



# Philippine Agri Finance news

Agricultural Credit Policy Council News Magazine  
Vol. 12 No. 3 Fourth Quarter 2014



**ACPC Executive Director Jovita M. Corpuz:  
2014 UPLB-CEM Outstanding Alumnus  
in Agricultural Credit Policy  
and Program Reforms**





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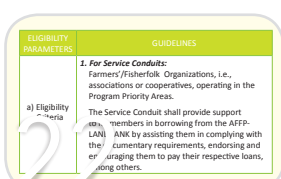
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**ACPC EXECUTIVE DIRECTOR  
JOVITA M. CORPUZ  
AWARDED UPLB-CEM  
OUTSTANDING ALUMNUS  
OF 2014**

## About the Cover

For her significant contribution in increasing the access of small farmers and fisherfolk to sustainable agriculture financing through innovative programs and grant assistance, ACPC Executive Director Jovita M. Corpuz was given recognition by her Alma Mater, the University of the Philippines Los Baños-College of Economics and Management (UPLB-CEM), as Outstanding Alumnus in Agricultural Credit Policy and Program Reforms (photo inset). The recognition was given during the occasion of the 36th Foundation Day of the UPLB-CEM held on November 24, 2014. In the photo with Exec. Dir. Corpuz are (from left): Dr. Albert Aquino of the Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (PCAARRD), Exec. Dir. Corpuz, UPLB-CEM Dean Dr. Isabelita M. Pabuayon, and former UPLB Vice-Chancellor Dr. Virginia R. Cardenas.



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# Government Provides Additional P2 Billion for Agri-Fishery Loans in 2015

By Rudyard R. Roxas



*The P2 billion allocation will be used in various credit facilities under the AMCFP to help contribute to the attainment of inclusive growth through financial inclusion of the unbanked and under-banked sectors in agriculture and increase the proportion of small farmers and fisherfolk obtaining loans from formal sources from 52% in 2007 to 61% in 2016.*



**A** P2 billion allocation to be used in credit facilities under the Agro-Industry Modernization Credit and Financing Program (AMCFP) has been approved by Congress for 2015.

The appropriation is provided under Section 3 of the 2015 General Appropriations Act (GAA), which states: *“the amount of P2 billion shall be transferred to government financial institutions (GFIs) or cooperative banks to be used exclusively for the establishment of a flexible credit facility for the benefit of small farmers and fisherfolk registered under the Registry System for Basic Sectors in Agriculture (RSBSA), as an alternative to the rigid and stringent credit facilities usually provided by banks. For this purpose, the Agricultural Credit Policy Council (ACPC) in coordination with said GFIs and banks, shall formulate the guidelines for a streamlined and equitable access by the foregoing small farmers and fisherfolk to said credit facility”.*

The P2B credit fund, which was requested by the ACPC as part of its 2015 proposed budget, forms part of the P2.606 Trillion total National Budget for 2015 ratified by both the Senate and the House of Representatives on December 15, 2014. President Benigno S. Aquino III signed the 2015 GAA last December 23, 2014.

This is the second time the government provided funding for agri-credit for small farmers and fisherfolk under the administration of President Benigno S. Aquino III. In 2013, the government also allocated P1 billion for the attainment of inclusive growth through the AMCFP-Agricultural-Fisheries Financing Program (AFFP). The AMCFP-AFFP's goal is financial inclusion of the unbanked and under-banked sectors in agriculture.

Under the AMCFP-AFFP, small farmers and fisherfolk (SFF) registered in the RSBSA are eligible to avail themselves of agri-finance and agri-microfinance loans through AFFP partner-GFIs like the Land Bank of the Philippines (LBP) and the People's Credit and Finance Corporation (PCFC). The program, as of December 31,

2014, has already provided loans to 3,378 SFF in priority provinces with completed RSBSA.

The RSBSA is an electronic database of basic information on farmers, farm laborers and fishermen per province. The project is an interagency undertaking of the Department of Budget and Management (DBM), Department of Agriculture (DA), Department of Interior and Local Government (DILG), Department of Agrarian Reform (DAR), and the National Statistics Office (NSO).

The RSBSA can be accessed through the National Anti-Poverty Commission (NAPC), which has been designated as repository of the said registry system.

The P2B fund for agri-fishery credit in 2015 will be used for the implementation of the following credit facilities: 1) DA-Landbank Sikat Saka Program; 2) ACPC-PCFC AFFP Agri-Microfinance Program (AMP); 3) Cooperative Banks Agri-Lending Program (CBAP); 4) Value Chain Financing Program (VCFP); 5) Calamity Assistance Program (CAP); and Climate Change Adaptation Financing Program (CAFP).





*The provision of credit for rice farmers in non-irrigated areas is also one of the objectives of the Oversight Committee for Credit Operations (photo courtesy of Google Images).*

## DA Creates Oversight Committee for Agri-Fishery Credit

By **Norman William S. Kraft**

- The setting of joint targets for all credit programs by convening all implementing agencies and undertaking all the related preparatory works.
- Clarification of the process of charging unpaid accounts to various loan funds.
- The preparation of farmers in paying for crop insurance premiums, including the phase-out of existing subsidies for premiums.
- The provision of credit for rice farmers in non-irrigated areas.

The OCCO is chaired by the Undersecretary for Operations of the Department of Agriculture (DA), Atty. Emerson U. Palad. The Vice-Chairs are a representative from the Land Bank of the Philippines (LBP) and the Undersecretary for Support Services of the Department of Agrarian Reform (DAR), Usec. Rosalina L. Bistoyong.



*The Oversight Committee for Credit Operations (OCCO) is chaired by DA Undersecretary for Operations, Atty. Emerson U. Palad.*

**T**o promote the effective implementation of the various existing credit and financing programs intended for the agri-fishery sector, the Department of Agriculture (DA) has initiated the creation of an Oversight Committee for Credit Operations (OCCO) of Agri-Fishery Programs.

The creation of the OCCO was effected through the issuance of DA Special Order No. 877, Series of 2014 on November 17, 2014. The OCCO also aims to enhance coordination among the implementing agencies of the different credit and financing programs.

Based on DA-SO 877, the mandates the OCCO are the following:

1. Coordination with various agencies and operating units involved in implementation to achieve maximum results.
2. Conduct target setting sessions with the different implementing units, identify key result areas

and take responsibility for regular monitoring of results.

3. Propose incentives for the achievement of specific targets.
4. Review the features of specific programs, identify and address areas of duplication and gaps to maximize results.
5. Review the performance of all existing programs.
6. Mobilize the appropriate agencies and operating units to enhance delivery of rural finance services.
7. Tackle outstanding issues relative to the implementation of existing credit programs.

Among the priority concerns that the OCCO seeks to address are the following:

- Expansion of the coverage of credit programs to effectively cover corn and high value crops.
- The streamlining of loan processing for repeat borrowers.

The other members of the OCCO are one representative each from the following agencies / operating units:

1. Agricultural Credit Policy Council (ACPC)
2. Agricultural Training Institute (ATI)
3. Philippine Crop Insurance Corporation (PCIC)
4. DA National Rice Program
5. DA High Value Crops Development Program (HVCDP)
6. DA National Livestock Program
7. DA National Corn Program
8. Bureau of Fisheries and Aquatic Resources (BFAR)
9. DA Planning and Monitoring Service (PMS)
10. DA Secretary's Technical Advisory Group (STAG)

Also, DA-SO 877 provides that the creation of the OCCO does not supersede the governing bodies / oversight committees of existing programs such as the Sikat Saka Program, the Agricultural Fisheries Financing Program (AFFP), the Agricultural Guarantee Fund Pool (AGFP), the insurance programs of



*The creation of the Oversight Committee for Credit Operations (OCCO) of Agri-Fishery Programs is aimed at promoting the effective implementation of the various existing credit and financing programs intended for the agri-fishery sector.*

the PCIC, as well as other programs currently being implemented by the ACPC.

Pursuant to DA-SO 877, ACPC correspondingly issued Special Order No. 104, Series of 2014 on November 25, 2014 designating Director Magdalena S. Casuga as the official representative of the ACPC to the OCCO, with Director Norman William S. Kraft as alternate.

The first meeting of the OCCO was convened on December 19, 2014.

Among the initial agreements of the Committee are the following:

1. Another DA-SO shall be issued designating the ACPC as Secretariat for the OCCO.
2. A cluster-wide planning and target-setting for all credit programs shall immediately be conducted. The ACPC shall be involved in the design of the planning and target-setting activity.



*The expansion of the coverage of credit programs to effectively cover high value crops and corn is one of the priority concerns that the Oversight Committee for Credit Operations (OCCO) seeks to address (photo courtesy of Google Images and the Department of Agriculture website).*



*ACPC M&E staff together with some of the small farmers registered in the RSBSA in the province of Sarangani who were interviewed for the AFFP Benchmarking Survey.*



## Benchmarking Project for the AMCFP-AFFP Begins

By **Norman William S. Kraft**

The Agricultural Credit Policy Council (ACPC) has embarked on a benchmark survey for the Agricultural-Fisheries Financing Program (AFFP) under the AMCFP. The survey, which started in the second semester of 2014 and is expected to finish by the end of the first semester of 2015, is aimed at collecting baseline data on specific indicators that will be useful in monitoring and assessing the AMCFP-AFFP's progress and effectiveness during and after program implementation.

Specifically, the survey seeks to: i) identify the socio-economic characteristics of small farmers and fisherfolk registered in the Registry System of Basic Sectors in Agriculture (RSBSA) in the AMCFP-AFFP priority areas; ii) examine the nature and extent of financial assistance currently being accessed

from different sources by RSBSA-registered small farmers and fisherfolk in the AFFP priority areas; and iii) determine the credit needs of RSBSA-registered small farmers and fisherfolk in the AFFP priority areas.



*The AMCFP-AFFP Benchmark Survey is being spearheaded by the ACPC's Monitoring and Evaluation (M&E) Division headed by Cenon S. Atienza (left). One of the objectives of the survey is to identify the socio-economic characteristics of small farmers and fisherfolk registered in the Registry System of Basic Sectors in Agriculture (RSBSA) in the AFFP priority areas.*





*Staff of the Municipal Agriculture Officer (MAO) in the municipalities selected for the AFFP Benchmarking Survey are also involved in the conduct of the activity. Photo shows staff of the MAO in the town of Glan in Sarangani Province (the two beautiful ladies) being oriented by ACPC staff (the two handsome gents) on how the survey will be conducted.*



*AFFP Benchmark Survey Project Team Leader Normando de Leon (right) interviewing one of the small farmers listed in the Registry System for Basic Sectors in Agriculture (RSBSA).*

The AMCFP-AFFP was initially funded with One Billion Pesos (P1,000,000,000) through the General Appropriations Act (GAA) of 2013. The program is intended as a flexible credit facility for the benefit of small farmers registered in the Registry System for Basic Sector in Agriculture (RSBSA). As such, the facility is considered as an alternative to the rigid and stringent credit facilities usually provided by banks. The goal of the AMCFP-AFFP is to contribute to the attainment of inclusive growth through financial inclusion of the unbanked and underbanked sectors in agriculture. Funding for the program was appropriated to the ACPC. The program is being implemented in partnership with the Land Bank of the Philippines (LBP) and the People's Credit Finance Corporation (PCFC).

Through the benchmark assessment, conditions of the target clientele prior to program intervention shall

be determined using relevant indicators. The baseline information that will be gathered shall serve as bases for measuring the impact of the program through changes happening over time, if any, in the socio-economic conditions of the program clientele, among others. The results of impact assessment, in turn, shall serve as bases for policy recommendations on improving program implementation and, possibly, for improving the design of future programs as well. The AMCFP-AFFP benchmark survey is being spearheaded by the ACPC's Monitoring and Evaluation (M&E) Division headed by Cenon S. Atienza. Team leader for the project is Normando de Leon.

For the survey, a total of 2,460 RSBSA-listed farmers and fisherfolk shall be interviewed from 164 barangays and 82 municipalities in the 41 priority provinces.



*Randomly selected small farmers registered in the RSBSA in the AMCFP-AFFP priority provinces who are interviewed for the benchmarking survey are also given an orientation by the ACPC Monitoring & Evaluation (M&E) Staff to explain the activity.*





*Participants and resource persons of the AFFP Coordination Meeting for Misamis Oriental and Camiguin conducted on December 3-5, 2014 in Cagayan de Oro City.*

## DA-RFOs and ACPC Conduct 4 Regional Coordination Meetings for the AMCFP-AFFP in the 4th Qtr 2014

By **Rumina A. Gil**

The expansion of the Agricultural Fisheries Financing Program (AFFP) from the initial 20 provinces to include 21 additional Registry System for Basic Sectors in Agriculture (RSBSA) provinces prompted the conduct of *Coordination Meetings for the Regional and Provincial AFFP Persons, Microfinance Institutions and Service Conduits* in 11 regions covering these provinces.

The coordination meetings are conducted (1) to inform the concerned Department of Agriculture – Regional Field Offices (DA-RFOs); the Regional, Provincial and Municipal AFFP Focal Persons; the program’s partner Microfinance Institutions (MFIs) and accredited Service Conduits

(i.e., farmers/fisherfolk organizations) about the AFFP and its guidelines; (2) to explain to them their respective roles in the facilitation of program implementation; and (3) to set targets and commitments under the program.

The AMCFP-AFFP is one of the initiatives of the DA to help promote inclusive growth by providing financing assistance for small farmers and fisherfolk registered in the Registry System for Basic Sectors in Agriculture (RSBSA) of the program’s 41 priority poorest provinces. The program is being implemented through the Land Bank of the Philippines (LANDBANK) and the People’s Credit and Finance Corporation (PCFC).

Through the LANDBANK, the AFFP lends directly to individual small farmers and fisherfolk listed in the RSBSA in coordination with farmer/fisherfolk organizations that become accredited as “Service Conduits”. Service Conduits are responsible for identifying and endorsing eligible farmers/fisherfolk borrowers to the LANDBANK for loan availment under the AFFP. However, the Service Conduits do not assume credit risk or liability on the loans of the individual borrowers. Through the PCFC, the AFFP lends to individual small farmers and fisherfolk listed in the RSBSA through Microfinance Institution (MFI) partners or Borrower Organizations. The MFI partners / Borrower Organizations assume credit risk or liability on the



*ACPC Chief Administrative Officer Noel Clarence Ducusin presenting the Agricultural Fisheries Financing Program (AFFP) during the Coordination Meeting in Cagayan de Oro City.*



loans of the individual borrowers. The MFI partners / Borrower Organizations have to be accredited by the PCFC using the PCFC's accreditation criteria for the AFFP.

The initial 20 priority provinces are: Abra, Apayao, Ifugao, Kalinga, Masbate and Romblon, which are priority areas covered by the Land Bank of the Philippines (Landbank); and Mountain Province, Camarines Sur, Eastern Samar, Western Samar, Northern Samar, Siquijor, Agusan del Sur, Davao Oriental, North Cotabato,

Sarangani, Sultan Kudarat, Surigao del Norte, Surigao del Sur and Zamboanga del Norte, which are covered by the People's Credit and Finance Corporation (PCFC).

The 21 additional RSBSA provinces are: Benguet, Ilocos Norte, Batanes, Cagayan, Isabela, Nueva Vizcaya, Aurora, Zambales, Laguna, Marinduque, Albay, Camarines Norte, Catanduanes, Sorsogon, Aklan, Capiz, Zamboanga del Sur, Camiguin, Misamis Oriental, Agusan del Norte, and Dinagat Islands.

Four coordination meetings have already been conducted for six of the 21 additional provinces in the fourth quarter of 2014.



*ACPC Deputy Executive Director Ramon Yedra answering queries about the AFFP.*

### **CAR – Benguet**

The AFFP Coordination Meeting was conducted for 13 municipalities of Benguet on November 7, 2014 in Baguio City. The meeting was organized by the Department of Agriculture – Regional Field Office CAR (DA-RFU CAR) through the Regional AFFP Focal Person, Ms Florena Pedro, the Regional Technical Director, Provincial Agriculture Office (PAO), and Municipal Agriculture Office (MAO) and agricultural technicians (ATs). It was attended by 41 farmers from the 21 endorsed farmer-organizations (service conduits or SCs).



*CAR AFFP Focal Person Ms Florena Pedro discussing commitments for the implementation of the AFFP in CAR.*



*Mr. Erwin Idong of the People's Credit and Finance Corporation (PCFC) discussing the mechanics of the AFFP under the PCFC.*



### ***Region XIII - Agusan Norte and Dinagat Islands***

Through the DA-RFO XIII (DA-CARAGA), the AMCFP-AFFP Coordination Meeting between Microfinance Institution (MFI)-Partners and Focal Persons of the Local Government Units (LGUs) of Agusan Norte and Dinagat Islands was held in Butuan City on November 14, 2014. The organizing and conduct of the coordination meeting was spearheaded by DA-CARAGA's AFFP Focal Person, Ms Malou Gruyal.

A total of thirty-eight (38) participants attended the coordination meeting: twelve (12) MFI-partners of the People's Credit & Finance Corporation (PCFC) operating in the Provinces of Agusan Norte and Dinagat Islands – the People's Bank of CARAGA, Cantilan Bank, Inc., SEDFI, TAFIMCO, MILAMDEC, NMSFA, RICO Credit Cooperative, among others; and representatives from the Office of the Provincial Agriculturist and Municipal Agricultural Offices of the Provinces of Agusan Norte and Dinagat Islands.

### ***Region I – Ilocos Norte***

The AFFP Coordination Meeting for the province of Ilocos Norte was held on December 17, 2014 in Laoag City, Ilocos Norte.

Around 40 participants, mostly composed of Municipal Agriculturists from 11 municipalities, attended the activity, together with officers and staff from the Northern Foods Corporation (NFC), National Tobacco Administration (NTA), and the Provincial Agriculturist's Office (PAO). The activity was coordinated and sponsored by the DA-RFO 1 represented by the AMAD Chief and Regional AFFP Focal Person, Ms Ma. Cristine De Leon.

### ***Region X – Camiguin and Misamis Oriental***

The AFFP Coordination Meeting for Misamis Oriental and Camiguin was conducted on December 3-5, 2014 in Cagayan de Oro City. It was participated in by 58 people including Municipal Agriculturists (MAs) and Provincial Agriculturists of the provinces of

Misamis Oriental and Camiguin, representative of the CDA, different Micro-Financing Institutions (MFIs), and DA facilitators and Support team headed by Ms Cheddy Ansale, AMAD Chief and Regional AFFP Focal Person for DA-RFU X and Ms Carmelita Bajarla, Credit Focal Person of AMADDA-RFU X.

After each of the orientations, workshops were also conducted to identify the next steps and commitments of the participants in helping facilitate the AFFP's implementation in their respective areas. Schedules of municipal orientations and were also determined. Representatives of each municipality were requested to submit their initial plans and targets for the implementation of the program.

Coordination Meetings are scheduled in the first quarter of 2015 for the remaining 15 provinces.



*Participants of the AFFP Coordination Meeting for Benguet held in Baguio City on November 7, 2014 with ACPC Deputy Executive Director Ramon C. Yedra (2nd row, 6th from left), ACPC Director Norman William S. Kraft (front row, 4th from left) and ACPC Chief Administrative Officer Noel Clarence Ducusin (3rd row, 3rd from left).*





ACPC Exec. Dir. Jovita M. Corpuz (second from right) leads the National Technical Committee (NTC) for the 2014 Gawad Saka Search for Outstanding Small Farmer/Fisherfolk Organization (OSFFO) during the desk evaluation of national finalists. At the right of Exec. Dir. Corpuz is FPA Executive Director Norlito R. Gicana, one of the Vice-Chairs of the NTC for OSFFO.

## Mindoro Occ. Farmers' Cooperative is Outstanding Farmer Organization of 2014

By **Rudyard R. Roxas**

**T**he San Carlos Multi-Purpose Cooperative (SACAMUCO) the Gawad Saka Outstanding Small Farmer/Fisherfolk Organization for 2014. The Gawad Saka awarding ceremony was held on December 18, 2014 at the Philippine International Convention Center (PICC).

The 2014 Gawad Saka Search for Outstanding Achievers in Agriculture and Fisheries recognized individuals and groups in various categories that showed outstanding performance in the agriculture and fisheries sector over the period 2012-2013. Awardees also conformed to the DA's revitalized programs on food security and sufficiency in the face of global food crisis.

Under the Outstanding Small Farmer/Fisherfolk Organization

(OSFFO) category, the recognition is given to a farmers'/fisherfolk's organization which showed the best exemplary contributions in the total development of agriculture, and the upliftment of the quality of life of Filipino farmers/fisherfolks over a given two-year period. A "Small Farmer/Fisherfolk Organization," as defined in the Gawad Saka guidelines, refers to any group of small farmers/fisherfolk, of Filipino nationality, whose major/principal activity is agricultural and/or fisheries production, processing and marketing of crops, livestock and aquamarine products.

The Gawad Saka National Technical Committee (NTC) for the Gawad Saka Search for Outstanding Small Farmer/Fisherfolk Organization was chaired by ACPC Exec. Dir. Jovita M. Corpuz (Department of Agriculture Special

Order (DA-S.O.) No. 260 S. 2014). The Gawad Saka NTC for OSFFO conducted the desk evaluation of 13 national finalists on May 7-8, 2014.

The 13 finalists evaluated for the national OSFFO category were: (1) Fish Searchers Sta. Cruz Association, Inc. of Region I; (2) Santiago Amos Credit and Development Cooperative (SACDECO) of Region II; (3) Catmon Multi-Purpose Cooperative (CMPCI) of Region III; (4) Tumbaga 1-Bucal Irrigators' Association, Inc. (T1BIA) of Region IVA; (5) San Carlos Multi-Purpose Cooperative (SACAMUCO) of Region IVB; (6) Labo Progressive Multi-Purpose Cooperative (LPMPC) of Region V; (7) Southern Iloilo Multi-Purpose Cooperative (SIAMPC) of Region VI; (8) San D' Mil Irrigators' Association, Inc. of Region VII; (9) Midsalip Farmers Multi-Purpose



Cooperative (MIFACO) of Region IX; (10) El Salvador Farmers Multi-Purpose Cooperative (ESFMPC) of Region X; (11) Nagkahiusang Mag-uumasa San Isidro Cooperative (Nagmasid Coop) of Region XI; (12) Binhian ng Timug Kutabato Multi-Purpose Agricultural Cooperative (BINTIKU-MPAC) of Region XII; and (13) CAR Ubaya Food Processor's Organization, Inc.

After the desk evaluation, the candidate organizations were narrowed down to 5 finalists: the SACDECO in Santiago, Isabela; CMPCI in Sta. Maria, Bulacan; SACAMUCO in Sablayan, Occidental Mindoro; LPMPC in Labo, Camarines Norte; and MIFACO in Midsalip, Zamboanga del Sur.

Field validations of the 5 finalists were conducted over June-August. The field validation process includes the conduct of interviews with the organization's officers and members, project visits, and review of relevant documents. The results of the field validations were tabulated based on the following criteria:

- Organization/Management (20%): Membership, Frequency of meetings, Affiliation



*National Technical Committee for Outstanding Small Farmer/Fisherfolk Organization (NTC-OSFFO) Vice Chair, Engr. Petronilo Jabay interviewing the volunteer teacher for the Mangyan Alternative School which San Carlos Multi-Purpose Cooperative (SACAMUCO) helped setup and continuously supported as part of the cooperative's community outreach program.*

- Economic activities (50%): Business operations (Book of accounts; ROI), Level of agribusiness activities (Crop production; Livestock and poultry; Fishery; Pre-post harvest facilities; Food processing; Adoption of new agri-fishery technology; Extension of loans; Procurement/marketing), Non-agricultural economic activities, and Financing

- Social activities/accomplishments (30%): Human Resources Development, Other services rendered to members, Community involvement/services, Jobs generated, and Awards/recognition received

Based on the tabulation, the resulting top three (3) finalists were presented to the Board of Judges (BOJ) at the Manila Grand Opera Hotel on October 28, 2014 for selection of the awardee.

The Vice-Chairpersons of the NTC-OSFFO were Dir. Norlito R. Gicana of the Fertilizer and Pesticide Administration (FPA) and Engr. Petronilo B. Jabay of the Fiber Industry Development Authority (FIDA). Other members of the NTC-OSFFO were Dir. Norman William S. Kraft, Celedonio P. Pereyra, Charleston M. Dulay, Ezrael L. Manzao and Rudyard R. Roxas of ACPC; Marilou Esterlina D. Arifalo of the Bureau of Animal Industry (BAI); Engr. Emma Z. Balabis and Gina Deungria of FIDA; and Marlene Calangian of Bureau of Fisheries and Aquatic Resources (BFAR).



*The Gawad Saka OSFFO for 2014, San Carlos Multi-Purpose Cooperative (SACAMUCO), is a beneficiary of the DA Rice Mechanization at Postharvest Program. It is also one of the DA's service providers of farm machineries such as combine harvesters (shown in photo) and rice transplanter for MIMAROPA.*



# AMCFP Loan Releases Increase by 26% in 2014

By Rumina A. Gil

The number of AMCFP beneficiaries also increased by 56.5% with 36,016 borrowers in 2014 compared to 22,888 beneficiaries in 2013.

The Agro-Industry Modernization Credit and Financing Program (AMCFP) released 26.5% more loans in 2014 compared to 2013. The AMCFP released loans amounting to P1.44 billion over the period January to December 2014. Loans released by the program in 2013 amounted to P1.14 billion. The number of beneficiaries per year also increased by 56.5% with 36,016 borrowers in 2014 compared to 22,888 beneficiaries in 2013.

The AMCFP is the umbrella financing program of the Department of Agriculture (DA). Its implementation is overseen by the Agricultural Credit Policy Council (ACPC). Among the agri-fishery financing programs funded through the AMCFP are the Cooperative Banks Agri-Lending Program (CBAP), the Agri-Microfinance Program (AMP), the Sikat Saka Program, the Typhoon Pablo Special Credit Facility, the Agricultural Fisheries Financing Program (AFFP), and the Calamity Assistance Program.

Among the AMCFP programs, the *Cooperative Banks Agri-Lending Program (CBAP)* released the biggest amount of loans in 2014, with a total of P640.1 million (44.3% of the total loans released). This amount was able to finance the agri-fishery projects of 17,949 farmers and fisherfolk (49.8% of the total borrowers). The CBAP is a program that provides funding support to eligible cooperative banks in the form of special time deposits (STD). The program was implemented since September 2011. CBAP funds are used by participating cooperative banks to expand their small farm and fishing loan portfolio. CBAP loans for agricultural production or microfinance bear interest rates that do not exceed 15% per annum.

Second is the *Sikat Saka Program* jointly implemented by the DA and the Land Bank of the Philippines (LBP). The Sikat Saka released P543.2 million loans (37.6% of the total loans released) to 2,519 rice farmers (7.0% of the total

borrowers) in 2014. Launched in January 2012 in the interest of attaining self-sufficiency in rice, the Sikat-Saka provides small farmers direct access to credit through their respective irrigator's associations (IAs) to be used for palay production. Under this scheme, farmers are provided a lower interest rate of 15% per annum for the first two cycles. Then, for succeeding cycles, the rate goes down by 1% per cycle. The reduced interest rates are applied to those who fully pay their production loan on time. To familiarize farmers in the use of 'modern' banking technology, loans are being released through automated teller machines (ATMs).

Under the *Agricultural Fisheries Financing Program (AFFP)*, P74.0 million in loans (5.1% of the total loans) was released to 3,378 borrowers (9.4% of the total borrowers) during its first year of implementation. The AFFP is one of the initiatives of the DA

see AMCFP Loan Releases... page 18





## ACPC Christmas 2014: A Celebration of Hope, Peace, Joy and Love

By Emmalyn J. Guinto

The ACPC family celebrated Christmas 2014 with a simple boodle-fight style lunch. ACPC Exec. Dir. Jovita M. Corpuz, in her message, expressed her appreciation to the ACPC officers and staff for their hard work in performing the mandates of the agency in 2014. She acknowledged the contribution of each and every one in ACPC in bringing to fruition the accomplishments of the agency. For 2015, she challenged the ACPC employees to continue working together for the success of ACPC's programs, particularly with the infusion of an additional P2 billion for the Agricultural Fishery Financing Program (AFFP).

The ACPC staff, through the ACPC Employees Association (ACPCEA) accepted the challenge and conveyed their commitment to perform their tasks to achieve the agency's goals. With the theme "A Celebration of Hope, Peace, Joy and Love," the ACPC officers and staff capped the party with a night of singing and dancing.

















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to help promote inclusive growth by providing financing assistance for small farmers and fisherfolk registered in the Registry System for Basic Sectors in Agriculture (RSBSA) of the program's 41 priority poorest provinces. The program is being implemented through the Land Bank of the Philippines (LANDBANK) and the People's Credit and Finance Corporation (PCFC).

The *Agri-Microfinance Program (AMP)*, on the other hand, was able to release P92.9 million (6.4% of the total loans released) to 8,038 farmers and fisherfolk or 22.3% of the total borrowers in 2014. The AMP is a joint program of the DA-ACPC with the People's Credit and Finance Corporation (PCFC). Through the AMP, accredited microfinance institutions (MFIs) of the PCFC provide agri-micro loans to individual borrowers coming from small farm and/or fishing households. The program also gives priority to areas hit by natural calamities.

*DA-ACPC Calamity Assistance Program*, on the other hand, released P95.8 million in loans (6.6% of the total releases) to 4,132 beneficiaries (11.5% of the total borrowers). This incorporates the accomplishments under the earlier initiatives for typhoons Pablo and Yolanda, the Special Agricultural Financing for Farmers and Fisherfolk Affected by Typhoon Pablo and the Rehabilitation Program Agricultural/Fishery Households Affected by Typhoon Yolanda.

In 2013, the President directed all departments and other concerned government agencies to implement and execute rescue, recovery, relief and rehabilitation work in accordance with pertinent operational plans. Under Memorandum Circular No. 59 dated 26 November 2013, the President further directs all government owned and controlled corporations (GOCCs), which include government financial institutions (GFIs), to grant loan moratorium on the payment of outstanding loans and expedite the

extension of and provide the necessary assistance relative to documentary submissions for interest-free loans to individuals and entities affected by the calamity. In response to the President's directives and to complement the DA's initiatives in providing rehabilitation support in typhoon affected areas, the ACPC implemented a rehabilitation support program that offers a one (1) year moratorium on payment of outstanding loans and provision of new loans with flexible requirements, terms and conditions to finance production and other livelihood activities of agricultural households affected by typhoons. The main objective of the rehabilitation program is to support the DA's 'early recovery program' by providing financing assistance that will help agricultural households in affected areas regain their capacity to earn a living.

From the time it was first implemented in 2003, the AMCFP has already cumulatively generated P6.99 billion loans for 216,222 farmer and fisherfolk borrowers as of December 31, 2014.

The 26.5% increase in loan releases in 2014 is attributable mainly to the expanding implementation of the Sikat Saka Program. From P307.3 million loans released in 2013, P543.2 million loans was released through the Sikat Saka Program in 2014 or an increase of 76.8%. The implementation of new programs, the AFFP and the DA-ACPC Calamity Assistance Program also contributed to the increase in loan releases for the year.



*The Agro-Industry Modernization Credit and Financing Program (AMCFP) released 26.5% more loans in 2014 compared to 2013. AMCFP loan releases amounted to P1.44 billion over the period January to December 2014.*

**AMCFP Loan Releases and Number of Beneficiaries  
by Program (January to December 2014)**

Programs under the AMCFP	Loans Granted (P million)	%	No. of Borrowers	%
Cooperative Banks Agri-Lending Program (CBAP)	640.1	44.3	17,949	49.8
Sikat Saka Program	543.2	37.6	2,519	7.0
Agricultural Fisheries Financing Program (AFFP)	74.0	5.1	3,378	9.4
Calamity Assistance Program	95.8	6.6	4,132	11.5
Agri-Microfinance Program (AMP)	92.9	6.4	8,038	22.3
<b>Total</b>	<b>1,446</b>	<b>100</b>	<b>36,016</b>	<b>100</b>



# Results of ACPC's Field Validation for the Agri-Microfinance Program in 2013

By **Norman William S. Kraft** and **Rachel A. Bustamante**

**T**he Agricultural Credit Policy Council (ACPC) recently completed its report on the results of field validation conducted for the *Agri-Microfinance Program (AMP)* in 2013. The report gives a summary of ACPC's findings and assessment with regard to loans released to individual borrowers by seven (7) of the accredited microfinance institution (MFI)-partners under the AMP.

Field validations of loans released to individual borrowers are conducted regularly by ACPC for the different programs which it oversees. The field validations are conducted primarily to verify compliance of random individual loans with the agreed guidelines of the programs they respectively originate from. Among the important parameters that ACPC validates in a loan are: (a) eligibility of the individual borrower; (b) the project or activity financed by the loan; and (c) compliance with the agreed loan terms and conditions of the program under which the loan is classified – these include the interest rate applied on the loan and the loan's maturity period, among others.

Also part of ACPC's monitoring & evaluation (M&E) responsibility is to gather information that can help determine whether a particular program was able to improve the borrowers' access to financing; and whether a program was able to help facilitate increase in incomes for the borrowers through the livelihood activities that were financed.

For the AMP, ACPC validated loans that were released by the following MFI-partners in 2013:

1. Enterprise Bank – Agusan del Sur
2. Ahon sa Hiras (ASHI) – Rizal
3. Peoples Bank of Caraga – Agusan del Sur
4. Agricultural & Rural Development for Catanduanes – Catanduanes
5. Paglaum Multi-Purpose Cooperative – Misamis Occidental
6. Metro Ormoc Community Multi-Purpose Cooperative (OCCCI) – Ormoc, Leyte
7. Countryside Multi-line Multi-Purpose Cooperative – Camarines Norte

A combined total of 397 random sample borrowers under the AMP were interviewed by ACPC's M&E Division for the field validation. The interviewed borrowers were representative of the

various types of activities financed under the program (e.g. agriculture – crop production, livestock and poultry raising, fishing; commerce or trade – buy and sell of goods, sari-sari store; and manufacturing – handicraft-making, dressmaking, among others).

## Background on the AMP

The AMP is a program jointly implemented by the ACPC and the People's Credit and Finance Corporation (PCFC). The program's objective is to expand credit outreach to small farming and fishing households by utilizing PCFC's extensive network of microfinance institution (MFI)-partners such as cooperative/rural banks, cooperatives, non-government organizations (NGOs) and other accredited People's Organization (POs). Under the program guidelines, PCFC



*Field validations of loans released to individual borrowers are conducted regularly by ACPC to verify compliance of individual loans with the agreed guidelines of the programs they respectively originate from. In the photo are the Chief of ACPC's Monitoring & Evaluation Division, Cenon Atienza (in yellow and blue shirt), and M&E staff Annalyn Garay (in gray blazer) conducting validation work.*



should lend to its qualified MFI-partners. In turn, the latter shall relend the funds to eligible small farmers, fisherfolk, or any qualified member of their household to finance either farm, off-farm, or non-farm income-generating projects.

In 2010, the second phase of the AMP refocused to give priority to victims of calamity-stricken areas as identified by the DA; and incorporated an incentive scheme allowing interest rebates for MFI-partners that are able to fully disburse their AMP loan funds on time and are able to generate 100% repayment.

As of December 31, 2013, the aggregate fund disbursements of the PCFC under the AMP amounted to P339 M, equivalent to 170% of the program's total seed fund of P200M. The program funds were disbursed to a total of 33 MFI-partners accredited by the PCFC nationwide. The MFI-partners, in turn, had provided loans to a combined cumulative total of 60,324 individual borrowers. The combined cumulative loan amount of the MFI-partners had reached P677.29M, equivalent to approximately 200% of the PCFC's aggregate fund disbursements under the program.

### Summary Highlights of Results of the 2013 AMP Field Validation

#### • Eligibility of Individual Borrowers

96.5% of the interviewed borrowers were verified to be eligible as program clients since they were engaged mainly in agriculture-based livelihood, as required by the program guidelines. On the other hand, 3.5% of the interviewed borrowers were discovered as not being engaged in agriculture and, therefore, ineligible for the program loans. This was promptly reported by ACPC to PCFC for the appropriate corrective measures.



AMP loans may be used by borrowers for farm, off-farm, or non-farm livelihood projects. The field validation results showed that 76% of the interviewed program borrowers used their loans for production of crops, fisheries, or livestock and poultry.

#### • Activities / Projects Financed by the Program Loans

Under the program guidelines, AMP loans may be used by borrowers for farm (production), off-farm, or non-farm livelihood projects. The field validation results showed that the demand for loans was highest (76% of the interviewed borrowers) for production of crops, fisheries, or livestock and poultry. Only 18% of the interviewed borrowers, on the other hand, used their loans for either off-farm or non-farm income-generating activities. It was also discovered that 5% of the interviewed borrowers used their loans only for consumption (non-income generating) purposes and, therefore, were inconsistent with program guidelines. This was, likewise, promptly reported by ACPC to PCFC for corrective measures.

#### • Compliance with Agreed Interest Rates under the Program

All the interest rates reported by the interviewed borrowers are within and consistent with the interest rate policies (market-based) of the

respective MFI-partners. The validation results show that the average rate of interest among the MFI-partners is at 31.2% per annum.

#### • Compliance with Agreed Loan Maturity under the Program

The prescribed loan maturity under the AMP guidelines is up to a maximum of one (1) year or 12 months. According to the field validation results, 66% of the interviewed borrowers had loan maturities ranging from 3-6 months. On the other hand, 27% had loan maturities ranging from 7-12 months. Payments for crop production loans, especially for rice and corn, are usually collected on lump-sum basis or upon harvest. On the other hand, loan amortization for off-farm and non-farm income-generating activities is usually weekly. The MFI loan officers collect the payments in time with the weekly center meetings.

#### • Repayment Capacity of Borrowers

88% of the interviewed borrowers reported having no problems with loan repayment, as they were able to abide



by the loan amortization schedule set by the MFIs. According to them, the loan repayment terms set by their respective MFI-lenders are not difficult to comply with.

• *Improvement in Incomes of Borrowers*

73% of the interviewed borrowers reported increased incomes after they participated in/borrowed under the program. According to them, the increase in their incomes enabled them to sufficiently cover for their basic household expenses, such as food and clothing. 41% of the interviewed borrowers also reported being able to buy home appliances or furniture for their respective households as proof of their increased incomes. Also, 26% of the interviewed borrowers claimed having been able to generate savings as an outcome.

• *Improvement in Loan Access for Borrowers*

Evidence of improvement in access to credit was observed more in terms of the borrowers' ability to access bigger loan amounts. 52% of the interviewed borrowers reported being able to borrow amounts higher than their previous loan. Information gathered through the validation activities also indicated that good repayment record was an important consideration in being granted a bigger loan amount. Still, among the interviewed borrowers, only 70% – or not all – said that the amount of their loan was sufficient to cover all their production expenses or capital requirements. 30% of the interviewed borrowers, on the other hand, reported that they had to request for additional financial support from relatives or borrow from informal sources, such as money lenders, traders, and friends. The field validation results showed that the average loan amount availed by individual AMP borrowers in that year was P19,244.

On the other hand, the MFI-partners were able to generate only 6.4% new borrowers (i.e., new program entrants only in the past year or less) under the AMP in 2013. 93.6% of the interviewed borrowers were already former clients (i.e., MFI clients for 1 year or more) of the MFI-partners. The program target is to generate at least 20% new borrowers per year.

• *ACPC Recommendations Based on the Field Validation Results/Findings*

- MFI-partners should be encouraged to target more new borrowers. Priority should be given to farmers/fisherfolk who still borrow from informal lenders to finance their income-generating activities.
- The borrowers should be encouraged to also invest in

income-generating livelihood activities other than agricultural production. They should be made more aware that loans available through the AMP can also be utilized to finance non-farm activities so they can diversify and augment the income sources of their household.

- Advise the MFI-partners to make their lending terms and conditions (including the interest rates) even more considerate towards the program's target borrowers, especially for those affected by a calamity.
- The agri-microfinance operations of the MFI-partners should be sustained/expanded through the AMP to expand the program's outreach.



*Part of ACPC's monitoring & evaluation responsibility is to gather information that can help determine whether a particular program was able to improve the borrowers' access to financing and help facilitate increase in incomes through the livelihood activities that were financed.*



# Guidelines of the Agricultural-Fisheries Financing Program (AFFP)

**T**he Agricultural Fisheries Financing Program (AFFP) has a “streamlined” design which aims to make access to financing easier for small farmers and fisherfolk, particularly for those who are registered in the Registry System for Basic Sectors in Agriculture (RSBSA).

The program is being implemented in forty-one (41) priority provinces through the Land Bank of the Philippines (LANDBANK) and the People’s Credit and Finance Corporation (PCFC).

The Eligible Individual Borrowers under the program are Small Farmers and Fisherfolk who are Non-Agrarian Reform Beneficiaries (Non-ARBs) and who are registered in the RSBSA of the priority provinces. Although – in the case only of the AFFP-PCFC Special Credit Facility – even other household members of the RSBSA-registered small farmer or fisherfolk may be eligible as program borrowers as well.

For purposes of the program, the definitions of small farmers and small fisherfolk have been mutually agreed upon by the DA, ACPC, LANDBANK, and PCFC to be as follows:

**Small Farmers** are defined as those cultivating not more than five (5) hectares of land and/or are engaged as small poultry/livestock raisers defined as those raising not more than the following:

- Poultry – 1,000 poultry layers or 5,000 broilers
- Swine – 10 sow level or 20 fatteners
- Cattle – 10 fatteners or 5 breeders
- Dairy – 10 milking cows
- Goat – 50 heads

**Small Fisherfolk are defined as:**

- Those operating fishing vessels of not more than three tons capacity;
- Those operating fishponds of less than five hectares or fish cages of less than 400 square meters;
- Fish workers in fishing boats, fishponds, or fish processing establishments; or
- Any other individual who is engaged in small-scale fish production, processing, and distribution.

Here are the other detailed guidelines of the LANDBANK and PCFC for the AFFP:

## **A. AFFP Guidelines of the LAND BANK OF THE PHILIPPINES**

LANDBANK’s Special Credit Facility for the AFFP lends directly to individual small farmers and fisherfolk listed in the RSBSA in coordination with farmer/fisherfolk organizations that become accredited as “Service Conduits”. Service Conduits are responsible for identifying and endorsing eligible farmers/fisherfolk borrowers to the LANDBANK for loan availment under the AFFP. However, the Service Conduits shall not assume credit risk or liability on the loans of the individual borrowers.

The provinces covered by the LANDBANK under the AFFP are:

Abra	Masbate	Cagayan
Apayao	Zambales	Isabela
Kalinga	Benguet	Nueva Vizcaya
Ifugao	Ilocos Norte	Aurora
Romblon	Batanes	

The following guidelines govern AFFP-LANDBANK Special Credit Facility:

*\* This article is being reprinted upon request of the Agri-Credit Desk Officers (ACDOs) for the AMCFP-AFFP Coordination Meeting (Roadshows).*



ELIGIBILITY PARAMETERS	GUIDELINES
a) Eligibility Criteria	<p><b>1. For Service Conduits:</b> Farmers'/Fisherfolk Organizations, i.e., associations or cooperatives, operating in the Program Priority Areas.</p> <p>The Service Conduit shall provide support to its members in borrowing from the AFFP-LANDBANK by assisting them in complying with the documentary requirements, endorsing and encouraging them to pay their respective loans, among others.</p> <p><b>2. For Small Farmer &amp; Fisherfolk (SFF) Borrowers:</b></p> <ul style="list-style-type: none"> <li>Registered in the Registry System for Basic Sectors in Agriculture (RSBSA);</li> <li>Non-Agrarian Reform Beneficiaries (ARBs); and</li> <li>With project/s (existing/proposed) whose income after all expenses will be enough to pay the loan amortizations.</li> </ul> <p>The SFF Borrower shall pay the Service Conduit by allowing LANDBANK to deduct the interest rebate from the interest income and credit the same to the account of the Service Conduit.</p>
b) Eligibility Requirements	<p><b>1. For Service Conduits:</b> Must submit registration documents to LANDBANK. If not yet registered, the registration documents shall be required as post-release requirement.</p> <p><b>2. For Small Farmer &amp; Fisherfolk (SFF) Borrowers:</b> Must submit endorsement letter from the Service Conduit and certification that they are members or known (if not a member) to the service conduit; that they are non-ARB, and that they have no outstanding loan with any financing institutions for the same loan applied for.</p>
c) Eligible Projects	<b>For Small Farmer &amp; Fisherfolk (SFF) Borrowers:</b> Production, processing and trading of priority commodities of the Department of Agriculture such as, but not limited to, coconut, fishery, and high value crops, other than palay.

FINANCING TERMS & CONDITIONS (for Individual Small Farmer & Fisherfolk Borrowers)	GUIDELINES
a) Amount of Loan	Based on the credit requirement of the project but not to exceed 80% of the project cost. Loan cap is P300,000 per borrower (can be used to finance up to three (3) various projects, simultaneously).
b) Loan Purpose	<ol style="list-style-type: none"> <li>To cover costs of production such as purchase of inputs for corn, high value crops, livestock/poultry and fish production, as well as the costs of processing and trading these products; and</li> <li>To finance the acquisition of tools, equipment and machineries needed in producing/growing, processing and trading of crops, livestock/poultry and fish.</li> </ol>

c) Interest Rate	Interest rate charged to borrowers shall be fifteen percent (15%) per annum.
d) Term of Loan	For production loan – Loan term shall be based on the crop/ production/project cycle;  For fixed asset acquisition loan – Loan term shall be based on estimated useful life of fixed assets/equipment acquired (but not to exceed 5 years).
e) Mode of Payment	Based on cash flow of the project – can be quarterly, semi-annually, or annually.
f) Loan Security	<ol style="list-style-type: none"> <li>Deed of Assignment of Promissory Notes</li> <li>Deed of Assignment of crop insurance proceeds</li> <li>Chattel mortgage on object of financing (if any)</li> </ol>
g) Documentary Requirements	<ol style="list-style-type: none"> <li>Photocopy of Registration Certificate, Articles of Cooperation/Incorporation and Constitution/ By-Laws (for and to be submitted by the Service Conduit);</li> <li>Endorsement letter from the Dept. of Agriculture (DA)- designated endorsing agency/unit (e.g., DA-Regional Field Office (DA-RFO)/ Bureau of Fisheries &amp; Aquatic Resources (BFAR), Philippine Coconut Authority (PCA), etc.) endorsing the eligible Service Conduit with its certified list of eligible Non-Agrarian Reform Beneficiary Small Farmers and Small Fisherfolk (NASFSF );</li> <li>Endorsement letter from Service Conduit of its members with certification that they are Non-ARBs and that they have no outstanding loan with any financing institutions for the same purpose of loan applied for;</li> <li>Copy of Purchase Order/Marketing Agreement with buyers (if any);</li> <li>Farm Plan and Budget; and</li> <li>Business Plan (if applicable)</li> </ol>

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## B. AFFP Guidelines of the PEOPLE'S CREDIT & FINANCE CORPORATION (PCFC)

The PCFC's Special Credit Facility for the AFFP lends to individual small farmers and fisherfolk listed in the RSBSA through Microfinance Institution (MFI) partners or Borrower Organizations. The MFI partners / Borrower Organizations assume credit risk or liability on the loans of the individual borrowers. The MFI partners / Borrower Organizations have to be accredited by the PCFC using the PCFC's accreditation criteria for the AFFP.

The provinces covered by PCFC under the AFFP are:

Mt. Province	Catanduanes	Sultan Kudarat
Laguna	Northern Samar	Misamis Oriental
Camarines Sur	Sorsogon	North Cotabato
Marinduque	Zamboanga del Norte	Camiguin
Siquijor	Aklan	Agusan Del Sur
Camarines Norte	Davao Oriental	Dinagat Islands
Eastern Samar	Capiz	Surigao Del Norte
Albay	Sarangani	Agusan Del Norte
Western Samar	Zamboanga Del Sur	Surigao Del Sur



The following guidelines govern AFFP-PCFC Special Credit Facility:

**B.1. Loan from PCFC to Microfinance Institutions (MFIs)/ Borrower Organizations**

ELIGIBILITY PARAMETERS (for MFIs / Borrower Organizations)	GUIDELINES
a) Eligible MFIs/ Borrower Organizations	MFIs/Borrower Organizations that pass the credit evaluation of PCFC based on its accreditation criteria may be : <ul style="list-style-type: none"> <li>• Non-government organizations (NGOs);</li> <li>• Cooperatives;</li> <li>• Cooperative Banks;</li> <li>• Cooperative Rural Banks</li> <li>• Rural Banks; and,</li> <li>• People's Organizations (POs)</li> </ul>
b) Financing Facilities	Eligible MFIs / Borrower Organizations may avail of the following credit facilities: <ol style="list-style-type: none"> <li>1. <i>Agricultural Microfinance</i> –wholesale loans for financing agri-fishery projects and/or other income-generating activities of eligible sub-borrowers.</li> <li>2. <i>Agri-Fishery Loan</i> –to wholesale loan for financing eligible sub-borrowers' projects/ activities related to production, processing and marketing of crops, livestock, poultry, high-value crops, and fishery products.</li> </ol>

FINANCING TERMS & CONDITIONS (for MFIs / Borrower Organizations)	GUIDELINES
a) Credit Line Limit	Credit line/Loan limit shall be based on the Borrower Organization's absorptive capacity, submitted work plan and targets in terms of areas to be covered, number of outreach, estimated credit needs and target portfolio as evaluated by the PCFC and approved by the appropriate approving body under the PCFC's Codified and Approving Signing Authority.
b) Interest Rate	PCFC shall charge interest rate of PDST-F (Philippine Dealing System Treasury Fixing) + spread.
c) Loan Term	<ul style="list-style-type: none"> <li>• For wholesale loan utilized for financing short-term loans of sub-borrowers, the loan term of the Borrower Organization shall be up to five (5) years;</li> <li>• For wholesale loan utilized for financing long-gestating projects, loan term shall not exceed seven (7) years.</li> </ul>
d) Mode of Payment	<ul style="list-style-type: none"> <li>• Interest shall be paid quarterly;</li> <li>• Principal shall be paid either quarterly, semi-annually, or annually depending on the cash flow of the relending operation of the Borrower Organization. Maximum grace period for term loan shall be one (1) year.</li> </ul>
e) Loan Security	<ul style="list-style-type: none"> <li>• Assignment of sub-borrowers' Promissory Notes and all underlying collaterals</li> <li>• Assignment of crop insurance or guarantee coverage, if availed.</li> </ul>

**B.2. Loan from Microfinance Institution Partners/ Borrower Organizations to Sub-Borrowers (Retail Lending Guidelines)**

FINANCING TERMS & CONDITIONS (for Individual Small Farmer & Fisherfolk Borrowers)	GUIDELINES
a) Loan Purpose	<ol style="list-style-type: none"> <li>1. <i>Agricultural Microfinance</i>; Financing of any or combination of farm, off-farm/non-farm income generating activities.</li> <li>2. <i>Agri-fishery Loan</i>; Financing of production, processing and/or trading of crops/commodities.</li> </ol> <p>Priority shall be given to the following crops/ commodities:</p> <ol style="list-style-type: none"> <li>1. Coconut;</li> <li>2. Fisheries;</li> <li>3. Livestock and poultry; and</li> <li>4. Eight (8) priority high value crops (vegetables, pineapple, mango, banana, banana-saba, cacao, coffee and rubber)</li> </ol>
b) Loan Amount	Based on existing lending guidelines of the Borrower Organization, provided that the amount shall not exceed Php 150,000 per sub-borrower.
c) Term and Mode of Payment of the Loan	<ol style="list-style-type: none"> <li>1) <i>Agricultural Microfinance</i>; The amortization shall be based on the household's cash flow.</li> <li>2) <i>Agri-fishery Loan</i>; Sub-loans shall be repaid based on the cash flow of the agricultural/fishery project financed. In case of long gestating crops, the loan term shall not to exceed seven (7) years.</li> </ol>
d) Pass-On Rate (to End-Borrowers)	The Borrower Organization shall set its pass-on interest rate to eligible sub-borrowers. However, the Program may impose a maximum pass-on rate in case of excessive interest rate charged by the Borrower Organization. Such maximum rate shall be set by the Program National Executive Committee. The Borrower Organizations shall be duly informed of such interest rate at the time of loan availment.
e) Loan Security	Sub-loans shall be secured with a Deed of Assignment of Promissory Notes and crop insurance proceeds.

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# The Registry System for Basic Sectors in Agriculture (RSBSA) and the Generation of Farmers and Fisherfolk Data\*

The Registry System for Basic Sectors in Agriculture (RSBSA) is one of the key programs of the Good Governance and Anti-Corruption Sub-Cluster on Digitization of the national government. It is an electronic compilation of basic information on farmers, farm laborers, and fishers.

The database of the RSBSA includes profile and additional information on farmers, farm laborers, and fishers, as well as farm parcels and fisheries. The main use of the database is to help government planners & policymakers in formulating policies for agricultural development.

The pilot RSBSA provinces were identified based on the following criteria:

- The proportion of the population 15 years of age & above who work in agriculture & fishing;
- If more than 50% of the households in the barangays are engaged in agriculture;
- Poverty incidence by province;
- Provinces declared under the state of calamity from 2002-2007;
- Should not have been covered by the Department of Agriculture (DA) in its Registry of Farmers for 2011.

The development of the RSBSA is being spearheaded by

20 Pilot RSBSA Provinces		
1. Abra	8. Camarines Sur	15. North Cotabato
2. Apayao	9. Eastern Samar	16. Sarangani
3. Ifugao	10. Northern Samar	17. Sultan Kudarat
4. Kalinga	11. Western Samar	18. Surigao del Norte
5. Masbate	12. Siquijor	19. Surigao del Sur
6. Romblon	13. Agusan del Sur	20. Zamboanga del Norte
7. Mt. Province	14. Davao Oriental	

the Department of Budget and Management (DBM) in collaboration with the National Statistics Office (NSO), Department of the Interior and Local Government (DILG), DA, Department of Agrarian Reform (DAR) and the Local Government Units (LGUs). The NSO was tapped by the DBM to provide technical assistance, covering activities from preparatory to creation of the database, including field operations' strategies and development of the database system.

The registration of farmers in the RSBSA started in January 2, 2012. Data were provided to National Anti-Poverty Commission (NAPC) by the 2nd Quarter 2013 for the 1st 20 provinces. The NAPC is the designated RSBSA data repository.

The RSBSA is now being used as the basis for selecting small farmers and fisherfolk who should

qualify as program beneficiaries or clients in some of the DA's priority programs, such as the Agricultural Fisheries Financing Program (AFFP). Under the program, which is being administered by the Agricultural Credit Policy Council (ACPC), small-scale or smallholder farmers are those who identified themselves as either farmers or farm laborers, or both. Smallholder Farmers who are qualified under the program are defined as:

- Those who farm on 5 hectares of land or less;
- Non-Agrarian Reform Beneficiaries;
- Those who have a maximum poultry and livestock of any of the following: 1,000 layers or 5,000 broilers (poultry); 10 sows or 20 fatteners (swine); 10 fatteners or 5 breeders (cattle); 10 milking cows (dairy farmers); or 50 heads (goats).

21 Additional Pilot RSBSA Provinces		
1. Ilocos Norte	8. Zambales	15. Catanduanes
2. Batanes	9. Agusan del Norte	16. Laguna
3. Cagayan	10. Aklan	17. Marinduque
4. Isabela	11. Albay	18. Misamis Oriental
5. N. Vizcaya	12. Camarines Norte	19. Sorsogon
6. Benguet	13. Camiguin	20. Zamboanga del Sur
7. Aurora	14. Capiz	21. Dinagat Island



On the other hand, Artisanal Fisherfolk are municipal, small-scale or subsistence fishermen who use fishing gears; who do not require boats; or who only use boats below three (3) gross tons.

### How is the Data Processed to Get the List of Small Farmers and Fisherfolk?

The RSBSA is given to the NAPC as PUF files by the NSO. These files then need to be converted to a format that can be read by statistical programs such as SPSS, STATA, or Microsoft Excel. NAPC uses CPro to convert the data to STATA format (.dat). Using the STATA Program, NAPC is able to process the data as

required. The resulting data that is generated are converted to Excel files.


From the initial 20 pilot RSBSA provinces, more than 998,000 names of small-scale farmers were already identified, while more than 325,000 names of artisanal fisherfolks have been generated.

For more information on the RSBSA, interested parties may get in touch with the NAPC through the website [www.napc.gov.ph](http://www.napc.gov.ph).

*\* Taken from the NAPC presentation material on the RSBSA.*

*\* This Article is being reprinted upon the request of the Agri-Credit Desk Officers (ACDOs) for the AMCFP-AFPF Coordination Meeting (Roadshows).*

#### RSBSA Sample Questionnaire

RSBSA FORM 2		 <b>Republic of the Philippines</b> <b>DEPARTMENT OF BUDGET AND MANAGEMENT</b> <b>CLUSTER ON GOOD GOVERNANCE AND ANTI-CORRUPTION</b> <b>SUBCLUSTER ON DIGITIZATION</b> <b>REGISTRY SYSTEM FOR BASIC SECTORS IN AGRICULTURE</b> <b>REGISTRATION FORM</b>		2A
<b>CERTIFICATION</b> I hereby certify that the data set forth herein were personally obtained/reviewed by me and in accordance with the instructions provided.  INTERVIEWER (SIGNATURE OVER PRINTED NAME)  DATE ACCOMPLISHED  SUPERVISOR (SIGNATURE OVER PRINTED NAME)		<b>GEOGRAPHIC IDENTIFICATION</b> L BOOKLET <input type="checkbox"/> OF <input type="checkbox"/> BOOKLET(S) PROVINCE _____ CITY/MUNICIPALITY _____ BARANGAY _____ INTERVIEWER'S CODE _____ HOUSEHOLD SERIAL NUMBER _____ FARMER/FARM LABORER/FISHERMAN SERIAL NUMBER _____ NAME OF HOUSEHOLD HEAD _____ LAST NAME _____ FIRST NAME _____ ADDRESS _____ HOUSE NUMBER AND STREET OR SITIO NAME _____ <b>GPS WAYPOINT</b> WAYPOINT ID <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> ELEV _____ m E <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
<b>DECLARATION</b> I declare that the information provided herein are true and correct.  RESPONDENT'S LAST NAME _____ RESPONDENT'S FIRST NAME _____		<b>SECTION A - PROFILE OF FARMER/FARM LABORER/FISHERMAN</b> <b>A1 NAME - What is the name of the farmer/farm laborer/fisherman?</b> WRITE THE NAME OF THE FARMER/FARM LABORER/FISHERMAN ON THE SPACES PROVIDED.		

4	Address	Farmer's Name	Farmer's First Name	Farmer's Middle Name	Farmer's Last Name	Farmer's Auxiliary Name	Farmer's Title	Farmer	Farm Laborer	Fisherman
5	PUROK	BAYLE, RODERICK	RODERICK		BAYLE			Farmer	Farm Laborer	
6	NAGANAKAN EAST	BANAYOS, JOVENCIO	JOVENCIO		BANAYOS			Farmer		
7	NAGANAKAN EAST	PAGATPATAN, LORETO	LORETO		PAGATPATAN			Farmer	Farm Laborer	
8	NAGANAKAN EAST	BILGERA, LORETO	LORETO		BILGERA			Farmer		
9	NAGANAKAN EAST	BOLOR, ROLANDO	ROLANDO		BOLOR			Farmer	Farm Laborer	
10	NAGANAKAN EAST	ANTONIO, VIRGINIA	VIRGINIA		ANTONIO			Farmer		
11	NAGANAKAN EAST	BERNAL, ROGELIO	ROGELIO		BERNAL			Farmer		
12	LABNAC	BATALLER, SANJO	SANJO		BATALLER			Farmer	Farm Laborer	Fisherman
13	LABNAC	ACENA, PABLO	PABLO		ACENA			Farmer		
14	IMPULO	BORRETA, VENE	ENE		BORRETA			Farmer		
15	IMPULO	BILLEDO, JAYRALD	JAYRALD		BILLEDO			Farmer		
16	IMPULO	BORRETA, JOHN RAYMUND	JOHN RAYMUND		BORRETA			Farmer		
17	IMPULO	GONZALES, BENY	BENY		GONZALES			Farmer		
18	IMPULO	BERMUDEZ, HERMINA	HERMINA		BERMUDEZ			Farmer	Farm Laborer	
19	CABAYATAN	RAMOS, FELIPE	FELIPE		RAMOS			Farmer		
20	CABAYATAN	DELA CRUZ, RONALD	RONALD		DELA CRUZ			Farmer		
21	CABAYATAN	BORJA, FELICIANO	FELICIANO		BORJA			Farmer		
22	CABAYATAN	BERNAL, FILOMENA	FILOMENA		BERNAL			Farmer		
23	CABAYATAN	PRINCENA, FREDDIE	FREDDIE		PRINCENA			Farmer		
24	IMPULO	ESPIRITU, JULIE	JULIE		ESPIRITU			Farmer		
25	CABAYATAN	BURGOS, FAUSTINO	FAUSTINO		BURGOS			Farmer		
26	IMPULO	SIOBAL, NELSON	NELSON		SIOBAL			Farmer		
27	CABAYATAN	BERMUDEZ, RONE	RONE		BERMUDEZ			Farmer		
28	CABAYATAN	BORJA, ROLANDO	ROLANDO		BORJA			Farmer		
29	CABAYATAN	ESPIRITU, SIXTO	SIXTO		ESPIRITU			Farmer		
30	DALNETAN	PERALTA, SANITO	SANITO		PERALTA			Farmer		
31	DALNETAN	BEJARIN, FRED	FRED		BEJARIN			Farmer		
32	DALNETAN	MALJOAT, BENJAMIN	BENJAMIN		MALJOAT			Farmer		
33	DALNETAN	BERNARDEZ, ELFIDIO	ELFIDIO		BERNARDEZ			Farmer		
34	DALNETAN	BERNARDEZ, AVELINO	AVELINO		BERNARDEZ			Farmer		
35	DALNETAN	CENTENO, VIRGILIO	VIRGILIO		CENTENO			Farmer		
36	DALNETAN	BERNARDEZ, EFREN	EFREN		BERNARDEZ			Farmer		
37	DALNETAN	CARPIO, DOMINADOR	DOMINADOR		CARPIO			Farmer		
38	DALNETAN	BERNARDEZ, BEATO	BEATO		BERNARDEZ			Farmer		
39	DALNETAN	BALLIDO, DIONY	DIONY		BALLIDO			Farmer		
40	DALNETAN									

Sample List of Small Farmers from the RSBSA



# ACPC Executive Director Jovita M. Corpuz awarded UPLB-CEM Outstanding Alumnus of 2014

By Emmalyn J. Guinto

**A**CPC Executive Director Jovita M. Corpuz was awarded Outstanding Alumnus in Agricultural Credit Policy and Program Reforms during the 36th Foundation Day of the University of the Philippines Los Baños-College of Economics and Management (UPLB-CEM). The awarding ceremony was held on November 24, 2014 at ICOPED Auditorium, University of the Philippines Los Baños, College, Laguna.

In particular, UPLB-CEM cited Exec. Dir. Corpuz for her immense contribution to steering the Agricultural Credit Policy Council (ACPC), the country's premier institution on agri-credit policy and program development, towards increasing the access of small farmers and fisherfolk to sustainable agriculture financing through innovative programs and direct grant assistance.

UPLB-CEM also commended Exce. Dir. Corpuz for expanding the lending capacity of cooperative banks and increasing their outreach to smallholders, and for pioneering the integration of microfinance with agricultural lending, in the process redefining the essence of agricultural credit as a primary requisite of agricultural productivity.

Executive Director Corpuz was appointed as head of the ACPC in 2001. Upon her assumption to office, she resolved to steer the ACPC to greater heights of achievements by constantly expanding its role as the country's premier institution on agri-credit policy and program development. In the process, she has contributed immensely not only in sustaining and bolstering ACPC's relevance and resilience, but also in extending the boundaries and redefining the essence of agricultural credit as a primary requisite of agricultural productivity.

In the last thirteen years that she was at the helm of the ACPC, Exec. Dir. Corpuz showed a brand of leadership that is both dynamic and insightful, caring and inspiring.

She has consistently ensured ACPC's faithful adherence to its mission of fostering a financial system that is responsive to the requirements of agricultural and rural development. More importantly, all programs of the ACPC are geared towards increasing access of small farmers and fisherfolk to sustainable agriculture financing.

It was through her creativity and daring that ACPC has steered forward the implementation of the Agro-Industry Modernization Credit and Financing Program or AMCFP, the umbrella financing program for the Department of Agriculture (DA) for agriculture and fisheries. Today, the AMCFP has a total funding of P2 billion and another P2 billion will be added to its budget in 2015.

Thanks to the culture of excellence, work ethic and camaraderie she instilled among her directors and staff, the ACPC achieved significant milestones in policy reform, fund collection and consolidation, credit program design, implementation and institutional capacity building programs, and design and piloting of innovative financing schemes for small farmers and fisherfolk, among others.

Under her leadership, the ACPC completed research studies on rural finance and agricultural credit, and crafted policy recommendations that were eventually translated into legislation.

As ACPC chief, she leads in the design of innovative financing schemes (IFS) which allow non-collateral borrowers to have access to credit or financing and venture into alternative sources of livelihood. These schemes are implemented in pilot areas within a specific time frame, and replicated nationwide under the AMCFP, if proven feasible.

She pushed for the continuation of ACPC's direct grant assistance to federations of farmers and fisherfolk







ACPC Exec. Dir. Jovita M. Corpuz (second from left), with Dr. Albert Aquino of the Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (PCAARRD) (left), UPLB-CEM Dean Dr. Isabelita M. Pabuayon (second from right) and Dr. Virginia R. Cardenas (former Vice-Chancellor for Community Affairs, UPLB) (right) during the awarding ceremonies of the UPLB CEM Outstanding Alumnus in Agricultural Credit Policy and Program Reforms to Exec. Dir. Corpuz.

organizations, state colleges and universities, training institutions and NGOs which serve as resource organizations that conduct Institutional Capacity Building (ICB) activities such as training, coaching and study visit for farmers and fisherfolk.

At the same time, she has tirelessly expanded the ACPC's network of local partners (such as the Department of Agriculture, Land Bank of the Philippines, People's Credit and Finance Corporation) and foreign allies (e.g., European Union, International Fund for Agricultural Development, Asia-Pacific Rural and Agricultural Credit Association-Center for Training and Research in Agricultural Banking) many of which actually tied up with the ACPC in various institutional capacity building programs (*Upland Southern Mindanao Credit and Institution Building Program (USM-CIBP)*, recently concluded *Central Cordillera Institution Building Program (CCIBP)* and the ICB component for the Cordillera Highland Agricultural Resource Management II (CHARM II).

Exec. Dir. Corpuz's earnest and consistent "global offensive" has been so successful she has become a pillar of the Asia-Pacific Rural and Agricultural Credit Association-

Center for Training and Research in Agricultural Banking (APRACA-CENTRAB) having been elected as Chairman twice over.

Prior to being the Executive Director of ACPC, Exec. Dir. Corpuz has been an Assistant Director at the Bureau of Agricultural Research (BAR) from 1994 to 2001. Among her major duties and responsibilities included: assisting the Director in the planning, monitoring and evaluation of the Research and Development Programs of the agriculture and fisheries sectors; chairperson of various steering committees and technical working groups.

Aside from the award from UPLB-CEM, Exec. Dir. Corpuz has been awarded as one of the most distinguished UPLB alumna for Agricultural Credit and Rural Financing during the 2007 UPLB Alumni Homecoming and the 88th Loyalty Day. The award gives recognition to UPLB alumni who have achieved excellence in their respective fields.

Exec. Dir. Corpuz earned her BS degree in Agriculture major in Agricultural Economics at UPLB and her MS in Agricultural Commerce at Lincoln University in Canterbury, New Zealand.