

QUARTERLY PHYSICAL REPORT OF OPERATION
As of December 31, 2022

Department: Department of Agriculture
Agency : Agricultural Credit Policy Council
Appropriations: Current Year Appropriations
Organization Code (UACS) : 05 002 0000000

Particulars	UACS CODE	Physical Target					Physical Accomplishment					Variance as of December 31, 2022	Remarks
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
AGRICULTURAL CREDIT PROGRAM	3101000 0000000 0												
00 : Access of Small Farmers and Fisherfolk to formal credit under the ACPC Agro-Industry Modernization Credit and Financing Program increased													
Outcome Indicators													
1 Percentage increase of borrowers													
a. small farmers (3 ha and below)					2% every 2 years	2% every 2 years							The indicators are monitored/updated by the ACPC through the conduct of a nationwide survey of small farmers and fisherfolk, every 3 years. The last survey done was in 2017 and the next round is targeted to be completed by the 1st quarter of 2023.
b. small fisherfolk (3 tons and below)					2% every 2 years	2% every 2 years							
2 Repayment rate (loans collected/loans matured)					85%-95%	85%-95%					86.09%		
Output Indicators													
1 Amount of loans granted to credit retailers/lenders and to end-borrowers (in PM):													
a. Credit retailers/lenders		500	800	750	465	2,515	504.22	799.35	749.00	462.43	2,515.00	0.00	
b. End-borrowers		250	650	750	450	2100	110.58	716.63	323.67	208.56	1,359.44	(740.56)	The exclusion of thrift banks and non-bank financial institutions such as cooperatives, farmers and fisherfolk organizations/association, and agri-fishery-based corporations as ACPC credit program retailers/lenders following the GAA 2022 Special Provision continues to affect the granting of loans to end-borrowers. While the ACPC-DBP arrangement was finalized in the 2nd quarter, the engagement of cooperatives, farmers and fisherfolk organizations/association, and agri-fishery-based corporations by the DBP was gradual, thus, affecting the period of loan releasing too. Further, accomplishment data reported is preliminary. As of end of December 2022, 20 out of 139 credit retailers/lenders were not able to submit their report.
2 Number of credit program orientations and credit matching seminars and workshops conducted		6	9	9	8	32	9	30	14	18	71	39	A large number of invitations during the 2nd semester of 2022 were received, thus ACPC has accomplished more than the target. Additionally, ACPC has accommodated invitations (untargeted activities), such as invitations for ACPC to serve as resource persons, meetings with inter-agency committees and other partner agencies, and webinars.
3 Number of farmers and fisherfolk organizations provided with institutional capacity building assistance		35	35	35	35	140	37	38	62	46	109	(31)	The indicated number of FFOs provided with institutional capacity building per quarter includes the existing and new FFOs which are being continuously assisted through various interventions. Thus, the column "Total" (Column 12) is not the sum of columns 8, 9, 10, and 11. The column "Total" (Column 12) refers to the unique number of FFOs provided with various capacity building interventions for the year. The target of 140 was not met as most of the capacity building assistance were focused in strengthening the existing FFO-beneficiaries.

Prepared by: 
Jenny T. Aspilán
Project Development Officer V
Policy and Planning Division

Reviewed by: 
MAGDALENA S. CASUGA
Director II
Policy Research and Planning Staff

In Coordination with: 
JONATHAN S. GIRAY
Director II
Financial and Management Division

Approved by: 
JOCELYN ALMA R. BADIOLA
Executive Director

Signature: 

Email: mbimperial@acpc.gov.ph



13 January 2023

MEMORANDUM

FOR : **MERCEDITA A. SOMBILLA**
Undersecretary for Policy, Planning, and Regulations

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

SUBJECT : **ACPC INPUTS FOR THE DA 2022 NARRATIVE ACCOMPLISHMENT REPORT**

Relative to the request for inputs to the DA 2022 Narrative Accomplishment Report, we are submitting the following accomplishments of the Agricultural Credit Policy Council for the period January to December 2022, particularly under the Department's Key Objective 1: Boost local production and raise the farmers and fisherfolk's income.

- 1. Loans granted to small farmers and fisherfolk (SFF) and agri-fishery based micro- and small enterprises (MSEs).** For the year 2022, the ACPC-funded credit programs, through partner lending conduits (PLCs), provided loans amounting to P2,305.52 million to 61,593 SFF and 165 MSE-borrowers (Table 1). Brief description of each credit program is shown in Annex A.

Table 1. Amount of Loans Granted and Number of Borrowers, By Credit Program, January to December 2022

Credit Program	Amount of Loans Granted (in PM)			Number of Borrowers	
	SFF	MSE/FFO	Total	SFF	MSE/FFO
SURE COVID-19	202.46	2.00	204.46	8,752	1
ANYO	1,269.49	325.98	1,595.48	13,896	159
KAYA	44.10	1.30	45.40	142	5
SURE	460.18		460.18	38,803	
Total	1,976.23	329.28	2,305.52	61,593	165

- 2. Loan fund recoveries.** Total fund recoveries for the same period, comprising of loan repayments from on-going, completed, and terminated credit programs, amounted to P881.47 million (Table 2). This is 184% of the targeted amount of collection for the period as it includes (i) remittances of advanced payments of borrowers amounting to P587.58 million, (ii) loan collections previously collected by the PLCs but were just remitted during the reporting period, and (iii) loan collections remitted by the PLCs to the AMCFP account but proof of payment (i.e., deposit slip) was just forwarded to ACPC for accounting during the reporting period.

Table 2. Loan Fund Recoveries, January to December 2022

	Target Collections/ Recoveries (PM)	Amount Collected/ Recovered (PM) [≠]	Accomplishment Rate (%)
<i>Loan Repayments under ongoing credit programs</i> <ul style="list-style-type: none"> BuyANihan, ERCA-RCEF, ANYO, KAYA, SURE COVID-19, SURE 	467.90	639.98	137
<i>Loan Repayments under completed credit programs</i> <ul style="list-style-type: none"> AFFP, AFMP, Agri-Business Development Project, CALP, CAP, CBAP, CFI-CCEP, QUEDANCOR programs, FSP, MCRED, RHBF, PLEA, CLEA, MLEA, DMLDP, RPC, ICB MFP 	7.10	235.07	3311
<i>Terminated agricultural directed credit programs (DCPs)[≠]</i> <ul style="list-style-type: none"> Gintong Ani Programs, QUEDANCOR terminated programs, MLDLP, DA-RFU terminated programs, DAPCOPO, Fishery sector programs, GPEP, NTA Tobacco, NFC TPPS, USM, EDDNA, PCIC terminated programs, Coop program/LBP remittances, CERT SEEDS, AIADP, CATAG, CECAP, Cooperative Agri Business Development Program, RCBFS 	5.11	6.42	126
Total	480.11	881.47	184

[≠] Includes advance payments

[≠] Agri DCPs implemented in the 1980s by the DA and other government non-financial agencies that provided subsidized loans directly to end-borrowers were terminated and consolidated pursuant to RA 8435 or AFMA of 1997.

- 3. Capacity building for SFF and farmers and fisherfolk organizations (FFOs).** A total of 563 training sessions on business planning (workshop, mentoring), business registration, financial literacy, strategic planning, sustainable enterprise management, effective sales and marketing, internal control, business model canvas, agri supply and value chain, resource generation and mobilization, credit management, auditing, and adult learning principles were conducted. These training activities/workshops benefitted 3,885 individuals including SFF-members of 109 organizations, and 124 MSEs
- 4. Policy Research and Advocacy.** As of end of December 2022, there are four (4) ongoing and three (3) completed research projects/studies. Ongoing studies are the (i) 2022 Small Farmer and Fisherfolk Indebtedness Survey (SFFIS), which is targeted to be completed in the 1st quarter of 2023, (ii) Project ASCEnD, an action research on agricultural value chain financing, programmed to end in 2024, (iii) Credit Scoring Model for farmers and fisherfolk, a

2-year study, and (iv) Baseline Study of ANYO and KAYA credit programs. On the other hand, completed are the (i) Evaluation of the Production Loan Easy Access (PLEA) and (ii) Evaluation of SURE, and (iii) 2021 Countryside Bank Survey. Annex B shows the brief description and status of each study.

Furthermore, ACPC provided policy comments on the amendment of the Republic Act No. 10000 or the Agri-Agra Reform Credit Act of 2009, particularly through House Bill No. 6134 or the Rural Agricultural and Fisheries Development Financing System Act and Senate Bill No. 2494 or the Agriculture, Fisheries and Rural Development Enhancement Act of 2022. The enrolled bill lapsed into law as Republic Act No. 11901 last 26 July 2022. The formulation of the Implementing Rules and Regulations is currently being finalized by concerned agencies.

Under the RA 11901, the ACPC is tasked to (i) determine whether *"loans to finance activities that benefits ARBs, ARCs, or other priority sectors, ..., shall be counted at ten times (10x) their outstanding amount"* and if not, prescribe an appropriate multiplier, *"for purposes of determining compliance with the mandatory agricultural and fisheries financing requirement"*; (ii) determine *"other priority sectors"* stated in (i); review modes of compliance enumerated in Section 7 of the law, after implementation, *"to determine whether these are adequate to support the financing requirements of rural communities"* and recommend to Congress for appropriate action; (iii) coordinate with the LBP and DBP in regard to the design and delivery of capacity building programs and activities, upon the request of LBP and DBP; and (iv) receive reports from the BSP on the compliance with the mandatory agriculture, fisheries and rural development financing requirement.

- 5. Information dissemination.** A total of 71 credit program orientations were conducted during the year. These orientations focused on discussing the ongoing ACPC-funded credit programs, the program loan requirements, application procedures, and where to apply. Moreover, six (6) episodes of AgriCREDITalk were conducted online via Facebook Live featuring: (i) Agri-Fishery Insurance Programs of the Philippine Crop Insurance Corporation, (ii) Agribusiness Investment Opportunities by the DA-Agribusiness and Marketing Assistance Service, (iii) Bausa Integrated Farm and Training Center: Starting a Sustainable Agribusiness, (iv) ACPC Partner Lending Conduit Loan Evaluation Process, (v) AgriCREDITalk with ATI: Training and Extension Programs, and (vi) Kuwentong Agripreneur: Featuring ACPC Credit Program.

ACPC has also made use of social media to promote and generate awareness and support for agri-credit policies and ACPC programs through continuous postings of testimony quote cards and infographic materials on ACPC credit program and application process.

- 6. Success story and testimonies.** Through the attached quote cards (Annex C), two (2) ACPC-borrowers from Isabela and Camarines Sur, one of whom is a young agripreneurs, have shared how they benefited from the loan assistance they received from the ACPC credit programs.

Should there be clarifications, your staff may get in touch with Ms. Jenny T. Aspilan or Ms. Michelle B. Imperial from the Policy and Planning Division through policy@acpc.gov.ph.

Thank you.


JOCELYN ALMA R. BADIOLA
Executive Director