BAGONG PILIPINAS

DEPARTMENT OF AGRICULTURE
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ACPC

2024 YEAR-END REPORT

DEPARTMENT OF AGRICULTURE -
AGRICULTURAL CREDIT POLICY COUNCIL

ACPC 2024 Accomplishment Report

Making available and accessible financial mechanisms that encourage investments and minimize risks is among DA`s strategy in achieving food security and developing the agriculture and fisheries sector as a profitable industry. In line with this, ACPC implements programs, activities and projects to promote sustained access of small farmers and fisherfolks (SFF), and agrifishery- based micro and small enterprises (MSEs) and farmers and fisherfolks organizations (FFOs) to affordable financial services.

ACPC's major functions include (1) the administration and oversight of the AFMA-mandated Agro-Industry Modernization Credit and Financing Program (AMCFP), (2) empowering the rural finance sector by organizing capacity-building programs for rural financial institutions, as well as for individual farmers and fisherfolk, and (3) conducting policy research to provide timely and reliable recommendations on appropriate credit policies and programs for the agriculture and fisheries sector. Below are the ACPC's key accomplishments from January to December 2024.

1. Facilitation and Oversight of the Agro-Industry Modernization Credit and Financing Program (AMCFP)

The ACPC, thru its partner lending conduits (PLCs), facilitates and administers four (4) credit programs for the agriculture and fisheries sector, namely: a) AgriNegosyo (ANYO), agri-fishery production and agri-business loans for SFF and MSEs; b) Survival and Recovery (SURE), interest-free loans for calamity-affected SFFs; c) Kapital Access for Young Agripreneurs (KAYA), capital loans supporting agricultural projects of the youth of age 18 to 30 years old; and d) Accessible Loans for Empowered, Resilient, and Transformed Agrarian Reform Beneficiary Organizations (ALERT ARBOs), loans for agrarian reform beneficiary organizations (ARBOs). Key features of these loaning programs are shown in Annex A.

1.1. ***Amount of loans granted and number of SFF/MSE/ARBO-borrowers.*** From January to December 2024, a total of Php 2,013 million in loans was granted under ACPC's credit programs, benefitting 19,065 borrowers — comprising 18,852 SFFs, 112 MSEs, and 101 ARBOs. Said loans were released by one (1) partner government bank and 160 PLCs comprising 33 rural banks, 17 cooperative banks, 105 cooperatives, 4 NGO MFIs and 1 farmers/irrigators' association/organization.

Loan disbursements under the ANYO, KAYA, and SURE programs declined, while the ALERT ARBO program registered a 133.6% increase compared to the previous year. The main reasons for the low disbursement of loans are as follows: (a) low participation of PLCs due to the unattractive credit program pricing, and inability of some financial institutions applying as PLC to meet the required criteria, (b) disruptions in the planting season caused by El Niño and La Niña, (c) withdrawal of loan applications by some borrowers following the newly-approved policy of charging interest rate and prioritization of recovery efforts by typhoon-affected farmers, (d) travel difficulties for

borrowing-farmers/fishers in remote areas and for servicing PLC personnel due to adverse weather conditions, and (e) delays in the submission of list of calamity-affected farmers by LGUs for the SURE program.

Consistent with the trend in loan disbursements, the number of borrowers under the ANYO, KAYA, and SURE programs declined in 2024, while the number of ALERT ARBO borrowers more than doubled compared to the previous year.

Table 1. Amount of Loans Granted and Number of Borrowers by Credit Program: 2024 vs 2023

Credit Program	Year Program Started	2023	2024	% Increase/ Decrease	Cumulative (from Year Program Started to 2024)
A. **Loans Granted (PM)**					
ANYO	2020	1,688.96	1,565.40	-7.3	7,088.17
KAYA	2020	26.32	14.12	-46.4	187.13
SURE	2017	163.57	147.32	-9.9	1,508.36
ALERT ARBOs	2022	122.33	285.81	133.6	444.05
Total		**2,001.18**	**2,012.66**	**0.6**	**9,227.71**
B. Number of Borrowers					
ANYO	2020	15,331	12,957	-15.5	63,184
KAYA	2020	104	52	-50.0	954
SURE	2017	11,276	5955	-47.2	97,788
ALERT ARBOs	2022	47	101	114.9	160
Total		**26,758**	**19,065**	**-28.8**	**162,086**

1.2. ***Amount of credit fund collected and outstanding loans.*** In 2024, PhP 760.6 million was collected from the ongoing programs. The ANYO and KAYA programs successfully recovered all of its matured loans. On the contrary, the SURE program struggled in the collection of its matured loans. This can be attributed to the nature of the program, which primarily supports SFF whose livelihoods have been severely affected by natural calamities and disasters.

By the end of the year, the total outstanding loans of the ongoing programs amounted to PhP 9,083.3 million. Among these, ANYO and SURE account for the largest share, making up 94% of the total outstanding loan.

1.3. ***Repayment rate.*** In terms of repayment performance at the PLC level, both the ANYO and KAYA programs have achieved a 100% repayment rate. Meanwhile,

the SURE program recorded a repayment rate of 60.7% for its matured loans.

For the ALERT ARBOs, the Landbank of the Philippines (LBP) reported that as of December 31, 2024, the program achieved a 93.40% repayment rate at the borrower-level. The total outstanding loan balance under this program stands at Php 178.43 million, with a past-due amount of Php 20.05 million, representing 11.24% of the total outstanding loan balance.

Table 2. Credit Fund Recoveries and Outstanding Loans for On-going Programs: Cumulative and for 2024

Credit Program	Year Program Started	Loans Collected			Loans Outstanding	
		2024	Cumulative (Year Program Started to 2024)	Repayment Rate in PLC Level (2024)	As of Dec. 2024	% Share of the Total
ANYO	2020	655.6	1,610.3	100.0	5,011.2	**55.2**
KAYA	2020	8.6	57.4	100.0	222.1	**2.4**
SURE	2017	96.4	504.5	60.7	3,550.0	**39.1**
ALERT ARBOs	2022	-	-	-	300.0	**3.3**
Total		**760.6**	**2,172.20**		**9,083.3**	**100.0**

2. Capacity- building for SFF and farmer and fisherfolk organizations (FFOs)

The ACPC Capacity Building Program aims to expand access to credit by increasing participation of eligible financial institutions as PLCs and trainers, as well as the number of farmers, fishers, and SMEs benefiting from loans. Also, PLCs and borrowers with good repayment records will be nurtured for integration into the regular banking system. ACPC partners with academic institutions, ATI, trained PLCs, and other development groups to reach target beneficiaries.

A total of 350 training activities were conducted in 2024 for 316 FFOs, involving 10,027 participants. These trainings were delivered through ACPC, by PLC training partners, and under the ACPC-BSP-BDO "Kita Mo Na!" program and in collaboration with the DA Field Offices in Regions I, III, IV-A, CAR, VI, VII, VIII, IX, X, XI, XII, and CARAGA.

As a result of the trainings conducted, (i) 1,287 associate farmer- and fisher-members of nine (9) PLC-cooperatives transitioned to regular membership after fully paying the required amount of share capital; (ii) loan payments amounting to PhP 23.9 million were successfully collected, including past due loans, leading to a reduction in outstanding delinquencies; (iii) borrowers and PLCs reached agreements on structured payment plans for past due loans; (iv) savings and capital build-up reached PhP 28.8 million; (v) six (6) cooperatives in the uplands of Southern Mindanao started lending

services, while two (2) others in the same area secured working capital loans from the ACPC credit program; and (vi) two (2) cooperatives became eligible as ACPC credit program PLCs.

Table 3: Training Provided to SFF and FFOs, 2024

Training key topic/module	No. of sessions conducted	No. of Individual participants	No. of FFO Represented
Financial Literacy and Credit Management ○ Financial Literacy Training ○ Credit Management ○ Creditworthiness ○ Loan Policy Formulation ○ Loan Delinquency Control and Management	209	6,861	208
Business Planning and Management ○ Business Plan Preparation ○ Strategic Planning ○ Cooperative Governance and Management ○ Enterprise & Organizational Policies, Systems and Procedures ○ Farm Plan and Budgeting	40	478	28
Entrepreneurship & Marketing ○ Effective Sales	13	521	12

Training key topic/module	No. of sessions conducted	No. of Individual participants	No. of FFO Represented
and Marketing ○ Digital Marketing ○ Business Model Canvas ○ Entrepreneurial Mindset			
Training and Support Sessions ○ Adult Learning Principles ○ Coaching and Mentoring Activities ○ Project Identification Planning & Packaging	21	289	21
Record Keeping & Bookkeeping ○ Farm Recording and Simple Bookkeeping ○ Basic Accounting for Non Accountants	24	727	25
Technical Skills and Specialized Workshops ○ Audit ○ Internal Control ○ Resource Generation and Mobilization ○ Kita Mo na! Financial Education	43	1151	22

Training key topic/module	No. of sessions conducted	No. of Individual participants	No. of FFO Represented
Training			
TOTAL	**350**	**10,027**	**316**

3. **Policy research*:*** ACPC has four (4) ongoing research studies namely: Project ASCEND, 2022 Small Farmer and Fisherfolk Indebtedness Survey (SFFIS), Countryside Bank Survey, and Development of a Credit Scoring Model for Farmers and Fisherfolk. Descriptions of these research studies are shown in Annex B.

   a. **Project ASCEnD** is being implemented in Mindanao for cacao and abaca, with partners Kennemer Food International, as institutional buyer, and Agronomika Finance Corporation (AFC), as lending conduit; and in Camarines Sur for rice, with partner Oragon Farmers Agriculture Cooperative (OFAC) as buyer and financing institution.

      The Project ASCEnD for Cacao and Abaca. As of December 2024, a total of 20,174 small cacao and abaca farmers tilling 29,002 hectares were provided with Php 76,005,242.00 in loans. Cacao has the highest number of participating small farmers at 19,542 tilling 28,002 hectares. On the other hand, Abaca financing supported 605 clients, covering 170 hectares with a loan amount of Php 5,414,000. The combined category of Abaca and Cacao, though smaller in scale, benefited 27 clients, financing 25 hectares with a total loan amount of Php 286,000.

      For these commodities, three (3) financing schemes are developed and implemented according to project implementation experiences/feedback: (i) farm establishment loan program, which provides production capital requirement for one (1) has and loan is released, in cash and in kind, according to the farm plan, (ii) micro-agri loan program, which supports women cacao and abaca farmers—both existing and start-up—by offering lower loan amounts for smaller farms, with the flexibility to gradually increase the loan size based on the borrower's interest and capacity to expand their farm operations, (iii) market access program, which provides loan to the commodity buyer for use as payment to delivering farmers when the buyer is temporarily unable to make cash payments, ensuring that farmers are paid upon harvest delivery.

      KFI has been providing technical assistance on cacao/abaca growing through its accredited agri-technicians while organizational development assistance, in the form of training and assistance in registration processing, is provided by the Philippine Business for Social Progress (PBSP).

      Project ASCEnD for Rice. As of the end of 2024, the project is supporting 33 block farms, covering 477.5 hectares, and benefitted 279 farmers through capital (loan), processing (milling), and market provision. A total of Php 44.8

million was released to OFAC, including Php 22.8 million for rice processing working capital, Php 10 million for rice production lending, Php 10 million working capital for marketing during the COVID-19 pandemic, and Php 2 million for facility rehabilitation (typhoon-caused damage to storing and milling facility).

As a strategy for efficiency and productivity, the cacao and abaca project practices farm clustering (3 km radius) while the rice project practices block farming. Block farming has posed more challenges than farm clustering.

Training Needs Analysis was conducted to assess areas requiring improvement. The assessment identified, among others, internal control and financial literacy as key focus areas. In response, 25 OFAC officers participated in an Internal Control Training in September to enhance financial and operational management. By October 2024, 60 farmer-members and cooperative officers attended two batches of Financial Literacy Training, which helped equip the cooperative with the necessary skills to launch its own Savings and Loans Program, providing members with better financial management tools.

b. **2022 Small Farmer and Fisherfolk Indebtedness Survey (SFFIS).** The results of this study were disseminated through various channels: (i) Bangko Sentral ng Pilipinas Research Academy's (BRAc) Research Huddle Public Seminar Series, (ii) two (2) Public Information-Dissemination Webinars, (iii) Estado sa Paghiram ng mga Magsasaka at Mangingisda ACPC Facebook Livestream, which reached 1,600 viewers.

c. **Countryside Bank Survey (CBS).** The results of the CBS 2022 were disseminated through a series of public information campaigns (PIC). The PIC commenced in the National Capital Region, followed by regional clusters in Naga City (South Luzon), Cabanatuan City, Nueva Ecija (North Luzon), Dumaguete City (Visayas), and Davao City (Mindanao). For the CBS 2023, BRAc and ACPC conducted three (3) workshops focused on refining the survey design and improving the questionnaire. These enhancements are based on the lessons learned from the CBS 2022. The survey rollout for the CBS 2023 is scheduled in the first quarter of 2025.

d. **The Development of a Credit Scoring Model for Farmers and Fisherfolk**. The research design and Terms of Reference (TORs) for the necessary expertise have been approved. Specialists in the field have been engaged, facilitating a Discovery Phase workshop to analyze existing credit-related processes, systems, and workflows within ACPC and the PLCs. This phase also identified key requirements and areas of alignment essential for developing the Credit Scoring Model.

4. **Credit Programs Information Dissemination**. Sixty-Five (65) ACPC credit program orientations attended by 3,080 individuals were conducted through a combination of virtual - including Zoom and Facebook Livestream - and in-person

sessions. Information dissemination efforts were carried out through various channels, including the ACPC AgriCREDITalk episodes streamed live on Facebook, Kita Mo NA rollouts, information caravans, radio interviews, and webinars and virtual conferences. These initiatives were organized in collaboration with institutions and committees such as the Philippines Partnership for Sustainable Agriculture (PPSA), DA-RFOs, DA-Agribusiness and Marketing Assistance Service (AMAS), the multi-sectoral Technical Working Group (TWG) for Mango-Calamansi and Coffee-Cacao, the Department of Agrarian Reform (DAR), and the DA-Agricultural Training Institute (ATI).

Annex A

DESCRIPTION OF ACPC CREDIT PROGRAMS

Program	Description	Target Borrowers	Loanable Amount	Finance Charges		Loan Term	Implementing Financial Institution
				Interest	Service Fee		
Agri Negosyo Program	A loan facility designed to finance the capital requirements of individual small farmers and fisherfolk (SFF), farmer and fisherfolk organizations/ associations, and micro and small enterprises (MSEs) engaged in agriculture and fishery-related projects	Individual small farmers and fisherfolk	Up to PhP 300,000	2%p.a.	up to 3.5% per transaction	Payable based on cash flow of project but not to exceed 5 years	Partner Lending Conduits
		▪ Micro and Small enterprises ▪ Farmers and fisherfolk cooperatives and associations	Up to Php15 million	2%p.a.	up to 3.5% p.a.		

Program	Description	Target Borrowers	Loanable Amount	Finance Charges		Loan Term	Implementing Financial Institution
				Interest	Service Fee		
Young Agripreneurs Program	A loan facility designed to finance the working capital and/or fixed asset acquisition requirement of start-up or existing agri-based projects of young entrepreneurs and agri-fishery graduates	Agri-fishery entrepreneurs who are 18 to 30 years old. Must be graduates of either formal or non-formal schooling	Up to PhP500,000	0%	up to 3.5% per transaction	Payable based on cash flow of project but not to exceed 5 years	Partner Lending Conduits
Survival and Recovery (SURE) Program	A loan facility designed to finance the rehabilitation of agricultural and livelihood activities of farmers and fishers in areas "Under State of Calamity" as determined by the DA and/or LGUs	SFF whose livelihood are affected by calamities	Up to PhP25,000.00 per borrower	0%	up to 3% per transaction	Up to 3 years	Partner Lending Conduits

Program	Description	Target Borrowers	Loanable Amount	Finance Charges		Loan Term	Implementing Financial Institution
				Interest	Service Fee		
Accessible Loan for Empowered, Resilient and Transformed Agrarian Reform Beneficiary Organizations (ALERT ARBOs) Program	Provides agriculture and fisheries production and enterprises credit, capacity-building, livelihood projects, and other support services to newly organized and existing agrarian reform beneficiaries (ARBs) and ARB organizations (ARBOs)	▪ ARBOs composed of farmers' cooperatives, farmers' associations and people's organizations with ARB or ARB household members ▪ Sub-borrowers: ARBs, ARB Household Members	Short Term Loan Line (STLL), Term Loan (TL), and Short Term Loan (STL) Working Capital for On-lending: ▪ For existing borrowers – based on actual credit requirements of members-borrowers but not to exceed 90% of the total project/production cost ▪ For new borrowers – Based on actual	▪ 5% p.a. for both STLL and TL ▪ Pass-on rate to end-borrowers - Maximum of 10% p.a., inclusive of other charges	0%	Working Capital Used for On-Lending to Individual ARB Members and ARB Household Members: ▪ STL and STLL – up to a maximum of 360 days promissory note ▪ TL – up to 10 years, payable upon the maturity of Promissory Notes (PNs) per batch to be amortized monthly, quarterly, semi-annually, or annually ARBO-managed Projects:	LBP

Program	Description	Target Borrowers	Loanable Amount	Finance Charges		Loan Term	Implementing Financial Institution
				Interest	Service Fee		
			credit requirements of member-borrowers but not to exceed 90% of the total project/production cost, provided the total amount of loan/line shall not exceed P15 million STLL, TL, and STL for ARBO-managed projects: ▪ Up to 90% of the total project/produ			▪ STLL and STL – up to 360 days promissory note, based on crop cycle or project cash flow ▪ TL – up to 10 years based on crop cycle or project cash flow, payable monthly, quarterly, semi-annually, or annually ▪ TL for fixed asset acquisition – up to 10 years, based on project cash flow or economic useful life of the fixed	

Program	Description	Target Borrowers	Loanable Amount	Finance Charges		Loan Term	Implementing Financial Institution
				Interest	Service Fee		
			ction cost but not to exceed P15 million for new borrowers, or at such amount as may be approved by the NPMC. The remaining 10% shall serve as the borrower's equity in the form of labor, cash, and/or capital outlay, etc			assets, payable monthly, quarterly, semi-annually, or annually.	

Annex B

DESCRIPTION OF ACPC RESEARCH PROJECTS

Research Project	Description	Duration
Project ASCEnD (Agricultural value chain financing Support and Capacity building thru Entrepreneurship and organizational Development)	**Action-research** on agricultural value chain financing with the purpose of promoting agricultural value chain financing by non-bank financing institutions for small farmers and fishers (SFFs) and encourage SFFs to take on activities that add value to their commodity and actively participate and link with other players in the chain. The project is being implemented in Mindanao for cacao and abaca, with partners Kennemer Food International, as institutional buyer, and Agronomika Finance Corporation (AFC), as lending conduit; and in Camarines Sur for rice, with partner Oragon Farmers Agriculture Cooperative (OFAC) as buyer and financing institution.	On going
2022 Small Farmer and Fisherfolk Indebtedness Survey (SFFIS)	SFFIS is a nationwide sample survey of SFFs, conducted every 3 years, to keep track of the incidence, nature, and extent of SFF borrowings from formal sources. The 2022 SFFIS has a total of 2,718 sample SFF respondents - 1,391 small farmers and 1,327 small fisher folks. It probed on the sample SFF's: a) farming/ fishing operations; b) borrowing experience, c) source, amount, term, usage, and status of loans, d) access and use of other formal financial services such as savings, insurance, remittance facilities, e-wallets, etc; e) effects of the COVID-19 pandemic; and f) plans and credit requirements in the next 3 years.	Completed
Countryside Bank Survey (CBS)	The CBS is an annual research project of ACPC and the BSP Research Academy (BRAc) that aims to generate data, analyze trends, and identify current and emerging policy issues and imperatives on bank behavior towards lending to the agriculture sector using bank branch-level data. The CBS aims to analyze trends and present	On Going

Research Project	Description	Duration
	emerging policy issues on bank behavior towards lending to the agriculture, fisheries and agrarian reform sector using branch-level data. Specifically, the CBS focuses on the banking units' agricultural lending experience, particularly on the practices and outcomes of following aspects of branch banking operations: (a) Demand for loan products and services (b) Loans and borrowers (c) Interest rates and other loan charges (d) Borrowers' repayment performance and debt position (e) Risk management mechanisms (f) Problems and challenges in lending to agriculture (g) Profitability of bank branch/office operation (h) Plans on relending to the agriculture, fisheries and agrarian reform sector	
Development of Credit Scoring Model for Farmers and Fisherfolk	Aims to create an automated credit assessment tool tailored for farmers and fisherfolk. This initiative addresses critical challenges such as limited collateral and thin credit histories among these borrowers, as well as the constraints faced by lending institutions in conducting thorough credit evaluations. By promoting risk-based lending over traditional collateral-based loan approvals, the project seeks to enhance financial access for the agricultural sector.	March 2024 to December 2025