalam, Cotabato was able to avail himself of a P50,000 loan for his rice production under the PLEA through the Taculen Farmers' Multi-Purpose Cooperative in Matalam, Cotabato.*



*Farmer Albert Pendijo also sidelines as sales clerk for the Taculen Farmers' MPC.*



Through the PLEA, the young farmer earned about P30,000 which helped him pay the tuition fee of her oldest daughter who is now in kindergarten. His profit even allowed him to contribute in paying off his parents' remaining debts, which coincidentally were from "5-6" lending.

"I now have financial freedom. I don't have to worry about providing food for my family," said Albert whose wife stays at home to take care of their kids while also helping him tend their farm when she can. "When we get sick, I can now draw money from my small savings."

Aside from being a full time farmer, Albert also works as a sales clerk for the cooperative. Through this side job, he earns an additional P4,000 monthly. When his schedule permits, he also helps in tending the small corn and banana project of his mother.

Experiencing first-hand the benefits of being part of a cooperative, Albert vows to convince his family and friends to also join one. "In times of need, I know I can count on the Taculen Farmers' Cooperative," said Albert. "It has been an indispensable partner for me and my family."

## 100% Repayment Rate

Taculen Farmers' MPC's Chair, Vivien Dumingsel, shared that the more than four million peso loan fund under PLEA provided a big lift in the lives of their member-farmers.

"Their take-home pay increased because of the very low interest rate per annum," said Chair Dumingsel.

"In fact, the repayment rate of the PLEA in our coop registered at 100%," reported Ms. Dumingsel. Aside from the low interest, no collateral requirement, and free insurance coverage under the PLEA, the Chair credits the remarkable feat to the coop's careful screening of members and to the orientation given to the borrowers before loan releases.

"We urge our members to pay on time so that they can re-avail of loans for their farms. Plus, their promissory notes are notarized so they will be legally liable if they do not fulfil their obligation," said Dumingsel.

"I thank the ACPC for entrusting to us the credit fund and for making us one their partners here in Cotabato," said Dumingsel. "The field-based focal person assigned to us was also a huge help for us to comply all the requirements needed to implement the program."

The Taculen Farmers' MPC, according to Ms. Dumingsel, started with only 24 members which increased to 97 members to date. These members are all either rice or corn farmers. From one barangay, the cooperative has expanded their operations and is now serving the whole municipality.

"Our cooperative is a service-oriented cooperative. It exists not just for the officers but for the benefit of all its members and even the community," said Dumingsel, who is now on her 6th year as coop Chair.

"Aside from lending services, we also sell affordable fertilizers and chemicals to our members and allow them to use our farming equipment at minimal rates," added Dumingsel. "We also give management and bookkeeping trainings to our members and provide death assistance benefit which extends to their immediate relatives."

She added that the cooperative also provide scholarships to deserving students and donates chemicals used in cleaning the community.

Ms. Dumingsel takes pride on how far the cooperative has come but assured they will not rest on their laurels. "I always tell our members to love and to help our cooperative", said Ms. Dumingsel. "This cooperative is ours."



*(From left) Current Chair Vivien Dumingsel and former Chair Rebecca Dumingsel of the Taculen Farmers' MPC in Matalam, Cotabato. The coop is one of the lending conduits of the DA-ACPC PLEA with a P4.262 million approved loan allocation benefitting 97 small farmers.*



# Farmer helps transform the lives of his fellows through PLEA

By Justine Trey R. Cubos

*Mr. Salem Bidang, a chayote farmer from Benguet is the founder of the Tabano Omang Livelihood Project Organization (TOLPO). TOLPO is a Type 2 lending conduit of the Production Loan Easy Access (PLEA) loan facility. Thus far, 30 TOLPO's members have benefitted from the PLEA.*

Chayote farming has always been the life of Salem Bidang - a son of a farmer, a loving husband, father of two kids, and founder of the Tabano Omang Livelihood Project Organization (TOLPO) in Atok, Benguet.

The thirty-four-year-old Salem, married for 17 years to Eden Bidang, 43, says that his children, Edlyn and Cyden, were able to attend school through income from chayote farming.

Salem narrates that for the past several years, members of the TOLPO were accessing credit for their chayote production from traders who charged exorbitant interest rates. He used to earn as much as P2,500.00 per week, but, he would incur a huge loss after paying his loans to traders, leaving him with not enough food for his family, not enough savings, and no chances to expand his production.

All these changed when he learned about the Production Loan Easy Access (PLEA) of the Department of Agriculture - Agricultural Credit Policy Council (DA-ACPC) in Benguet. Salem, along with 119 members of TOLPO, were oriented about the PLEA in 2017.

TOLPO applied and was accredited as a Type 2 lending conduit under the PLEA facility of the DA-ACPC. Hence, in 2017, a total of P1.5 million was released as loans to TOLPO benefiting 30 member-borrowers.

*"Malaking tulong po ang nakuha naming loan sa*

*PLEA, kasi bukod sa mababa ang interes, kumita pa ang asosasyon,"* said Salem.

Salem shares that after he availed himself of a loan worth P50,000 under the PLEA, he was able to buy fertilizer and other farm inputs for his chayote production. His weekly income doubled from P2,500 to P5,000. He was also able to increase his production from 500 kg to 1000 kg produce per harvest. In addition, he was able to start a piggery in their backyard.

With these developments, Salem plans to expand his farm, to further increase his production and income.

*"As a farmer, hindi pala puwede sa isip mo lang na farmer ka. Kailangan pala may initiative ka at siyempre, tiyaga lang. Salamat sa PLEA, nagkaroon kami ng partner. May puhunan na ang mga miyembro, mayroon pang kita ang asosasyon kaya doble ang tulong ng PLEA sa amin,"* said Salem.

Salem, together with the members of the TOLPO, looks forward to getting a Good Agricultural Practices (GAP) certification in the future. This certification aims to facilitate adoption of GAP aimed at ensuring food safety and assuring quality produce while keeping a high regard for environmental protection and that of workers' health, safety and welfare.

With this in mind, Salem envisions that members of the TOLPO will improve their lives and fulfill the dreams of their families.



*Cyden, son of Salem, was able to attend school through income from chayote farming.*

*Survival and Recovery (SURE) Loan Assistance beneficiary Asuncion Reales from Magarao, Camarines Sur says that she used the loan from the program to buy seeds and fertilizers so she can plant again after Typhoon Nina which destroyed her crops.*

*Melinda Imperial recounts her experiences during Typhoon Nina's devastation in Magarao, Camarines Sur. Loans she availed through the SURE Loan Assistance helped her rehabilitate her farming activity.*

# Rural Women Rise Over Calamity

By **Karlo Ceasar C. Abarquez**

**H**heavy rains and winds brought about by Typhoon Nina wreaked havoc in Bicol just right after Christmas Day in 2016. Due to the severity of damage, the local governments of Catanduanes and Camarines Sur declared a state of calamity. Aside from Bicol, tropical cyclone warning signals were also hoisted over numerous provinces in CALABARZON, MIMAROPA, Central Luzon, Western, Eastern, and Central Visayas.

When it finally stormed out of the Philippine Area of Responsibility, Typhoon Nina left behind massive damages to agriculture with estimated cost pegged at P4.1 billion, living up to its notoriety as the strongest typhoon to strike the Bicol Region in 10 years.

Asuncion Reales and Melinda Imperial, two women farmers from Magarao, a 4th class municipality in Camarines Sur, were just two of the thousands affected by Nina's onslaught.

"Almost all of the rice fields were flooded including the land where I plant hybrid rice," said Asuncion who, at 64 years old, tends a two-and-a-half-hectare land with the help of her husband. She describes herself as a farmer all her life, a legacy she may have passed on to seven out of her eight children who became farmers too.

On the other hand, 57-year-old Melinda described her ordeal as "frightening" simply because of the massive financial loss they had to bear from the damages. Melinda, who is a mother of 10, relies heavily and solely on the income from her harvests. Her fears were realized when the three hectares of hybrid rice she manages were engulfed with water.

"We're still thankful our house was not destroyed," recounted Melinda who added that her whole family had to settle eating banana and cassava to survive during the disaster.

The Philippines is hit by an average of 20 typhoons per year, with many of the storms causing significant damage to farms and fishing communities. Small farmers, like Asuncion and Melinda, are affected the most since they usually have to borrow money to plant crops in lands they only lease. They need to get back on their feet and on their fields to plant as soon as possible. Most importantly, calamity-affected farmers need to ensure that their basic needs such as food, clothing and medicine are covered. Hence, flooded rice fields is always tantamount to money down the drain for small farmers.



## A “SURE” Support

Such are the challenges the Department of Agriculture, through the Agricultural Credit Policy Council (ACPC), aimed to address when they launched the Survival and Recovery (SURE) Loan Assistance, a quick-response, post-disaster support facility for calamity-affected small farmers and fishers.

“It aims to support the government’s goal of helping agricultural households to regain their capacity to earn a living; and to provide immediate relief through loan assistance,” explained DA Secretary Emmanuel F. Piñol.

Under the SURE Loan Assistance, eligible borrowers will be provided loans worth P25,000 for rehabilitation at zero interest rate and up to 3 years to pay. The program focuses on areas “Under State of Calamity” with considerable damage to agriculture due to natural disasters.

As of July 2018, under the SURE Loan Assistance, the ACPC has released loans amounting to more than P112.59 million benefitting 8,379 small farmers and fishers through 17 lending conduits.



*Asuncion Reales with her farmer-husband in their house, which they were able to renovate little by little through their improved earnings as farmers.*

*Asuncion Reales plants hybrid rice in the 2 ½ hectares she leases.*

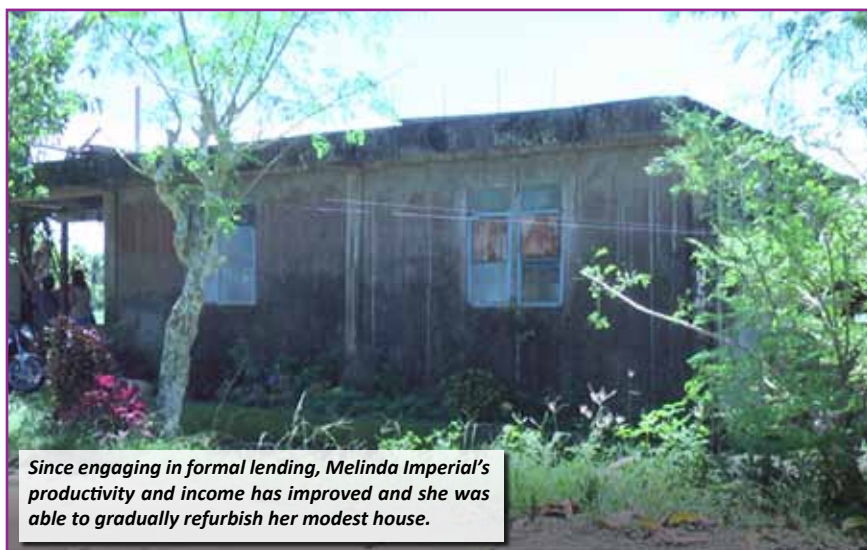
## Credit Delivery Collaboration

The ACPC approved almost P33 million loans for the Bicol Region after Typhoon Nina. For faster financial support delivery, the ACPC tapped the Magarao Multi-Purpose Cooperative (MPC) as one of its partner lending conduits in the said region.

This is not the first time that the ACPC and the Magarao MPC partnered to uplift the lives of farmers in the Municipality of Magarao.

In 2015, the ACPC downloaded P2 million credit fund to the Magarao MPC under the Calamity Assistance Program, which recorded an almost 100% repayment rate from small farmer-borrowers. In 2016, the ACPC also provided P500,000 to the same as working capital loan for its rice processing center which was given as grant by the DA.

Asuncion and Melinda, who are both long-time members of the Magarao MPC, are two of the 83 beneficiaries of the SURE Loan Assistance in Magarao, Camarines Sur.



*Since engaging in formal lending, Melinda Imperial's productivity and income has improved and she was able to gradually refurbish her modest house.*

“I used the loan from the SURE Loan Assistance to buy seeds and fertilizers so I can plant again,” recalled Asuncion. “I now borrow from the coop twice a year, before every planting season.”

“Magarao MPC Manager Elmar Basbas reached out to me so I can avail loans under the SURE,” said Melinda. “It was a big relief because I don’t need to pay any interest for the loan I received,” she added.

According to the women farmers, prior to being members of the MPC, they used to borrow production capital from traders who usually charge excessive interest rates.

“It’s like we were working for them. Nonetheless, we had no choice but to accept their terms because we didn’t even know if there will be someone who will lend us money after calamities,” said Melinda.

“I used to pay interest rates as high as 20% in six months to Chinese traders,” exclaimed Asuncion. “Sometimes, all that is left for us is just enough to buy food.”

Magarao MPC Chair Estrella Bernardo expressed her gratitude to the ACPC for being one of its partners in extending assistance to small farmers in Magarao and nearby municipalities.

“With the financial assistance from ACPC, we were able to help our members start all over again after the

devastation of Typhoon Nina,” Bernardo said. “The coop also assisted in other financial needs of the farmers.”

According to Manager Basbas, aside from loans, the cooperative also provides other benefits such as free training, insurance programs, and death assistance support to their members.

“To further help in improving their lives, the Magarao MPC directly buys the harvest of our member-farmers at a reasonable price to ensure that their products will not be undervalued by abusive traders,”

said Manager Basbas. Thus, Asuncion and Melinda do not have to market their harvests, which reach 200 to 300 sacks each, because there is always a sure and fair buyer.

Asuncion and Melinda both agree that Magarao MPC has been their refuge in times of need. Though they remain as

small farmers, it cannot be denied that both women farmers experienced improved productivity that led to improved lives when they engaged in formal lending through the cooperative. Slowly but surely, both were able to build a simple yet concrete house for their families which can better withstand the next typhoons to come.

Amid the devastation, these women showed incredible resiliency to uphold their families – an incredible strength that everyone needs to be recognized, emulated and supported.

