

Mid-Term Program Assessment of the Sikat Saka Program (SSP)

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Final Report
ACPC**

Outline of Presentation

- Introduction, Objectives, Framework, and Methodology
- Results and Discussion
 - Performance Evaluation
 - ❖ Process of SSP implementation in the field
 - ❖ SSP reach
 - Impact Evaluation: Survey Results
 - ❖ Profile (farmer and farm)
 - ❖ Credit information – access, utilization, repayment, problems
 - ❖ Impact - partial budget and PSM
 - ❖ Perception of respondents on SSP (by institution)
- Conclusions and Recommendations

Introduction

- one of the six programs under Agro-Industry Modernization Credit and Financing Program (AMCFP)
- launched in 2012 with the goal to (a) help more palay farmers access timely, adequate and affordable production credit, and (b) improve the viability of agricultural production by ensuring availability of irrigation services, extension, links to markets and providing a favorable economic environment
- integrated financing program jointly implemented by
 - DA, ACPC, ATI, NIA, NFA
 - LBP, PCIC



Objectives

General: to determine the program accomplishments vis-a-vis its component targets/objectives.

Specific :

1. Evaluate to what extent the SSP had contributed to (a) **increasing agricultural productivity and income**; (b) **rice self-sufficiency objectives**; and (c) **improving the quality of life** (e.g., living conditions, access to basic services, among others) of small rice and corn farming households;
2. Determine if access to formal credit of small palay and corn farming households has improved as a result of the SSP in terms of outreach, that is, **the amount of loans granted** and the **number of farmer borrowers** (including new borrowers), as well as **funds leveraging**, and **compliance with the agreed lending terms and conditions** such as *interest rate, eligibility criteria, documentary requirements, status of service conduits, and repayment performance*, among others;



Objectives



3. Evaluate to what extent the **NFA and/or other reliable buyers** have **absorbed** produce of palay and corn of farmer-borrowers;
4. Determine the extent to which the **ATI** has complied with the requirements of the program and its contribution to increasing the **credit worthiness and discipline** of farmer-borrowers;
5. Determine the extent to which the **conduits** (including service conduits) have **complied** with the program's **lending terms and conditions**;
6. Identify **successful features/aspects** of the SSP and **operational bottlenecks and problems**; and
7. Provide **recommendations** on how to further strengthen the delivery of credit services to small farmer households.

Framework

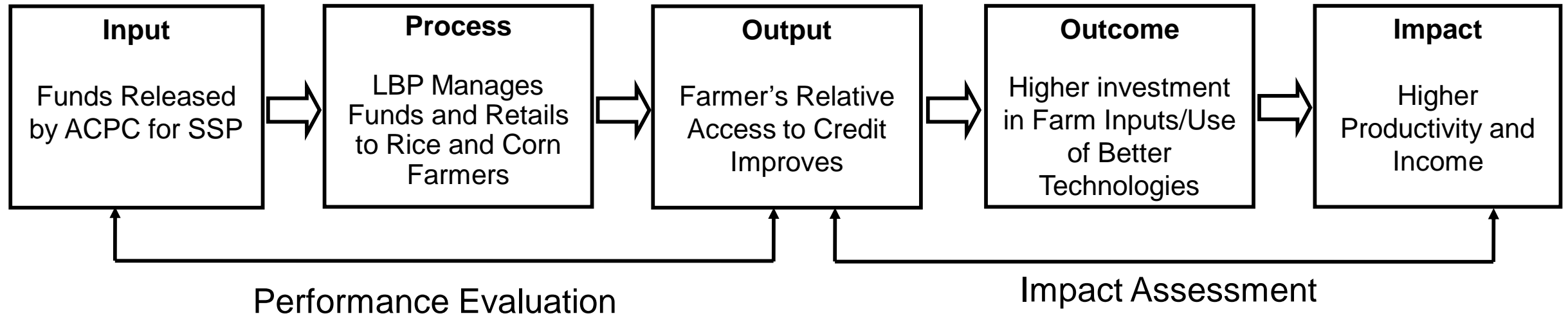


Figure 1. Performance evaluation and impact assessment

Framework

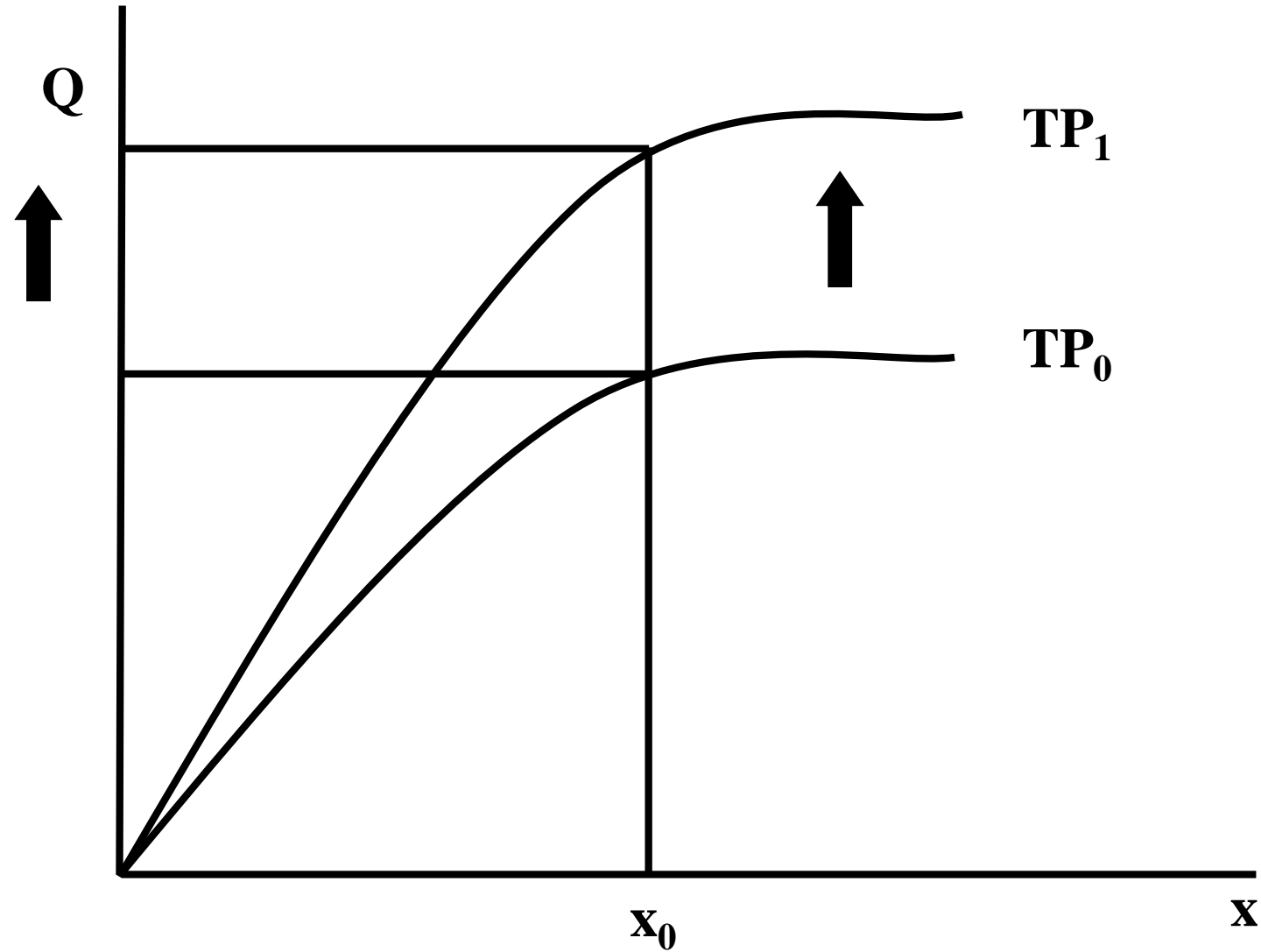


Figure 2. Shift in total product curve due to intervention



METHODOLOGY

Survey Areas and Sample Size



Province	Number of Beneficiaries	Municipalities (with FGD)	Number of Samples		Total
			Bene	Non-Bene	
Isabela	2,265	Alica, Santiago , San Pablo	96	96	192
Nueva Ecija	1,788	Guimba , San Antonio, Gen. Natividad	95	95	190
Occidental Mindoro	1,001	Rizal , Calintaan, Sta Cruz	92	92	184
Bukidnon	377	Valencia, Malaybalay , Quezon	93	93	186
Bohol	517	Pilar , Ubay, San Miguel	86	86	172
Iloilo	194	Oton , Banate, Barotac Viejo	65	65	130
Total	7,044		527	527	1084

- Identified the top 6 provinces (already covers 50% of bene) as of April 2017 based on LBP database
- Slovin's Formula with 10% margin of error to determine number of beneficiaries (and equivalent number of non-beneficiaries)
- Top three municipalities with highest number of borrowers

Key Informant Interviews

- LBP Headquarters and Lending Centers
- ACPC
- NIA Offices (Regions)
- NFA (Regions) and Bohol Rice Processing Center
- ATI (Regions)
- Irrigators Associations – in selected municipalities covered
- PCIC



Analytical Procedures




➤ Performance Evaluation

- ⦿ Documentation and Analysis of the inputs
- ⦿ Performance Parameters
- ⦿ Efficiency of partner banks/conduits
- ⦿ Descriptive Statistics

Impact Assessment

- ⦿ Partial Budget Analysis
- ⦿ Propensity Score Matching
 - Probability Logistical (Probit) Model
 - Average Treatment Effect of the Treated



RESULTS AND DISCUSSION

A. PROGRAM IMPLEMENTATION ANALYSIS



Table 4. Process of Sikat Saka Program loan application and release




Responsible Entity	Process	Requirement
	A. <u>Endorsement</u>	
Irrigators Association	Pre-screens and consolidates (at least 40) farmer-members based on eligibility requirement	<ul style="list-style-type: none"> - Should be member of IA - Not a member of any cooperative - No previous loan for the last 6 months with LBP - owns 0.50 to 5.0 ha with clean title
		
Farmer	Applies loan, secures and prepares requirements	<ul style="list-style-type: none"> - purchase order from NFA, NABCOR or other reliable buyer - attend briefing and/or seminar conducted by ATI - collateral requirement: title of land, certification, OR/CR of motor vehicle - farm plan and budget
		
Irrigators Association	checks completeness of submissions of farmers and prepares additional requirements	<ul style="list-style-type: none"> - certification of no previous loan from LBP - summary of farmers availing loan containing information on name of farmers, address, title number (TCT/ OCT/ CLOA), location of farm, amount of loan being applied - Management Takeover Agreement
		

Table 4. Continued...



Responsible Entity	Process	Requirement
National Irrigation Administration	Endorses participating IA to LBP	
		
	B. <u>Loan Processing, Packaging and Administration</u>	
Land Bank of the Phils	<ul style="list-style-type: none"> - Account officers process the loan application in accordance with existing guidelines of LBP - Safekeep land titles and return the same upon full payment - Facilitate farmers' opening of deposit account with LBP branch and execute an auto-debit arrangement with LBP for payment of loan - File AGFP guarantee application and claims in cases of past due loans 	<ul style="list-style-type: none"> - Use of a simplified loan application form - Loan amount is based on the farm plan and budget but not to exceed loan ceiling of P41,000/ha for inbred and P50,000/ha for hybrids - Interest rate is 15% per year for the first 2 cycles, reduced by 1% per year for every succeeding cycle on loans fully paid up to the 8th cycle
		
	C. <u>Loan Approval and Release</u>	
Land Bank of the Phils	<ul style="list-style-type: none"> - Approves of loans by designated approving authorities - Releases loan to farmers through ATM accounts - Provides NFA/NABCOR list of releases which will serve as basis to pay to farmers for palay purchases 	<ul style="list-style-type: none"> - Collateral for safekeeping Management Takeover Agreement

Table 5. Sikat Saka Program Implementation on the Ground

Provision	Practice on the Ground	Province
Size of farm and amount of loan	<ul style="list-style-type: none"> - Loan ceiling of 80% of farm budget plan, not to exceed P41,000/ha for inbred and P50,000/ha for hybrid - Size of farm is 0.5 to 5.0 ha 	All surveyed provinces
Membership to IA	- Farmers who are members of more than one IA may borrow according to the number of their membership to IA	Nueva Ecija
	<ul style="list-style-type: none"> - Farmers with multiple IA membership is eligible only once - Farmers of good standing is defined as those who pay their ISF 	All surveyed provinces except Nueva Ecija
No existing loan from LBP	Still are allowed to borrow provided they have capacity to pay	Nueva Ecija
Attendance to Seminar	<ul style="list-style-type: none"> - One day seminar on credit worthiness, and briefing of the SSP; organized by ATI - Borrower attends trainings only once 	All surveyed provinces
	Seminars on rice production with resource speakers from DA and LGU Agricultural Office	Occidental Mindoro Bohol, Bukidnon
Purchase order	- P.O. from NFA is issued only once, and may be reused for succeeding loan application as long the amount remains the same	Nueva Ecija
	- P.O. is issued every time a loan application is made; only farmers who bring in a certain percentage of their harvest from loan period can be issued another PO for another loan; uses passbook	Bukidnon (1%) Occidental Mindoro (70%)
	<ul style="list-style-type: none"> - NFA requires LBP receipt as proof that borrowers have no more accountability before issuing another PO - Summary of farmers availing loans (from IA) 	Occidental Mindoro

Table 5. Continued...

Provision	Practice on the Ground	Province
Purchase order	- NFA needs endorsement of IA indicating some information to ensure capacity to pay based on projected harvest	All Provinces
	- PO issued by the Bohol Rice Processing Center and not by NFA. BRPC executes a Production, Technical and Marketing Agreement with the IA, farmer borrowers, LBP, NIA and DA	Bohol
	- PO issued upon endorsement of NIA, returned to NIA for onward submission to LBP	Iloilo, Nueva Ecija, Isabela
Loan Security and Collateral	- Promisory note and management takeover agreement (notarized) - Certificate of land title - Certificate of registration and official receipt of motor vehicle - Certification from land owner (for tenants) - Certificate of mortgage	All surveyed provinces
	- Animal registration	Occidental Mindoro Bohol, Bukidnon
	- Certificate of ownership of appliances	Bukidnon
Interest rate	- 15%/annum or 7.5%/season; declining at 1%/season until 9 th season where interest is only 8%	All surveyed provinces
Incentives to IA	- 0.5% for 100% repayment rate and 0.25% for 90 – 99% repayment rate	All surveyed provinces
NIA	- identifies IAs of good standing - issues certificate that IA is of good standing - issues certificate of water availability	All provinces



No uniform practice or process followed in issuance and use of PO

- Not all PO's are used (for disposal of harvest or for payment of loan)

Uses 3 criteria in determining IA for endorsement to LBP:

- IA should be in good standing (ISF)
- Farmer-borrower has no outstanding loan with LBP
- Water availability

Assists in identifying farmer-borrowers

- Assists in requirements from NIA, NFA
- Consolidates and endorses loans
- Monitors payment
- Implements MTA (Mindoro)

LBP:

- Nueva Ecija – has a separate unit for SSP
- Different collaterals – some still use animal registration, use of appliance (Bukidnon), ownership of land (Bohol)

Best Practices: IA

Selection of borrowers

- Uses criteria in selection of borrowers outstanding farmers

Processing of documents

- Hire coordinators
- Pay IA member for processing

Loan Payment

- Monitoring
- Payment is a shared responsibility
- Discussed in meetings

Implementation of MTA

- first offered to relatives
- IA president takes over

Best Practices: Other agencies

NIA

- Selection criteria based on outstanding IA (Bukidnon)
- Offers assistance in paper work

NFA

- Requires farmers to bring 10% (Bukidnon) to 70% (Mindoro) of their harvest before another PO is issued
- PO is issued by reliable trader (Bohol RPC)

LBP

- Ensures bank procedures are followed
- Innovates on treatment of bank collateral (Bukidnon)
- Separate unit for SSP (N. Ecija)

Table 11. Loan amount, number of borrowers, area coverage of SSP as of April 2017

Region	Q12017 Loan Amount (M ₱)*	Cumulative Loan Amount (M ₱)*	Number of Borrowers*	SSP area for 2017 Loan ha)*	Total Irrigated Area (ha)**	% of irrigated area covered by SSP
CAR	8.241	44.352	202	440	92,482	0.48
Region 1	2.484	65.519	422	678	137,929	0.49
Region 2	44.593	1,004.260	2833	6,690	271,697	2.46
Region 3	109.676	1,688.820	2879	7,183	293,438	2.45
Region 4	105.375	655.268	1670	5,049	137,433	3.67
Region 5	1.888	17.306	82	176	122,717	0.14
Region 6	7.115	175.809	866	1,422	106,941	1.33
Region 7	16.149	152.783	595	1,193	47,214	2.53
Region 8	2.835	46.991	348	543	69,090	0.79
Region 9	1.852	13.537	91	197	47,054	0.42
Region 10	43.428	94.428	362	839	65,782	1.28
Region 11		4.369	77	116	68,129	0.17
SOCCSKARGEN	31.727	637.075	1646	3,560	111,940	3.18
ARMM	0.150	15.647	47	111	47,866	0.23
CARAGA	5.676	5.676	36	123	62,452	0.20
Philippines	381.190	4,621.840	1,2157	28,322	1,682,162	1.68

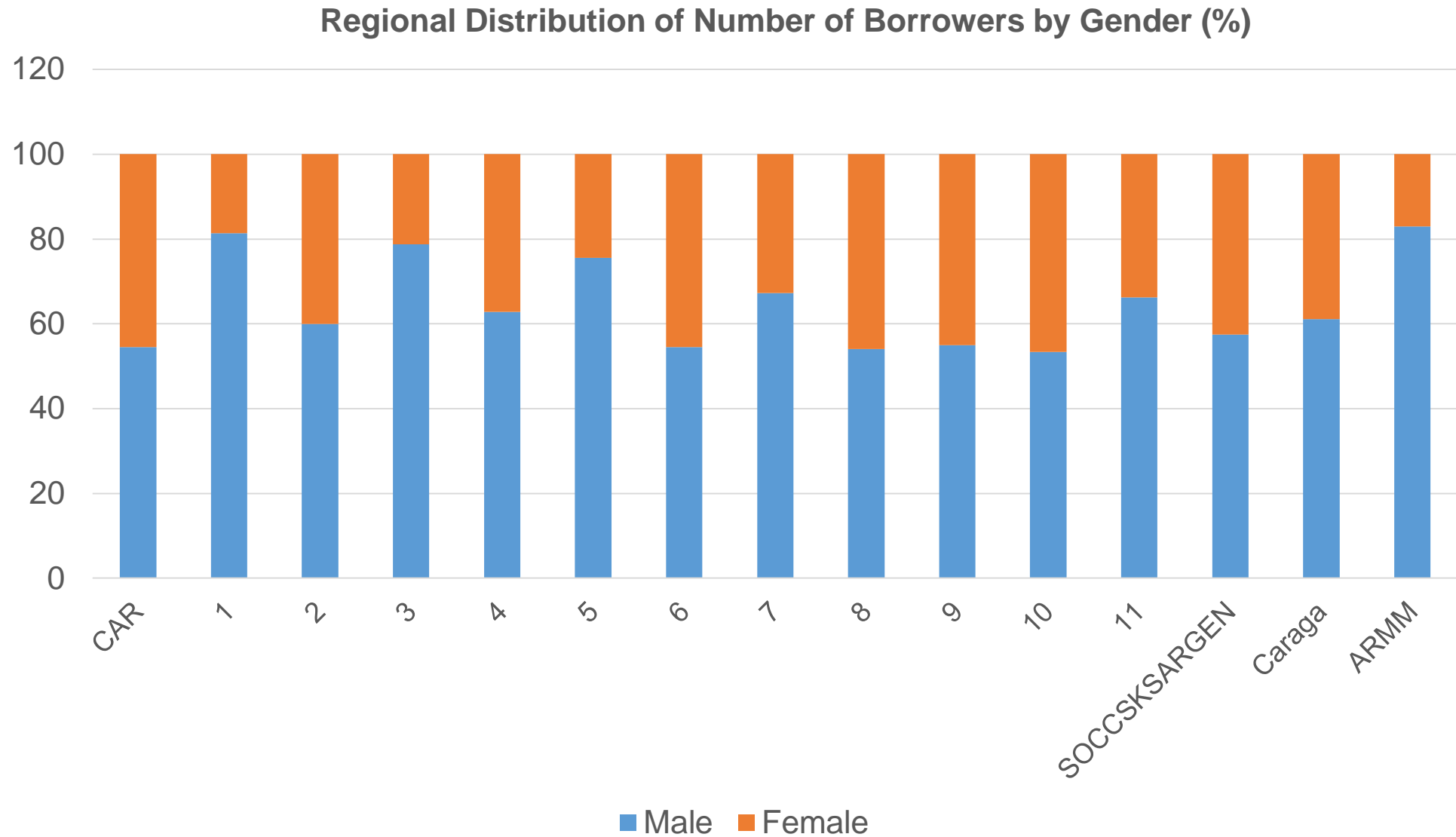


Figure 5. Regional distribution of number of Sikat Saka borrowers by gender (%)

Source of basic data: LBP database, 2017

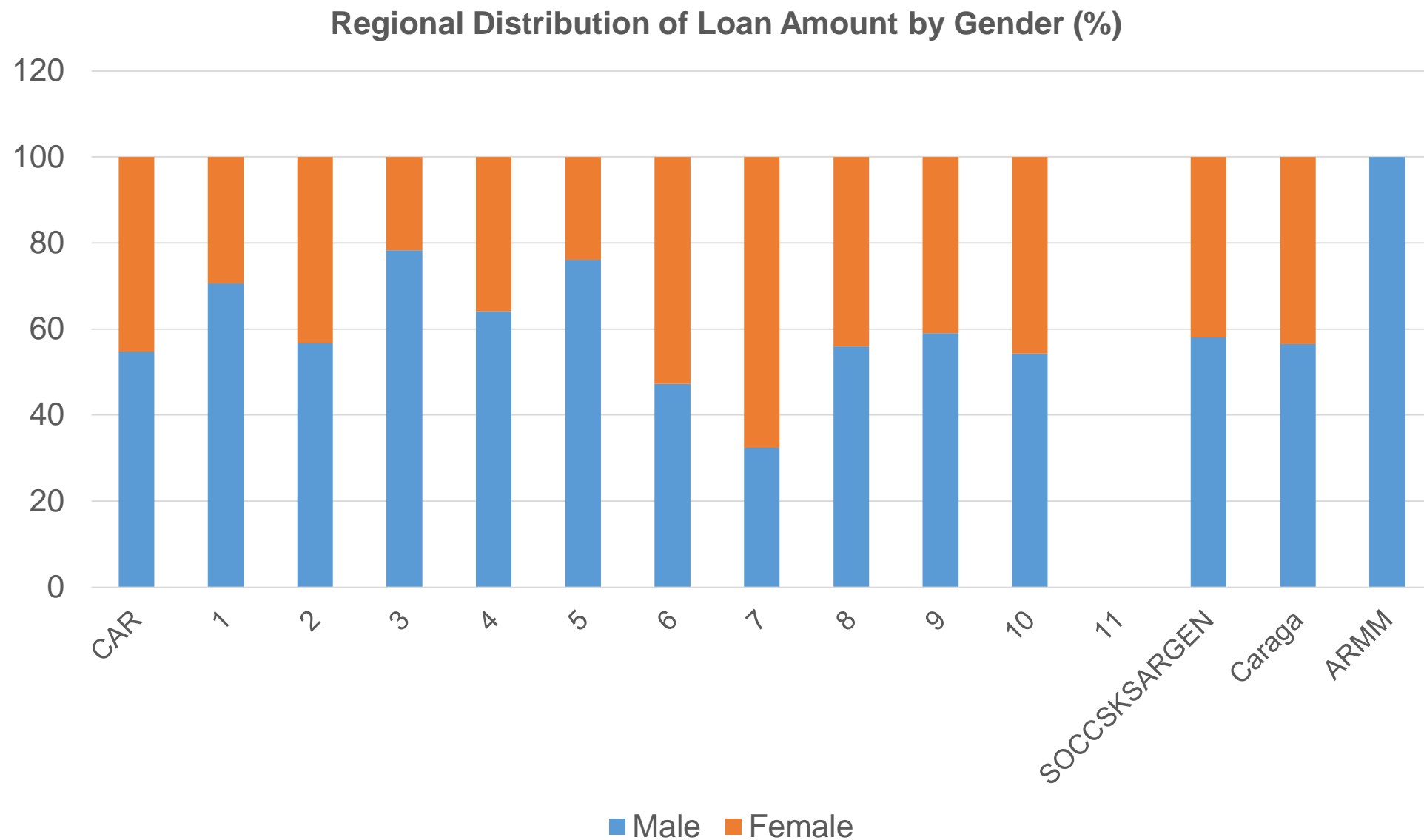


Figure 6. Regional distribution of Sikat Saka loan amount by gender (%)
Source of basic data: LBP database, 2017

Sikat Saka Program Reach by Island Group

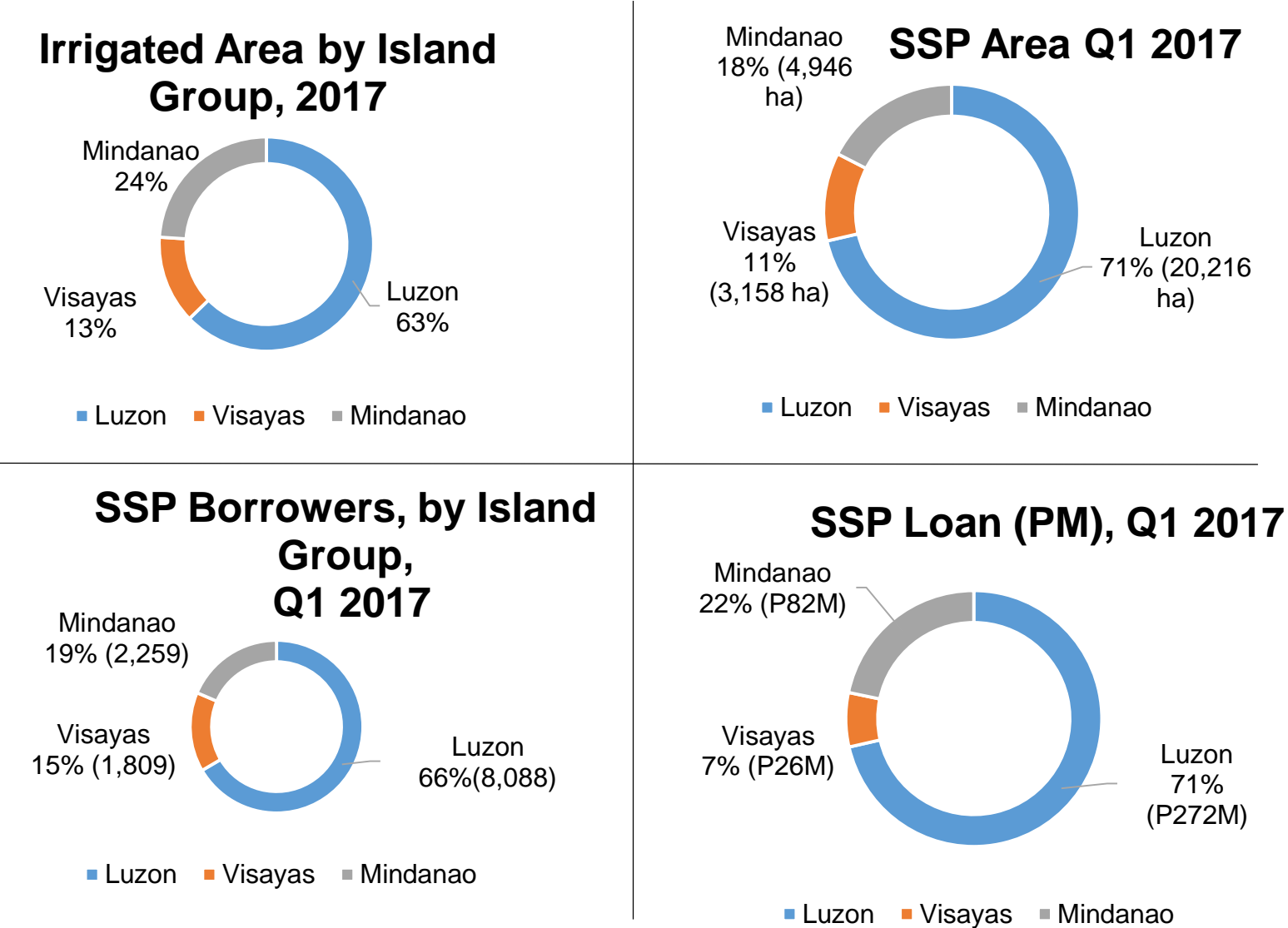
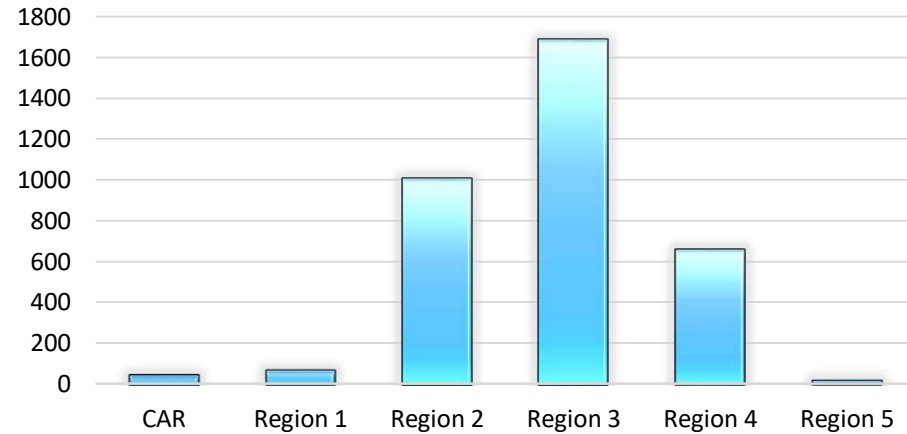


Figure 7. (a) Total irrigated area, (b) SSP area coverage, (c) SSP borrowers, and (d) SSP loan, by major island group, Q1 2017

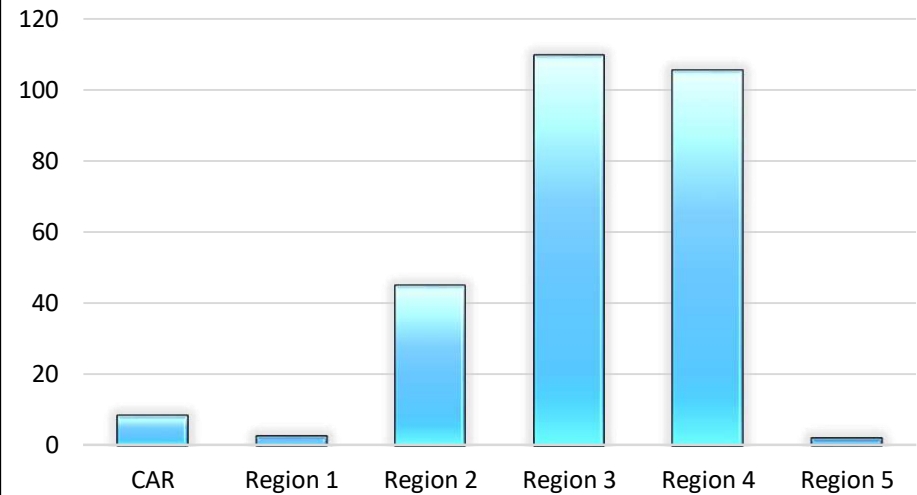
Source of basic data: LBP database, 2017

Sikat Saka Reach in Luzon

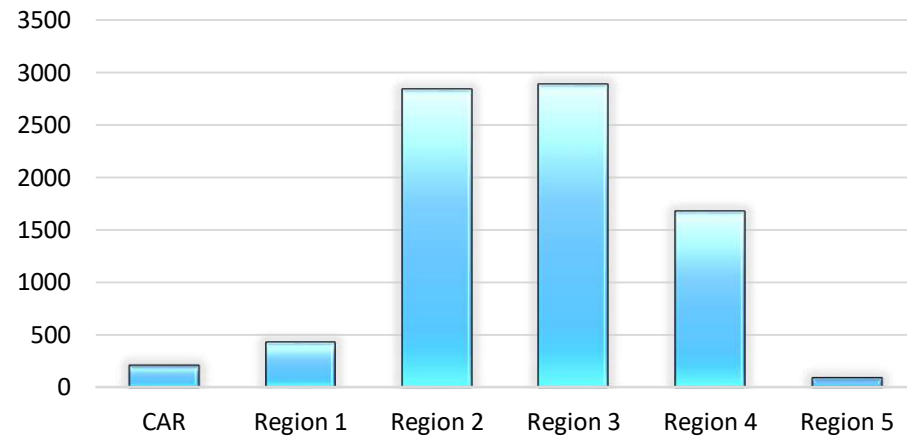
Cumulative Loan Amount, Luzon, (P M) 2012-2017Q1



Loan Amount, Luzon (P M) Q1 2017



Number of SSP Borrowers, Luzon, Q12017



SSP Area Coverage, Luzon (ha) Q12017

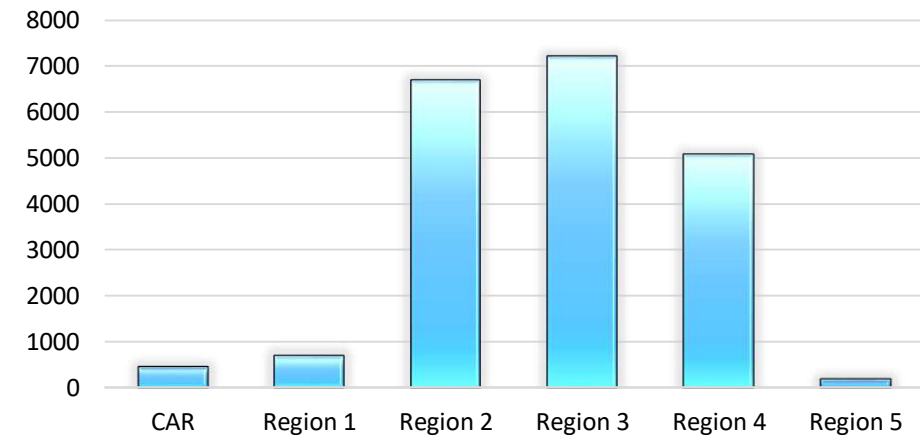
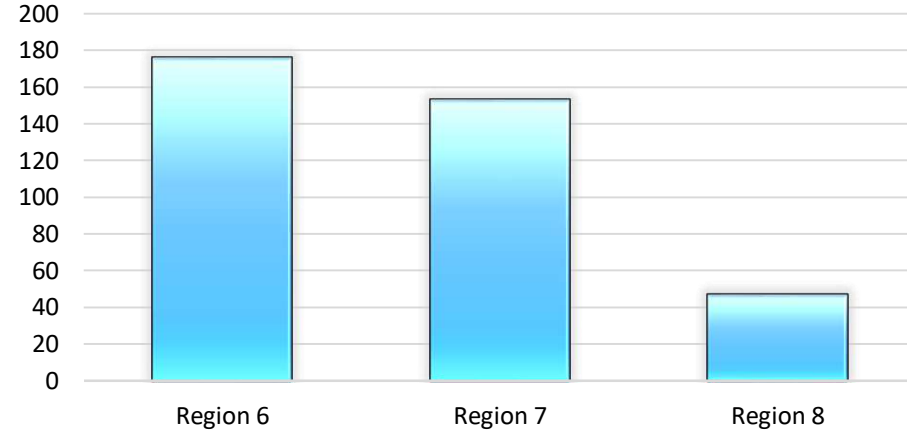


Figure 8. (a) Sikat Saka cumulative loan amount, (b) 2017 loan amount, (c) number of borrowers (d) area coverage in 2017, Luzon

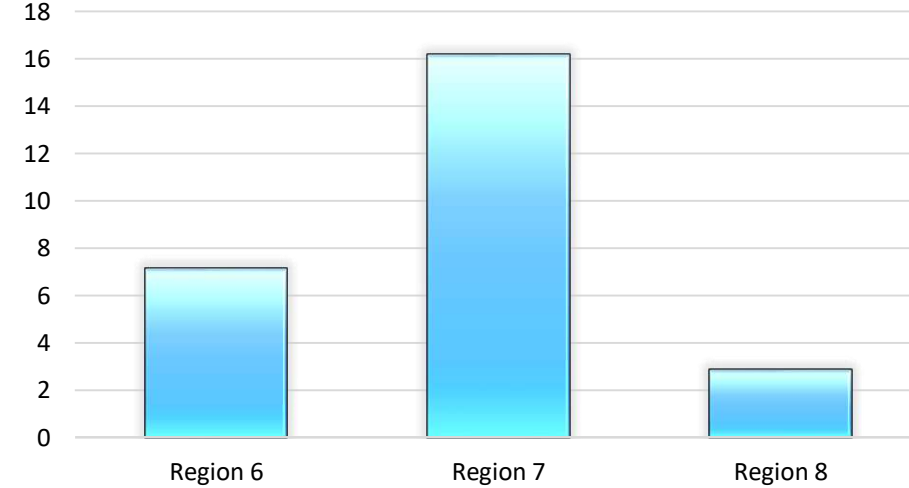
Source of basic data: LBP database, 2017

Sikat Saka Reach in Visayas

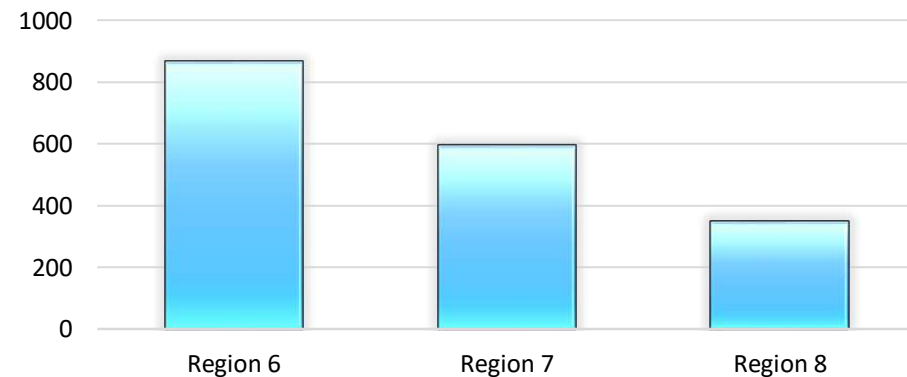
**Cumulative Loan Amount, Visayas,
(P M), 2012-Q12017**



Loan Amount, Visayas (P M) Q12017



**Number of SSP Borrowers, Visayas,
Q12017**



**SSP Area Coverage, (ha) Visayas,
Q12017**

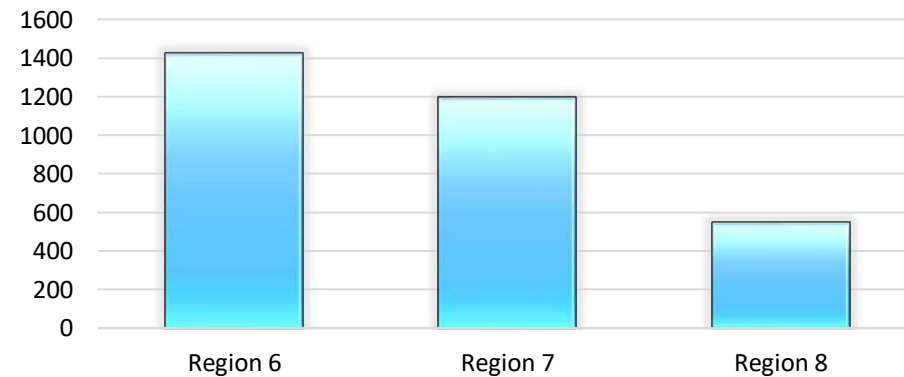
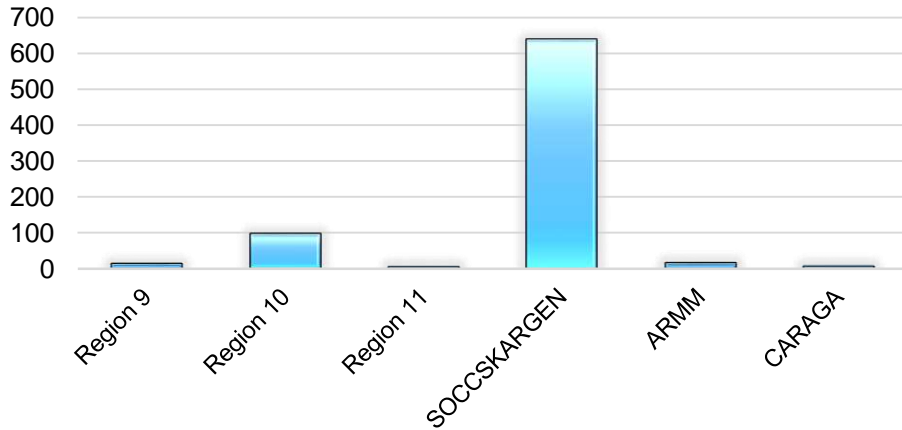


Figure 9. (a) Sikat Saka cumulative loan amount, (b) 2017 loan amount, (c) number of borrowers, and (d) area coverage in 2017, Visayas

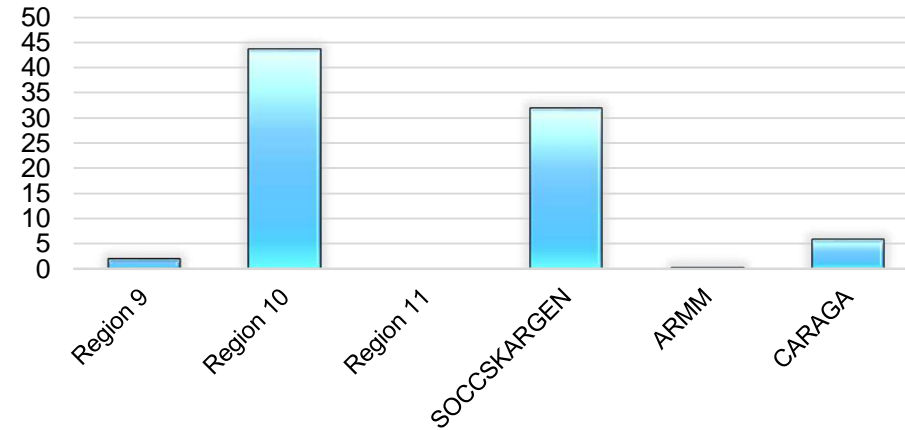
Source of basic data: LBP database, 2017

Sikat Saka Reach in Mindanao

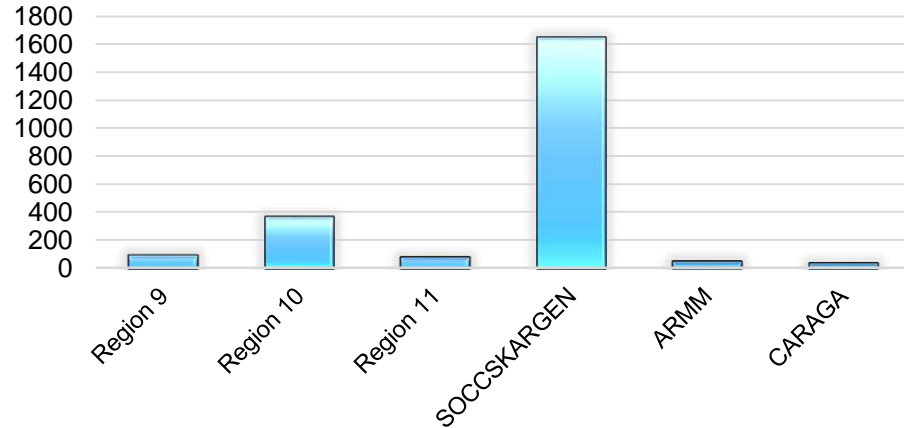
**Cumulative Loan Amount, Mindanao
(P M) 2012-2017 Q1**



**Loan Amount, Mindanao (P M)
2017Q1**



**Number of SSP Borrowers,
Mindanao, 2017Q1**



**SSP Area Coverage (ha), Mindanao,
Q12017**

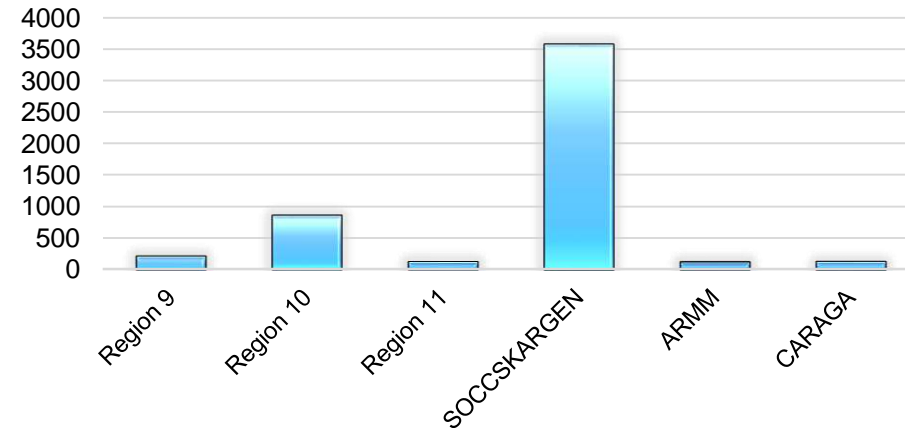


Figure 10. (a) Sikat Saka cumulative loan amount, (b) 2017 loan amount, (c) number of borrowers and (d) area coverage in 2017, Mindanao

Source of Basic data: LBP database, 2017

Sikat Saka Reach: Survey data

Number of borrowers for 4 survey sites 2012-2017

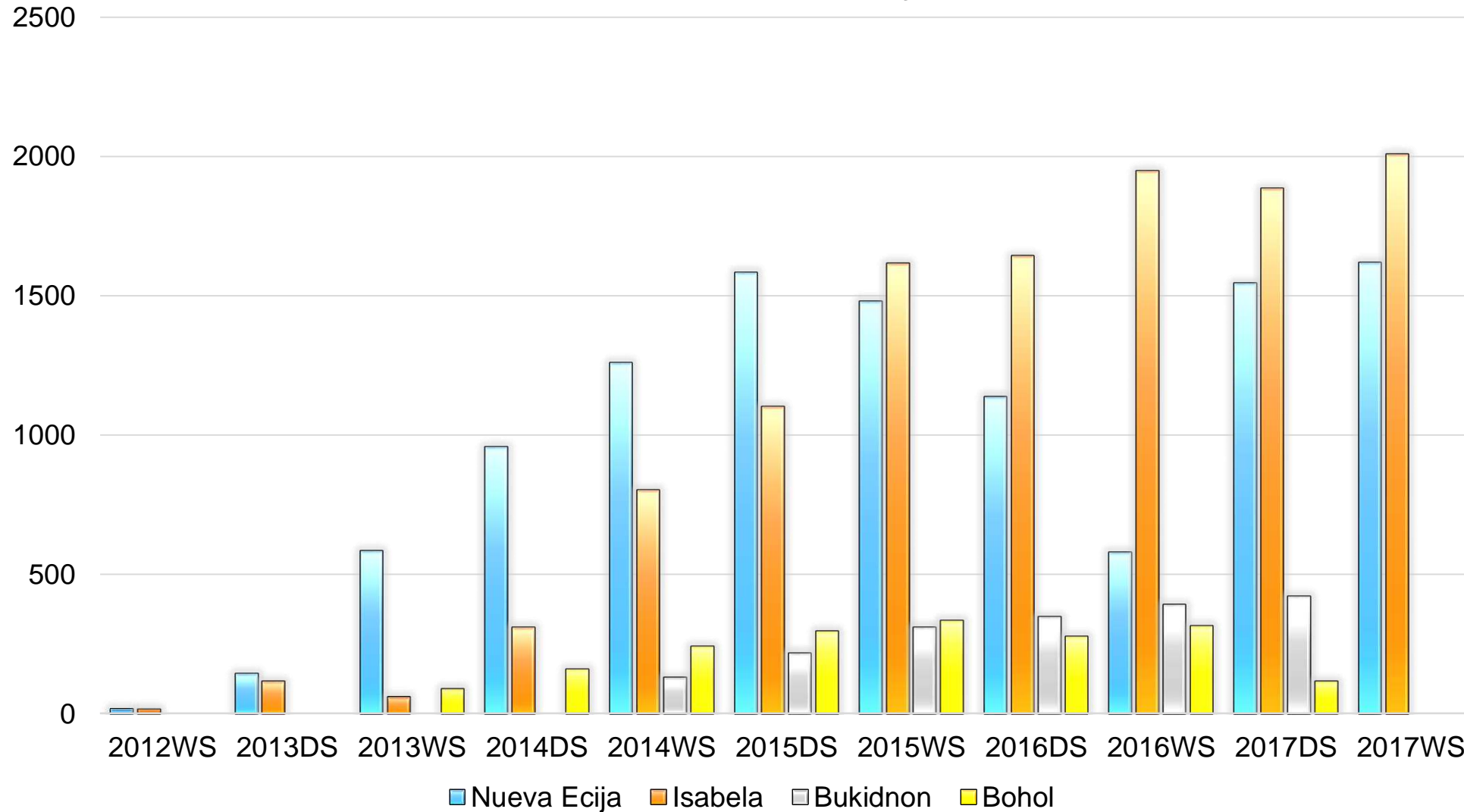


Figure 11. Actual number of borrowers from 4 survey sites, 2012-2017

Source: LBP LC Centers, 2017

Trend in number of borrowers in the survey areas, 2012-2017

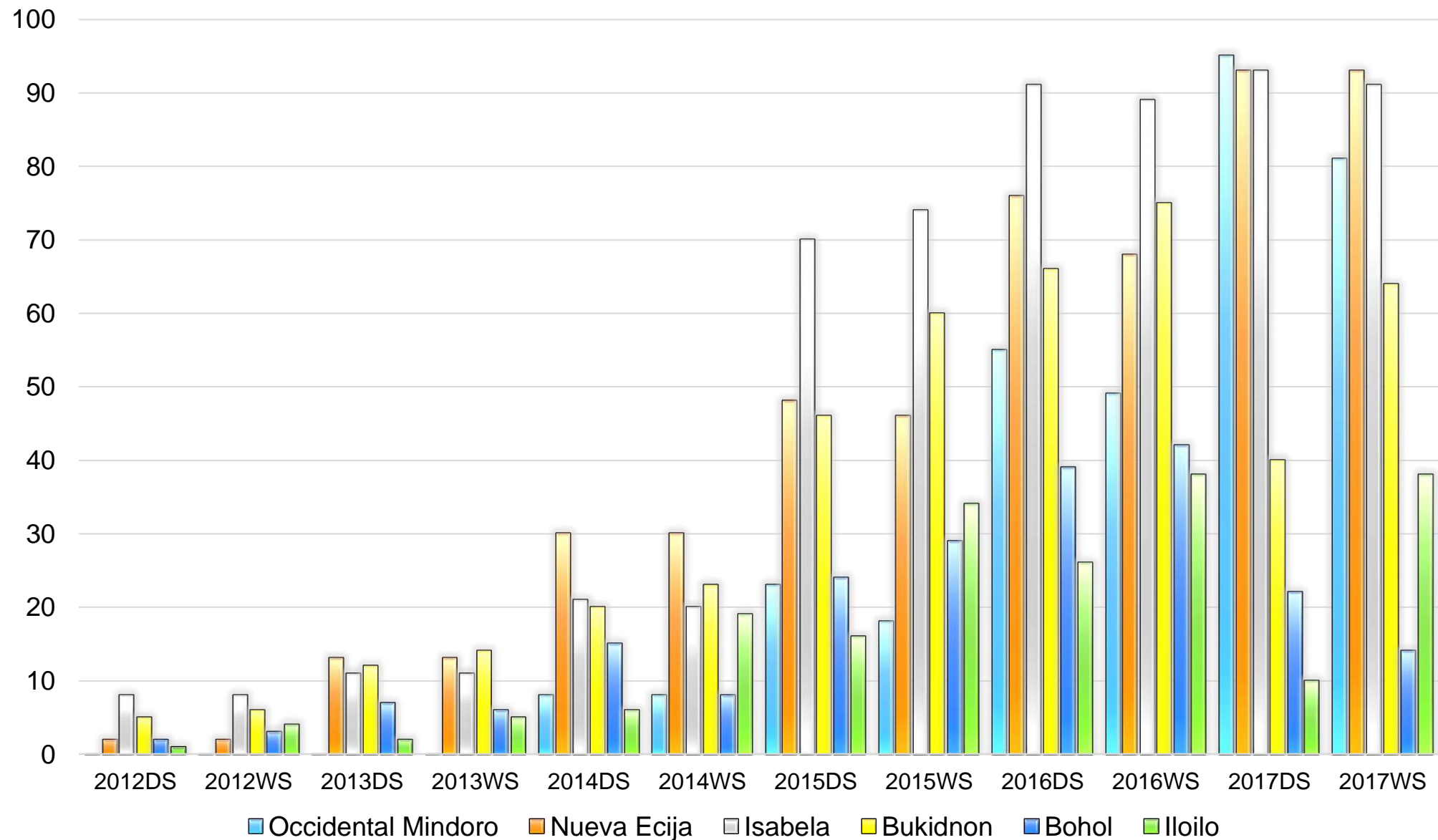


Figure 12. Trend in number of borrowers from the survey areas, 2012-2017

RESULTS OF THE SURVEY

Table 13. Socio-economic profile of respondents

Socio-Economic Characteristics	Beneficiary			Non-Beneficiary		
	All (n=527)	Male (n=330)	Female (n=197)	All (n=527)	Male (n=359)	Female (n=168)
Age (Years)						
Average	50	50	50	51	51	50
Range	23-85	23-85	24-85	21-89	21-85	23-89
Civil Status (%)						
Single/Widow	9	5	4	11	4	7
Married	91	57	33	89	64	25
Education (%)						
Elementary Level	15	9	6	24	18	5
High School Level	42	26	16	36	23	12
College Level	36	22	14	36	22	13
Vocational	6	5	1	4	3	1
Household Size (number)						
Average	5			5		
Range	1-11			1-13		



Table 14. Farm-related characteristics of respondents

Farm Related Characteristics	Beneficiary			Non-Beneficiary		
	All (n=527)	Male (n=330)	Female (n=197)	All (n=527)	Male (n=359)	Female (n=168)
IA Membership (% reporting)						
Yes	100	63	37	60	43	17
No	0	0	0	40	25	15
Membership in other organizations (% reporting)						
Yes	13	9	4	28	8	28
No	87	54	33	72	24	72
Farm Size (ha)						
Average	2.2	2.16	2.28	2.18	2.16	2.29
Range	0.5-5.0			0.73-5		
Years in farming						
Average	22	22	20	22	23	21
Range	2-69	2-69	2-62	1-60	1-60	1-60
Tenure Status (% reporting)						
Owned	78	49	29	74	50	24
Tenant	15	10	6	18	13	5
Lease	7	4	3	8	5	3

Table 15. Source and amount of income of SSP beneficiaries and non-beneficiaries

Sources	Beneficiary		Non-beneficiary	
	% Reporting	Amount (₱)	% Reporting	Amount (₱)
Farm (per season)				
Rice-farming	86	20,440	87	20,068
Rice-based	14	23,132	13	22,984
Non-farm (per month)				
Employment	24	9,554	27.4	11,440
Remittances	7.6	12,454	10.1	11,200
Small Business	13.4	5,088	12.9	5,754
Average Monthly Income		8,272		10,072

Table 13a. Source and amount of income of SSP beneficiaries and non-beneficiaries by gender

Sources	Beneficiary				Non-Beneficiary			
	Male		Female		Male		Female	
	% Reporting	Amount (₱)	% Reporting	Amount (₱)	% Reporting	Amount (₱)	% Reporting	Amount (₱)
Farm (per season)								
Rice-farming	54	21,180	32	19,189	60	19,838	27	20,417
Rice-based	8	24,928	6	19,571	8	21,311	5	25,800
Non-farm (per month)								
Employment	12	10,966	6	10,524	12	12,151	10	10,745
Remittances	5	13,215	3	11,219	5	9,859	5	12,979
Small Business	11	4,986	10	5,451	10	6,325	7	9,506
Average Monthly Income		13,055		9,065		9,445		11,077

Credit Information

Table 16. Source of credit of beneficiaries before SSP and non-beneficiaries

Source of Credit	Before SSP by beneficiaries (n=527)			Non-beneficiary (n=527)		
	All (n=527)	Male (n=330)	Female (n=192)	All (n=527)	Male (n=330)	Female (n=192)
	% reporting					
Formal	39	23	16	41	26	15
Bank	22	14	8	9	7	2
Cooperative	13	7	6	22	14	8
MFI	4	2	2	8	5	3
Others	2	2	0.5	2	0.5	1.5
Informal	60	37	22	65	45	20
Relative	24	14	10	30	20	10
Trader	21	14	7	20	14	6
Local money lender	8	5	3	10	7	3
Others	6	4	2	5	4	1

Table 17. Average loan and terms followed by SSP beneficiaries and non-beneficiaries from their credit sources

	SSP Beneficiary		Non-Beneficiary
	Before	During	
Amount of loan (₱)			
Average per season	92,105	104,511	40,000
Range	10,000 – 250,000	15,000 – 250,000	5,000 – 80,000
Mode	100,000	50,000	50,000
Percent reporting	5	100	11
Average per month (₱)	65,252		51,623
Range	1,000-750,000		2,000 - 450,000
Mode	20,000		20,000
Percent reporting	84		86
Average per year (₱)	80,432		58,200
Range	4,000 – 300,000		5,000 – 300,000
Mode	50,000		100,000
Percent reporting	11		15
Average loan (₱)	67,899		53,545

	SSP Beneficiary		Non-Beneficiary
	Before	During	
<u>Interest rate (%)</u>			
Average per season	19	7.5	19
Range	1.75 – 30	4.5 – 7.5	7 – 30
Average per month	6		4
Range	0.5 – 30		0.75 – 25
Average per year	18		14
Range	5 – 60		1 – 30
Use of collateral (% reporting)			
Yes	36	100	16
No	64		84
Repayment Schedule (% reporting)			
After harvest	95	100	94
Monthly	1.4		3
Others	3		2
Mode of Payment (% reporting)			
Cash	83	100	86
Palay	17		14

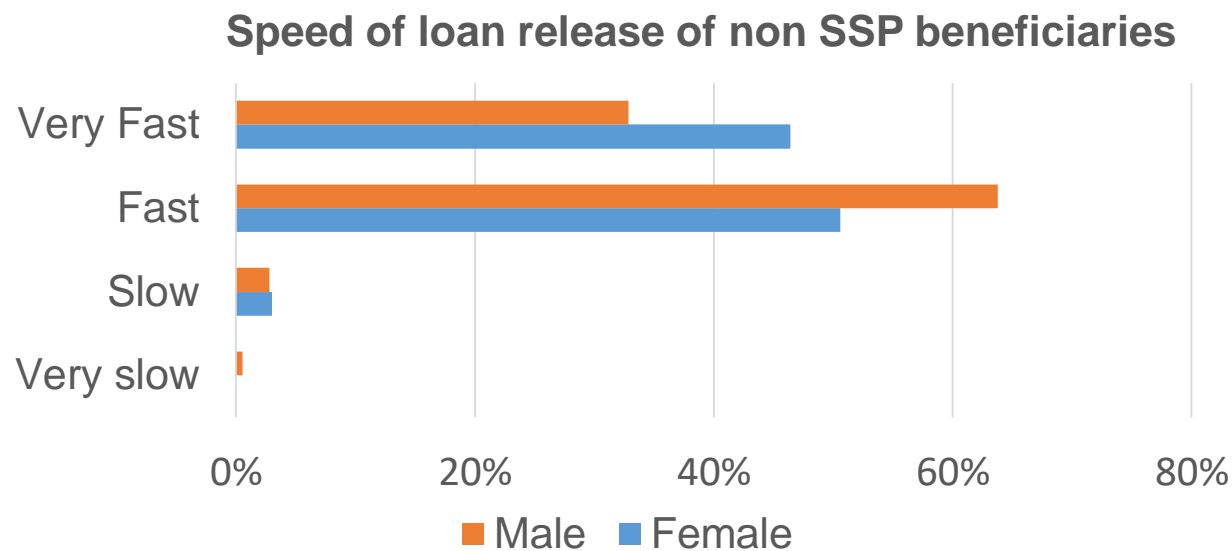
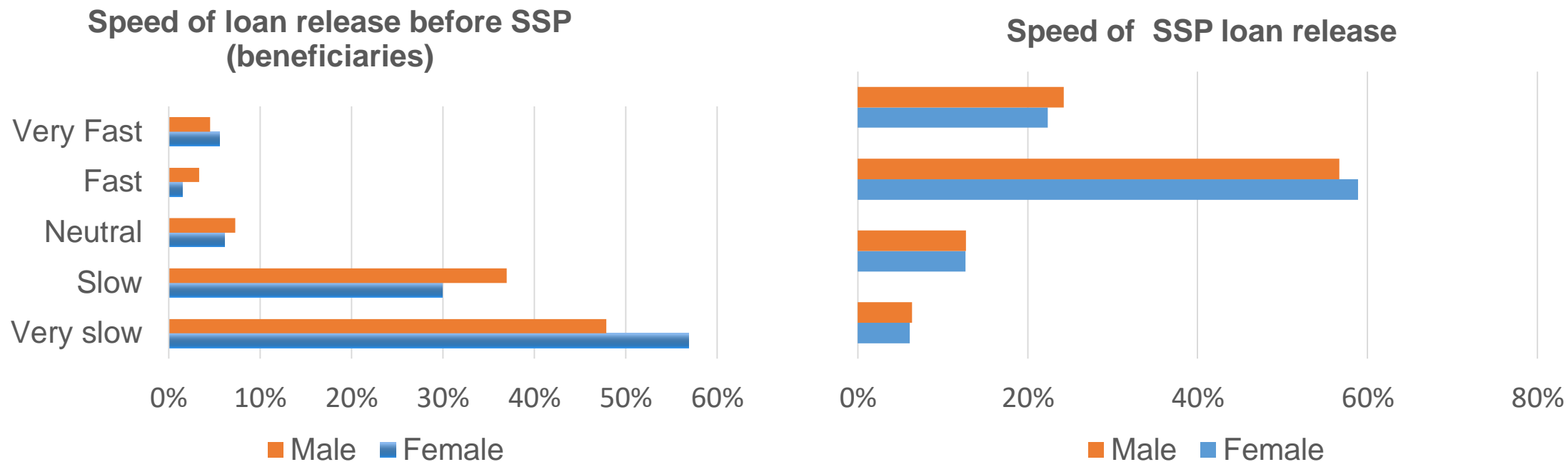


Figure 13. Speed of loan release according to beneficiaries before and during SSP, and non-beneficiaries

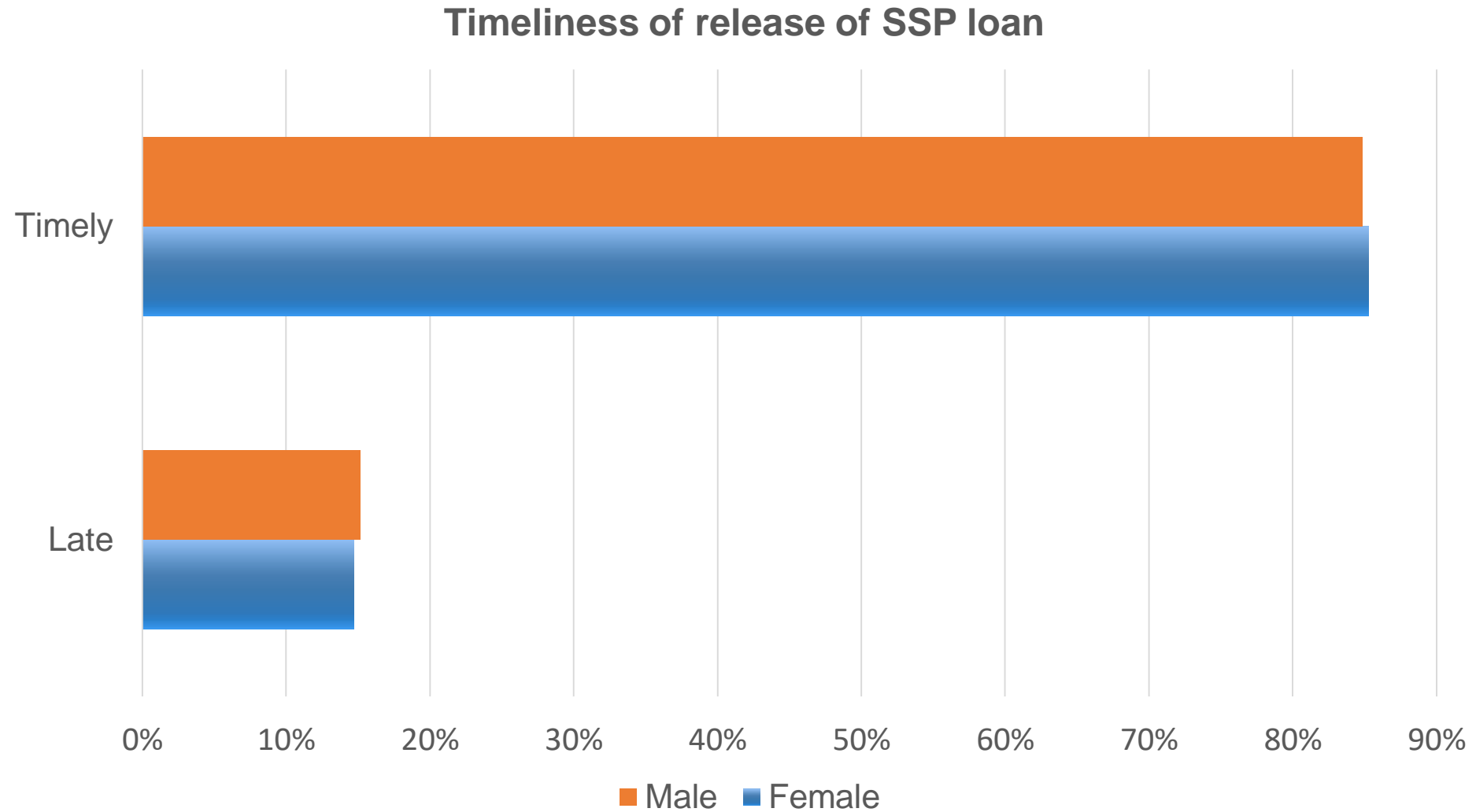


Figure 14. Timeliness of release of SSP loans according to borrowers

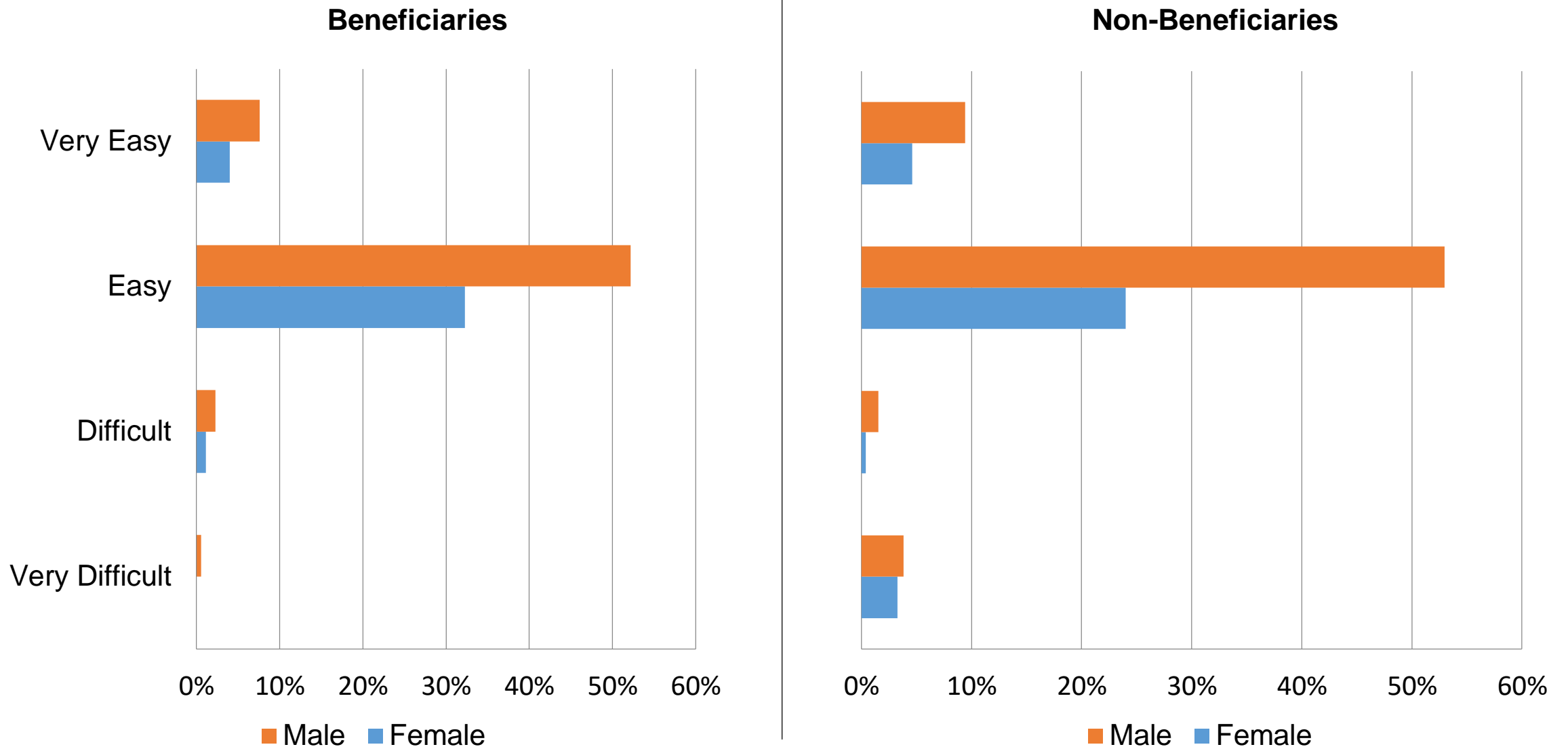


Figure 15. Perception of respondents on the ease of documentary requirements by their loan sources

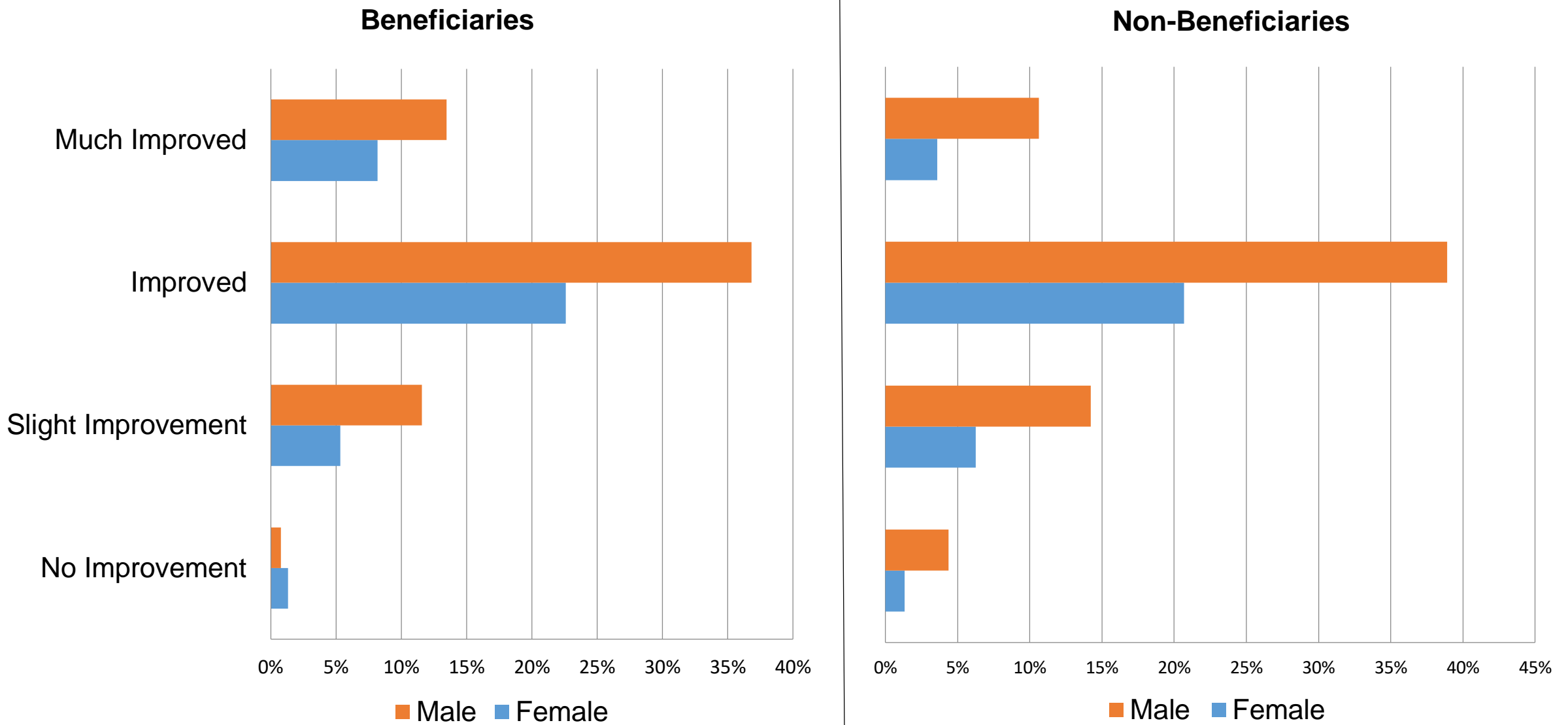


Figure 16. Improvement in access to credit before and during SSP implementation

Table 18. Non-beneficiaries' perception of the Sikat Saka Program

Parameter	All (n=527)	Male (n=359)	Female (n=168)
Awareness of SSP			
Yes	60	41	19
No	40	28	13
Current loan is better than SSP			
Yes	38	25	13
No	28	19	9
Cannot compare	35	25	10
Satisfied with current credit source			
Yes	79	52	27
No	21	17	5
Reason for not availing SSP			
Unable to comply with requirements	15	9	6
No collateral	11	8	3
Has other loan source	13	8	5
Late information	6	4	2
Excessive requirements	6	4	2
Undecided	4	3	1
Unable to attend SSP Seminar	7	5	2
Has enough capital	5	3	1

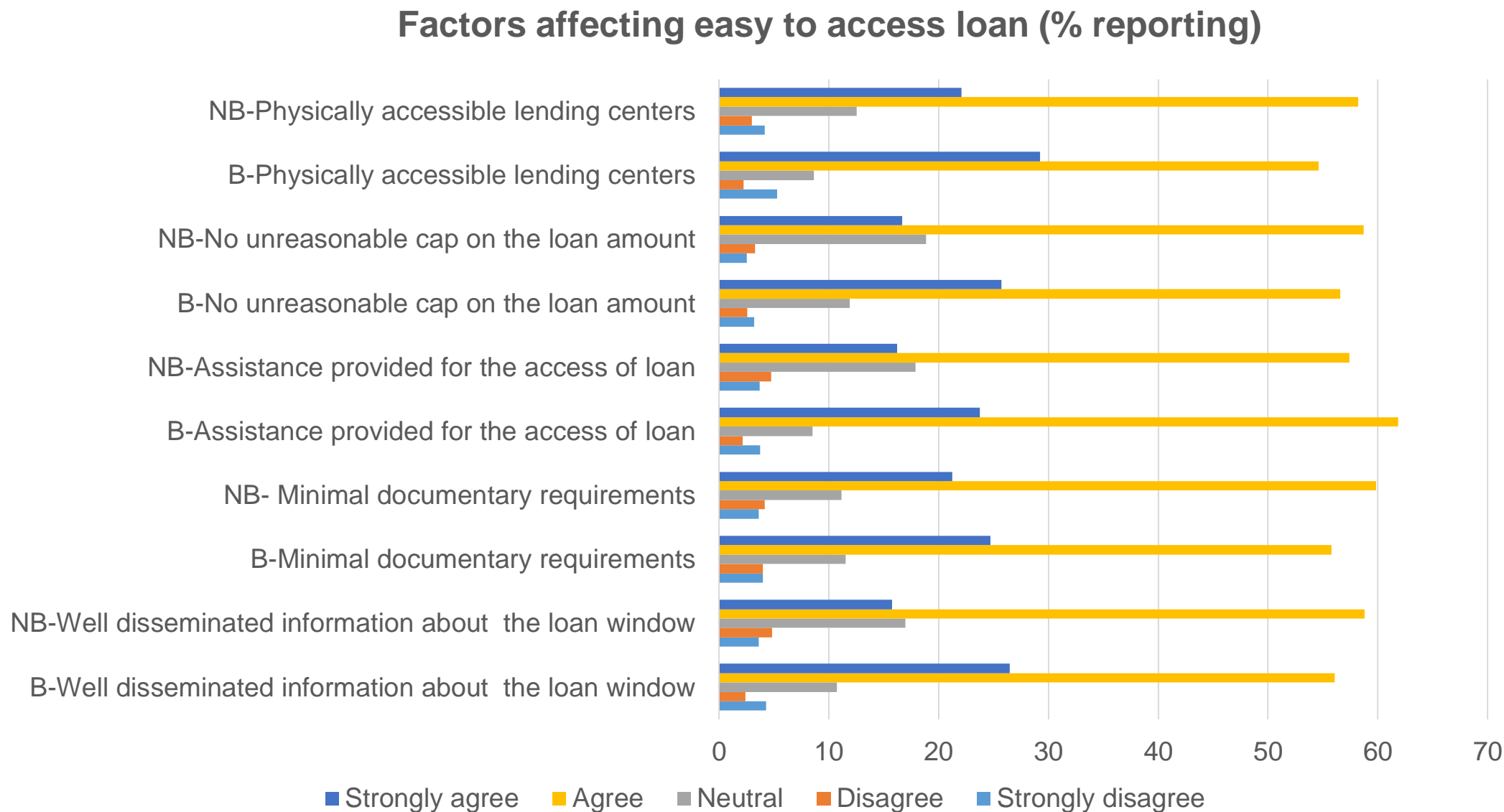


Figure 17. Factors affecting easy-to-access loan according to SSP borrowers and non-borrowers

Credit Utilization

Table 19. Credit utilization by SSP beneficiaries and non-beneficiaries, by gender (percent reporting)

	Beneficiary			Non-Beneficiary		
	All (n=527)	Male (n=330)	Female (n=193)	Female (n=527)	Male (n=359)	Female (n=168)
Credit Utilization						
Purpose of Borrowing						
Farm business	84	57	27	87	60	27
Farm and Non-farm	16	11	5	13	8	5
Type of enterprise						
Rice	97	66	31	98	67	31
Others*	3	2	1	1	1	1
Percent utilization						
Full	69	46	23	80	53	27
Less than full	16	7	9	22	15	7
Percent utilization in non-farm enterprises (from “less than full” responses)						
Household	91	26	65	95	67	28
Non-farm enterprise	9	6	3	5	3	3

Credit Repayment

Table 20. Loan repayment performance of SSP borrowers and non-borrowers

	Beneficiary			Non-Beneficiary		
	All (n=527)	Male (n=330)	Female (n=193)	Female (n=527)	Male (n=359)	Female (n=168)
Defaulted in loan payment						
Yes	23	14	9	26	18	8
No	77	77				
Reason for default (n=122)						
Insufficient income	3	1	2	73	73	
Physical accessibility				4	3	1
Calamity	37	25	12	47	34	14
Pests and Diseases	45	13	32	14	7	7
Crop failure	18	11	7	6	6	
Low yield	21	10	11	28	18	9

Factors Affecting easy to pay loan (% reporting)

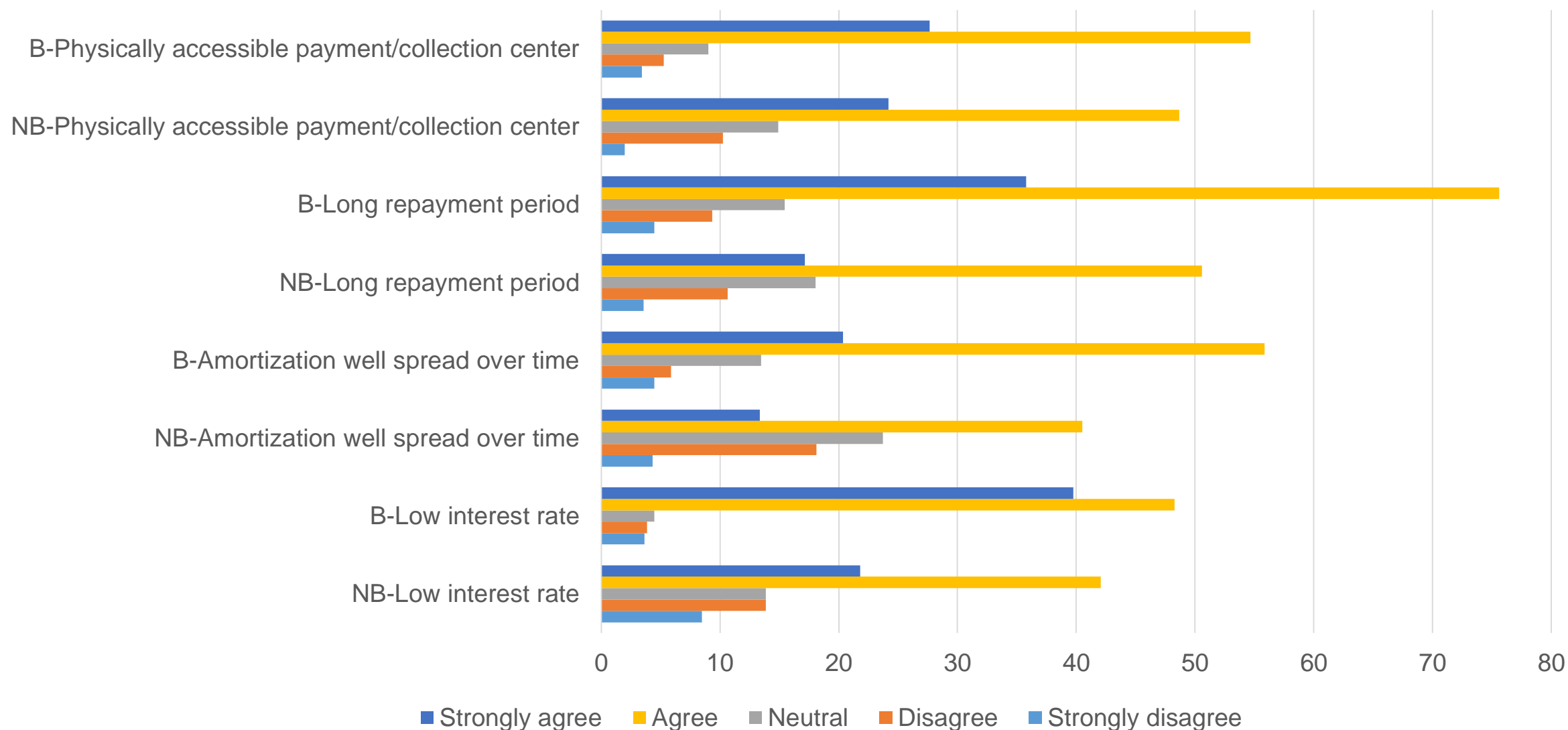


Figure 18. Factors affecting easy to pay loan according to SSP beneficiaries (B) and non-beneficiaries (NB)

Problems Encountered Related to Credit

Table 21. Problems encountered related to credit

	All (n=527)	Male (n=330)	Female (n=197)	All (n=527)	Male (n=330)	Female (n=197)	All (n=527)	Male (n=358)	Female (n=168)
Loan availment from credit source									
None	31	20	11	48	31	17	43	27	15
High interest	41	24	18	1	1	-	40	29	11
Excessive loan requirements	30	21	14	24	16	9	27	19	8
Insufficient amount for credit	20	9	6	-	-	-	13	10	3
Unclear procedures	4	9	4	1	1	-	6	5	1
Accessibility of lending institutions	8	4	4	9	6	3	7	4	3
Loan repayment									
Calamity	40	25	15	35	22	13	41	28	13
Pests and diseases infestation	44	26	18	35	21	14	41	27	14
Low yield	33	18	15	21	13	7	29	18	11
Willful default	5	4	1	33	3	-	3	2	1

Effect of SSP loan on Productivity and Income

Table 22. Percent of farmers planting hybrid and inbred rice seeds, average farm area, and yield of palay borrowers before and during Sikat Saka Loan Program, by type of seed, by season

Variable	Borrowers		Non Borrowers
	Before SSP	During SSP	
Seed Class (percent reporting)			
Hybrid			
Dry Season	31	<div><div></div>41</div>	27
Wet Season	13	<div><div></div>21</div>	8
Inbred			
Dry Season	53	<div><div></div>40</div>	59
Wet Season	74	<div><div></div>62</div>	74
Average Farm Area (ha)			
Hybrid			
Dry Season	2.63	2.52	2.71
Wet Season	2.41	2.16	2.83
Inbred			
Dry Season	2.02	1.90	1.90
Wet Season	2.13	2.19	2.10
Yield (kg/ha)			
Hybrid			
Dry Season	6,069	<div></div> 6,437	6,326
Wet Season	5,316	<div></div> 5,698	5,391
Annual	5,715	<div></div> 6,067	5,858
Inbred			
Dry Season	4,193	<div></div> 4,488	4,122
Wet Season	4,061	<div></div> 4,483	4,065
Annual	4,127	<div></div> 4,485	4,093



Effect of SSP loan on Productivity and Income

Table 22. Average average farm area, and yield of Sikat Saka Program beneficiaries and non-beneficiaries, by type of seed, by season

Variable	Borrowers		Non Borrowers
	Before SSP	During SSP	
Seed Class (percent reporting)			
Hybrid			
Dry Season	31	41	27
Wet Season	13	21	8
Inbred			
Dry Season	53	40	59
Wet Season	74	62	74
Average Farm Area (ha)			
Hybrid			
Dry Season	2.63	2.52	2.71
Wet Season	2.41	2.16	2.83
Inbred			
Dry Season	2.02	1.90	1.90
Wet Season	2.13	2.19	2.10
Yield (kg/ha)			
Hybrid			
Dry Season	6,069	6,437	6,326
Wet Season	5,316	5,698	5,391
Annual	5,715	6,067	5,858
Inbred			
Dry Season	4,193	4,488	4,122
Wet Season	4,061	4,483	4,065
Annual	4,127	4,485	4,093



Table 23. Gross farm income per hectare of SSP borrowers and non-borrowers as of latest loan availment, by type of seed by season (P/ha)

Farm Income	Borrowers		Non Borrowers
	Before SSP	During SSP	
Hybrid			
Dry Season	109,242	115,866	113,868
Wet Season	94,498	102,564	97,037
Annual	203,740	218,430	210,905
Inbred			
Dry Season	75,474	80,784	74,196
Wet Season	73,098	80,694	73,170
Annual	148,572	161,478	147,366

Table 24. Incremental profit of farmers before and during SSP, and with and without SSP (P/ha)

Period	Dry Season	Wet Season
Due to shift from inbred to hybrid		
Before and During SSP	32,673	23,490
With and Without SSP	28,342	19,014
Due to shift from the use of inbred		
Before and During SSP	7,248	9,581
With and Without SSP	2,945	4,775
Due to shift from the use of hybrid		
Before and During SSP	8,368	9,043
With and Without SSP	284	3,127

Impact of SSP Participation on Farm Net Income: Propensity Score Matching Method

1. Determinants of Sikat Saka Participation (Probit Model)

$$\text{SSP} = f(\text{Edu}, \text{FO}, \text{Hhsize}, \text{Fsize}, \text{Tenure}, \text{Location})$$

where:

Edu = educational level attained by farmers

FO = membership in organizations other than the irrigator's association
(member =1, 0 otherwise)

HHsize = number of persons living together in one household

FSize = area devoted to rice farming (in hectares)

Tenure = tenure status of the farmer (1 = owned, 0 otherwise)

Location = province



Table 26. Probit model estimating the probability of participating in the Sikat Saka Program

	Coefficient	Standard Error
Membership in other organizations	0.663***	0.103
Household size	0.038*	0.023
Farm size	0.235***	0.0306
Education	0.064***	0.240
Tenure status	-0.2069**	0.068
Location	0.139***	0.025
Pseudo R2	0.09	
Log likelihood function	-656.56	
Prob > chi-square	0.000	
LR chi-square	142.46	

***, * means significant at 1% and 5% probability level, respectively



Impact on Net Income

Table 27. Impact of the SSP on the Net Farm Income (or Average Treatment Effect of the Treated) using the Nearest Neighbor Matching Method

Outcome: Incremental Net Income	ATT (P/ha)	Number of Treated	Number of Untreated	t-value
Dry Season	6,259.84**	523	228	2.29
Wet Season	4,209.74 ^{ns}	523	247	1.18

** significant at 5% level; ns = not significant



Improvement in Well-being Using Qualitative Indicators

Table 28. Borrowers' reasons for availing loans and satisfaction with the SSP

Item	All (n=527)	Male (n=330)	Female (n=197)
Reasons for Choosing Sikat Saka Program			
Low interest rate	83	15	31
Source of capital for rice farming	15	9	6
Ease in availment procedures	12	8	4
Fast loan release	8	5	3
Satisfied with the program			
Yes	98	61	37
No	2	2	1
Reasons for Satisfaction			
Low interest	32	22	10
Easy to avail	6	5	2
Major source of capital	12	11	1
Better quality of life	30	18	12

Table 29. Perceived improvement in the quality of well-being of borrowers due to loans from the Sikat Saka Program

	All (n=527)	Male (n=330)	Female (n=197)
Perceived improvement in the quality of life			
Better quality of life	30	21	10
No longer source loans with high interest	12	7	6
Higher income	9	6	3
Sustain the education of children	8	4	3
Home construction	5	3	2
Able to buy vehicle/farm machines & equipment	6	4	2
None	6	4	3
How SSP helped farmer in rice farming			
Improved knowledge in rice farming through attendance to trainings and seminars	68	42	27
Proper utilization of loan and budgeting	8	5	2
Sufficient capital to buy farm inputs	9	6	3
Updated technology	1	1	-

Perception about SSP

Borrower Perception on the Role of NIA in SSP

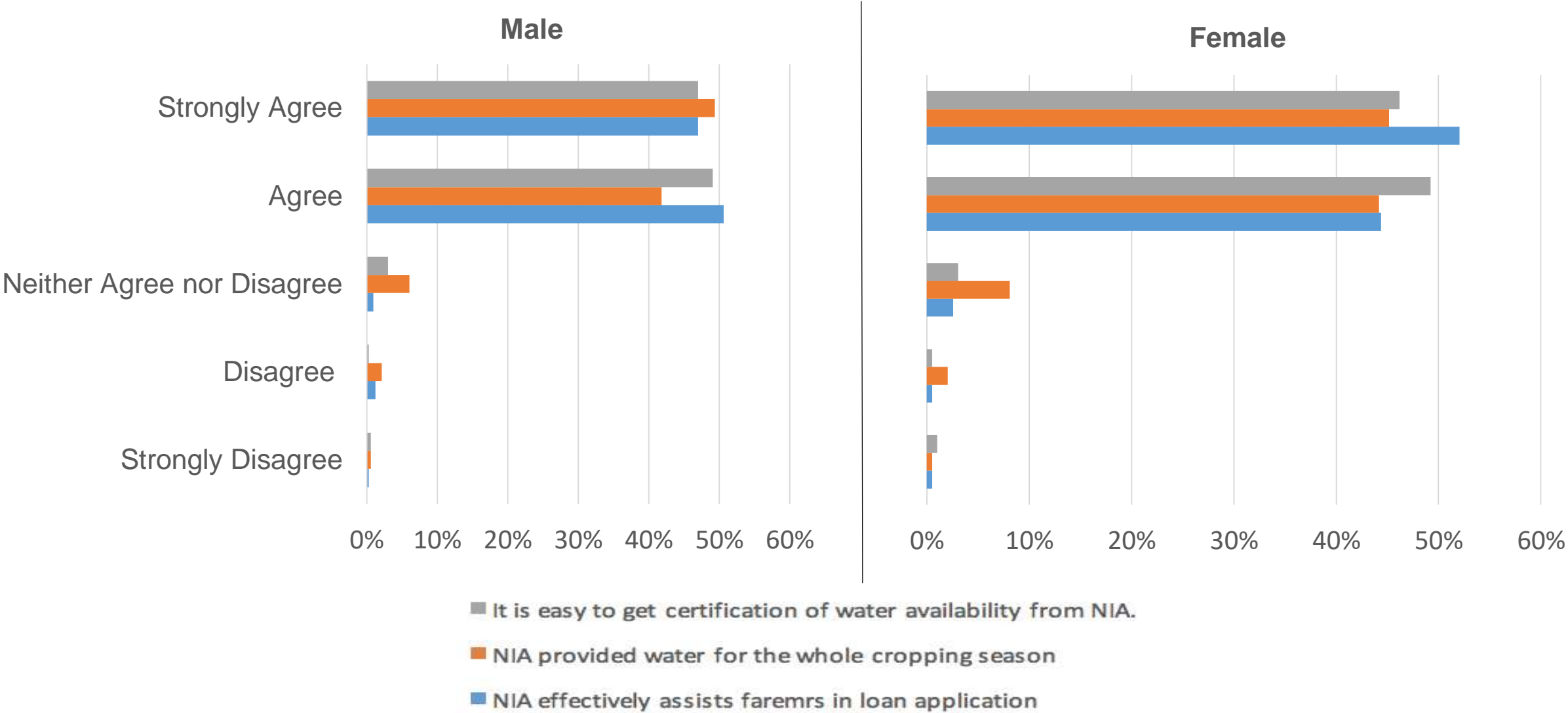


Figure 19. SSP borrower's perception on the role of NIA

Borrower Perception on the Role of ATI in SSP

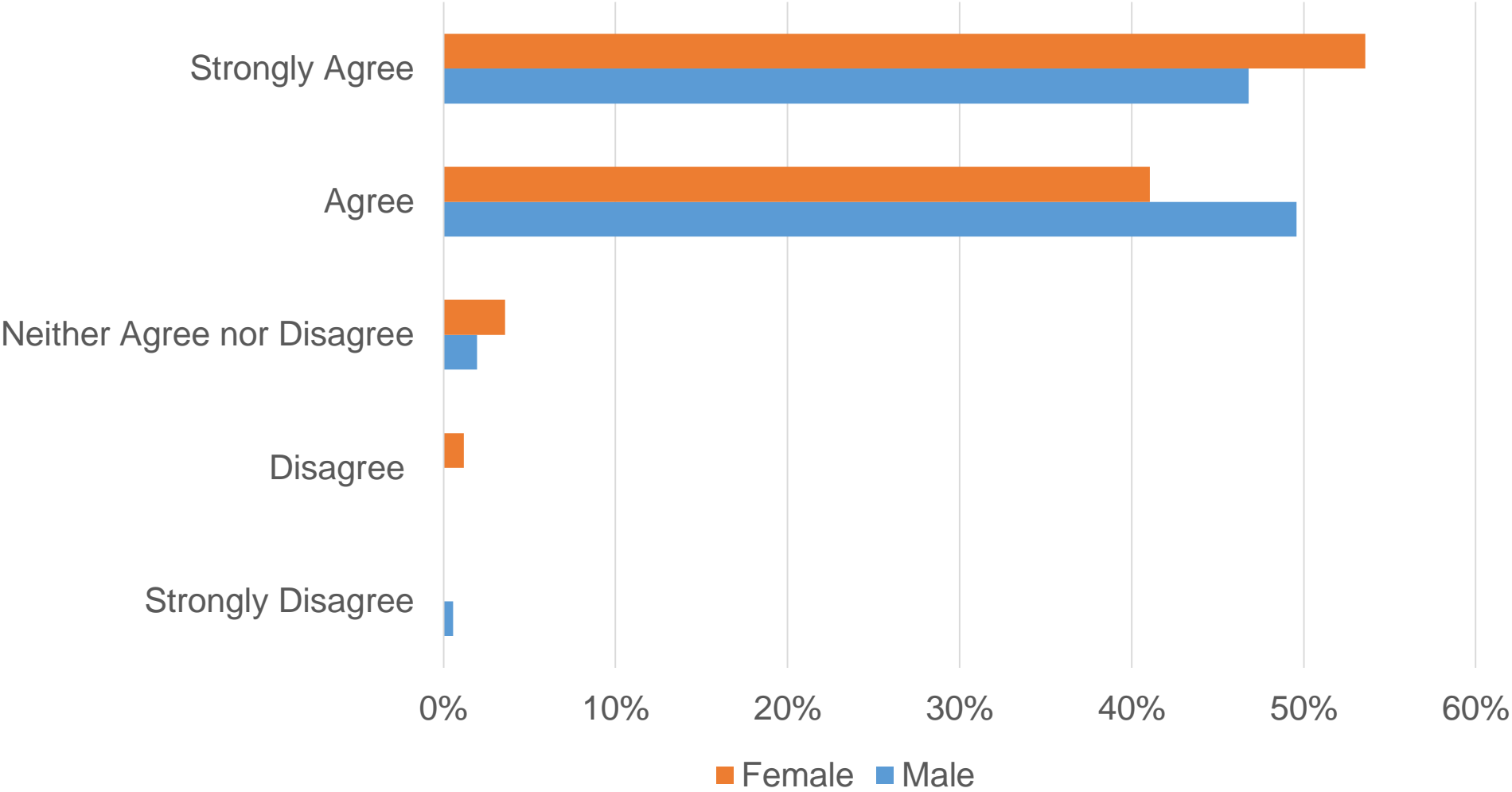


Figure 20. SSP borrower’s perception on the effectiveness of the trainings/seminars provided by ATI

Borrower Perception of the role of NFA in SSP

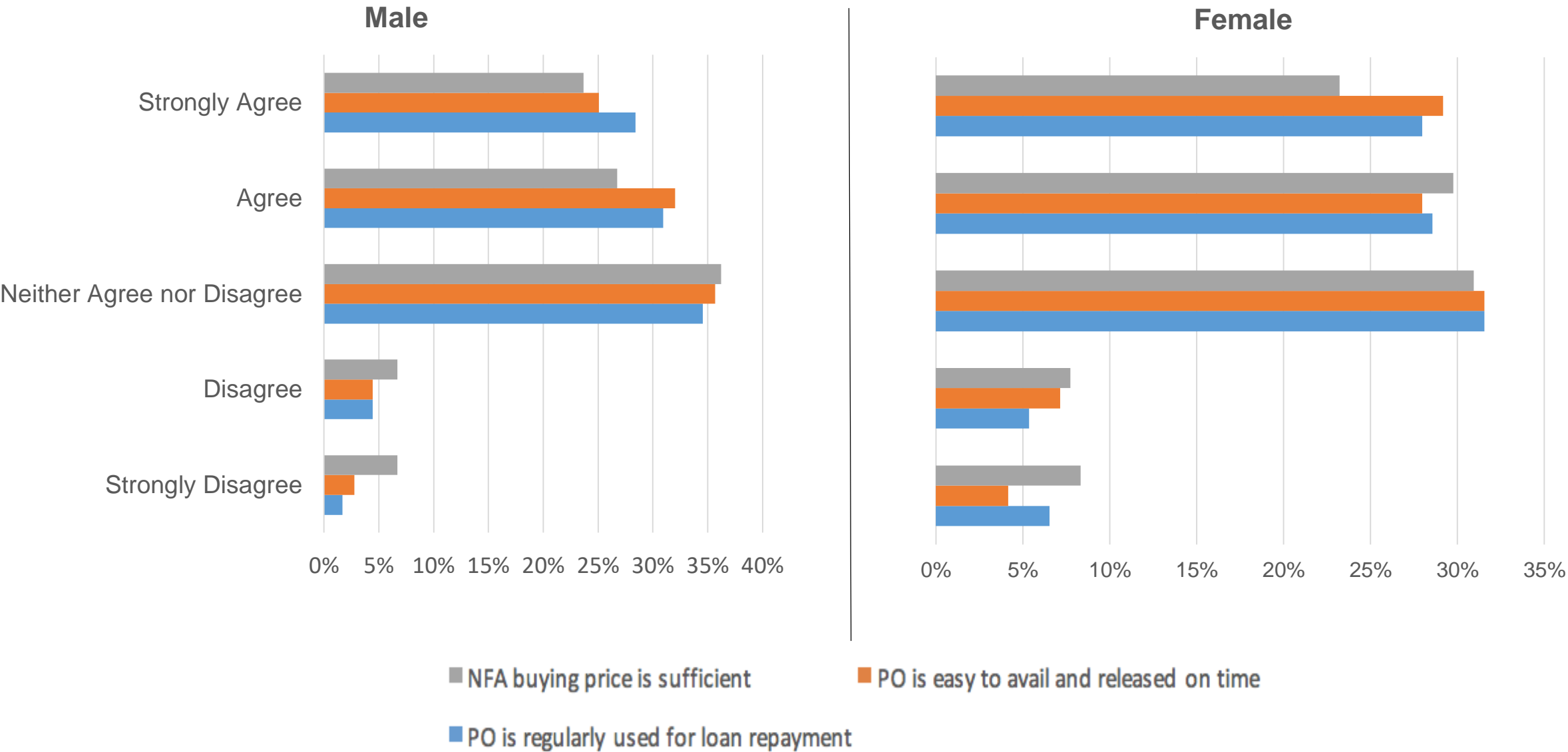


Figure 21. SSP borrower’s perception on the role of NFA

Perception on the Role of NFA



Figure 19. SSP borrower's perception on the role of NFA

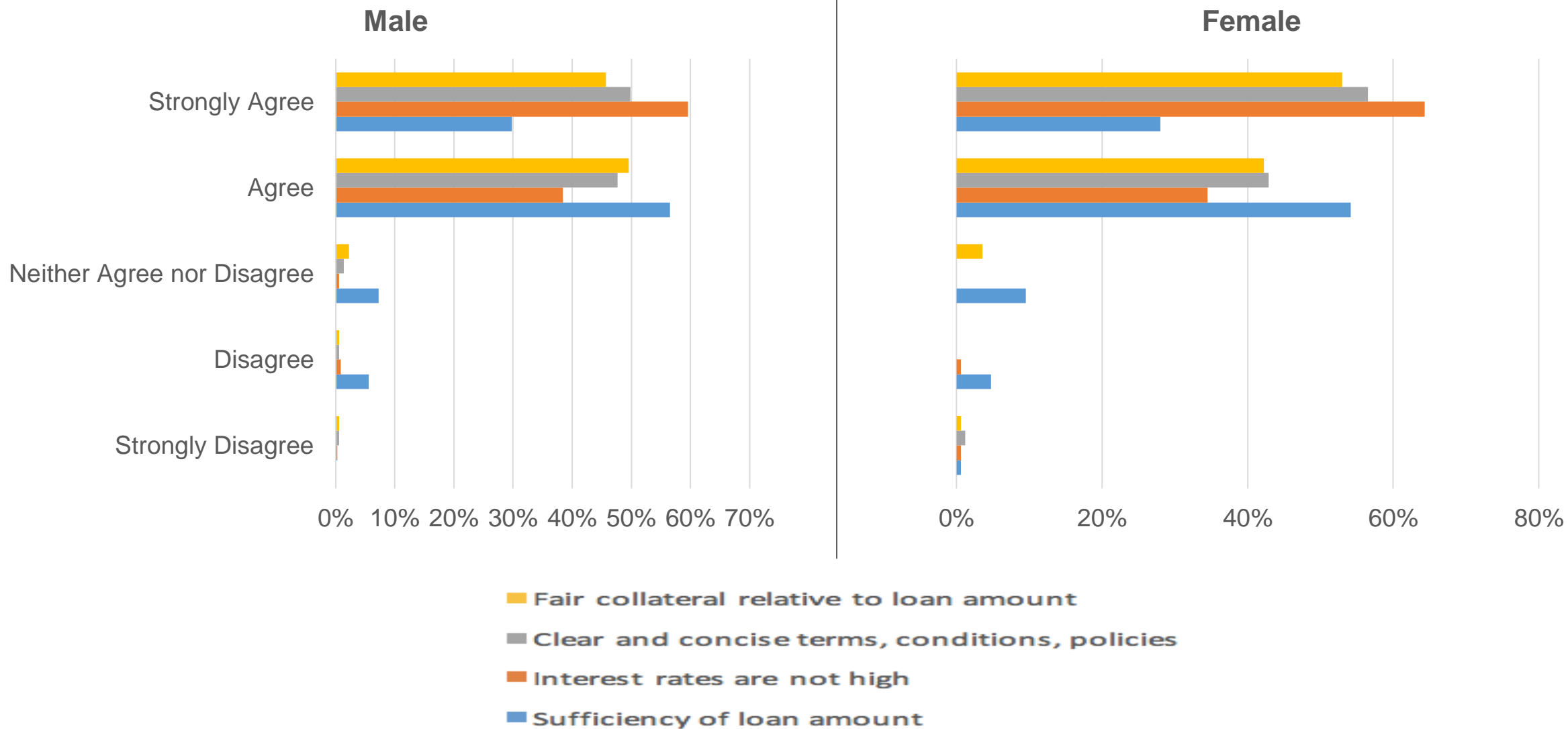
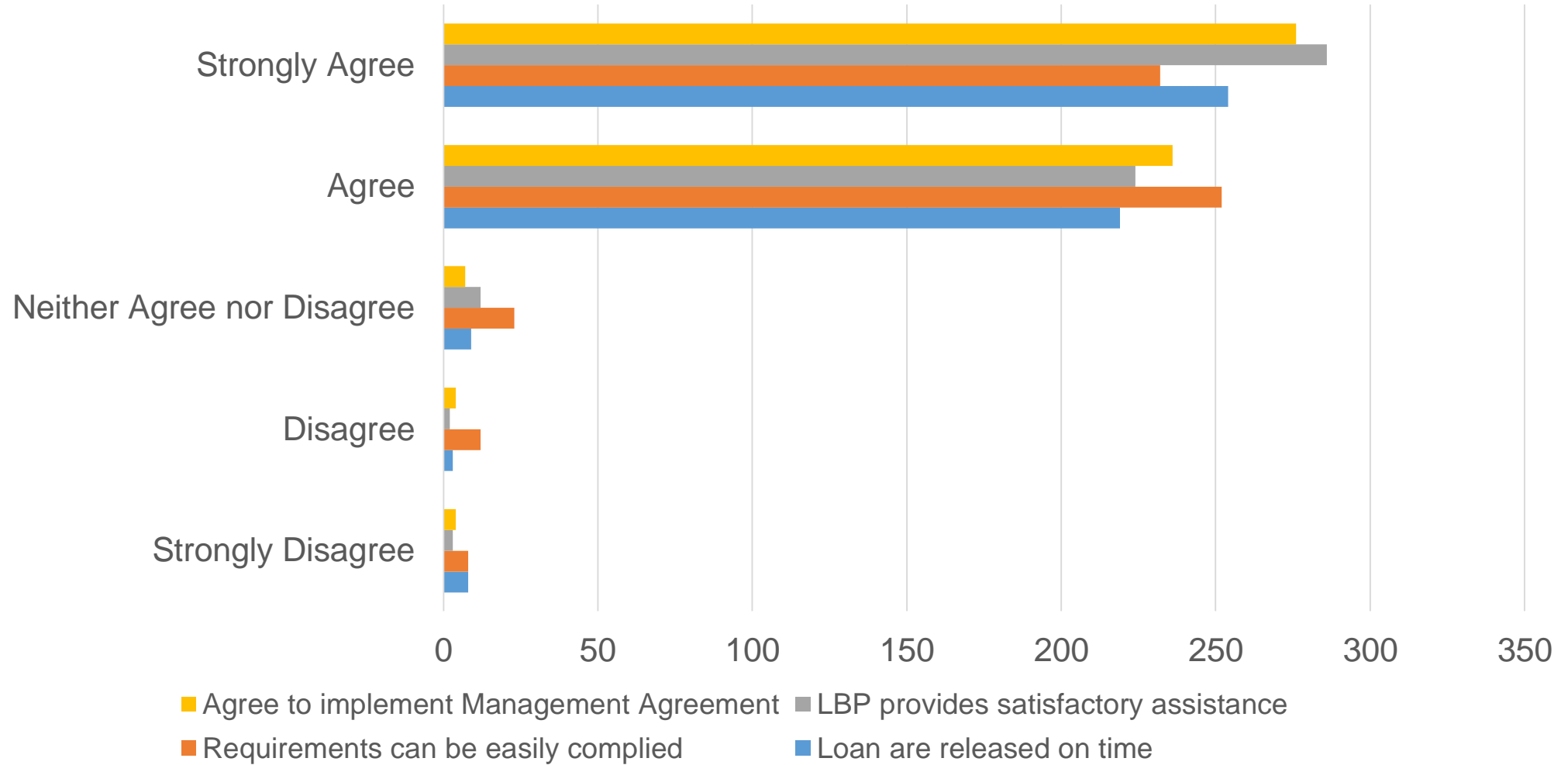


Figure 20. SSP Borrowers' Perception on the Loan Features

SSP Borrower Perception of Loan Implementation by LBP



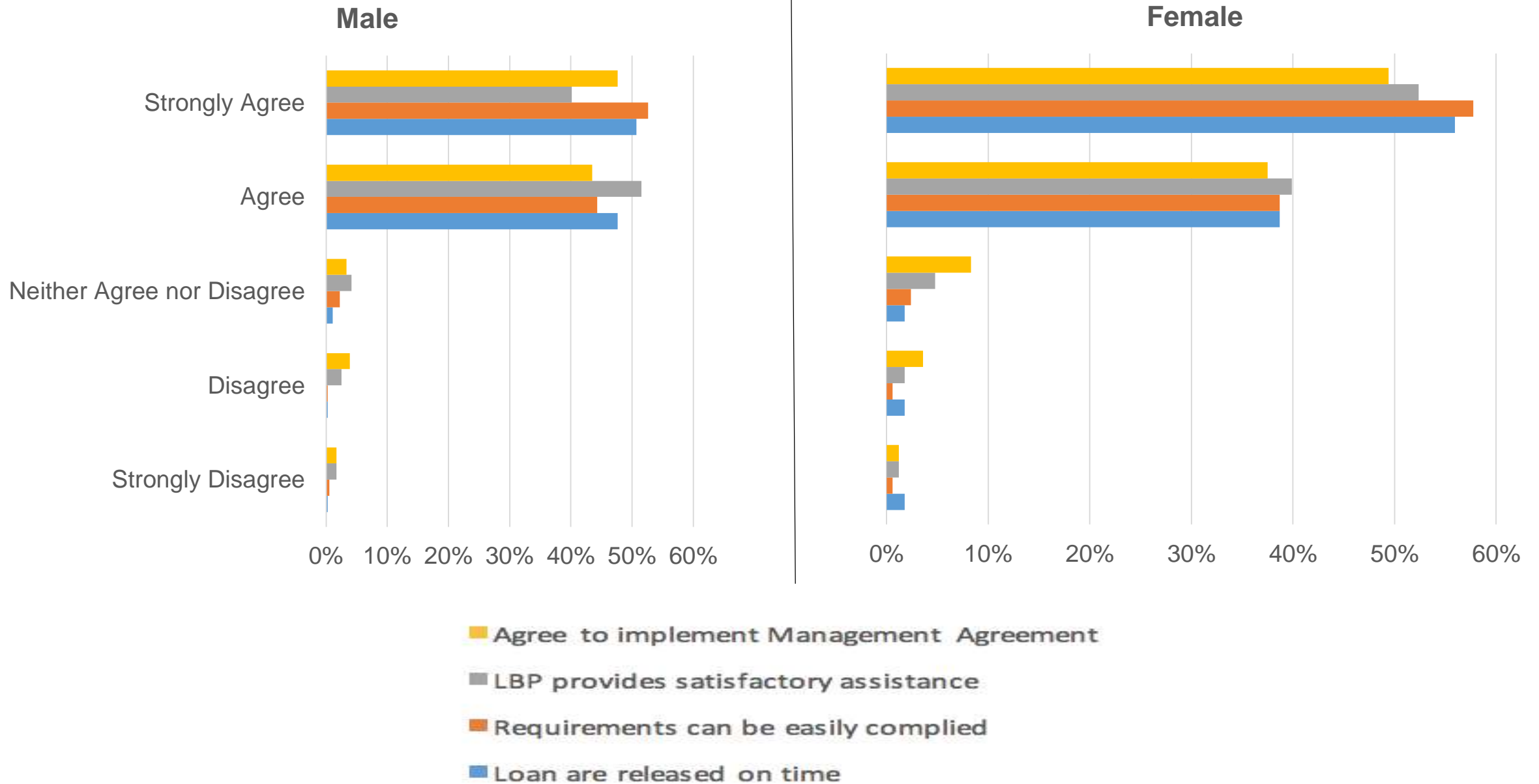


Figure 23. SSP Borrowers' Perception on the Loan Administration by LBP

Non-Borrower Perception of SSP

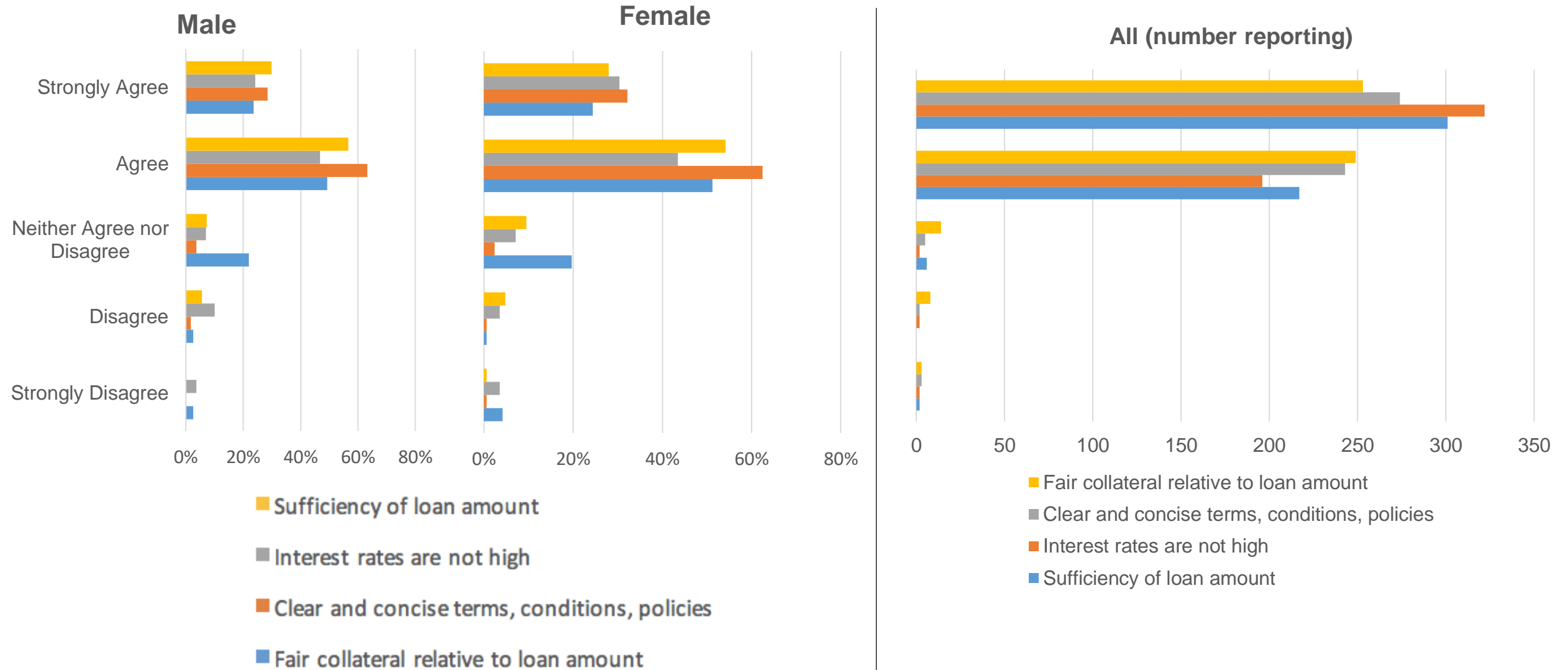


Figure 24. Non-SSP Borrowers' Perception on the Loan Features of SSP

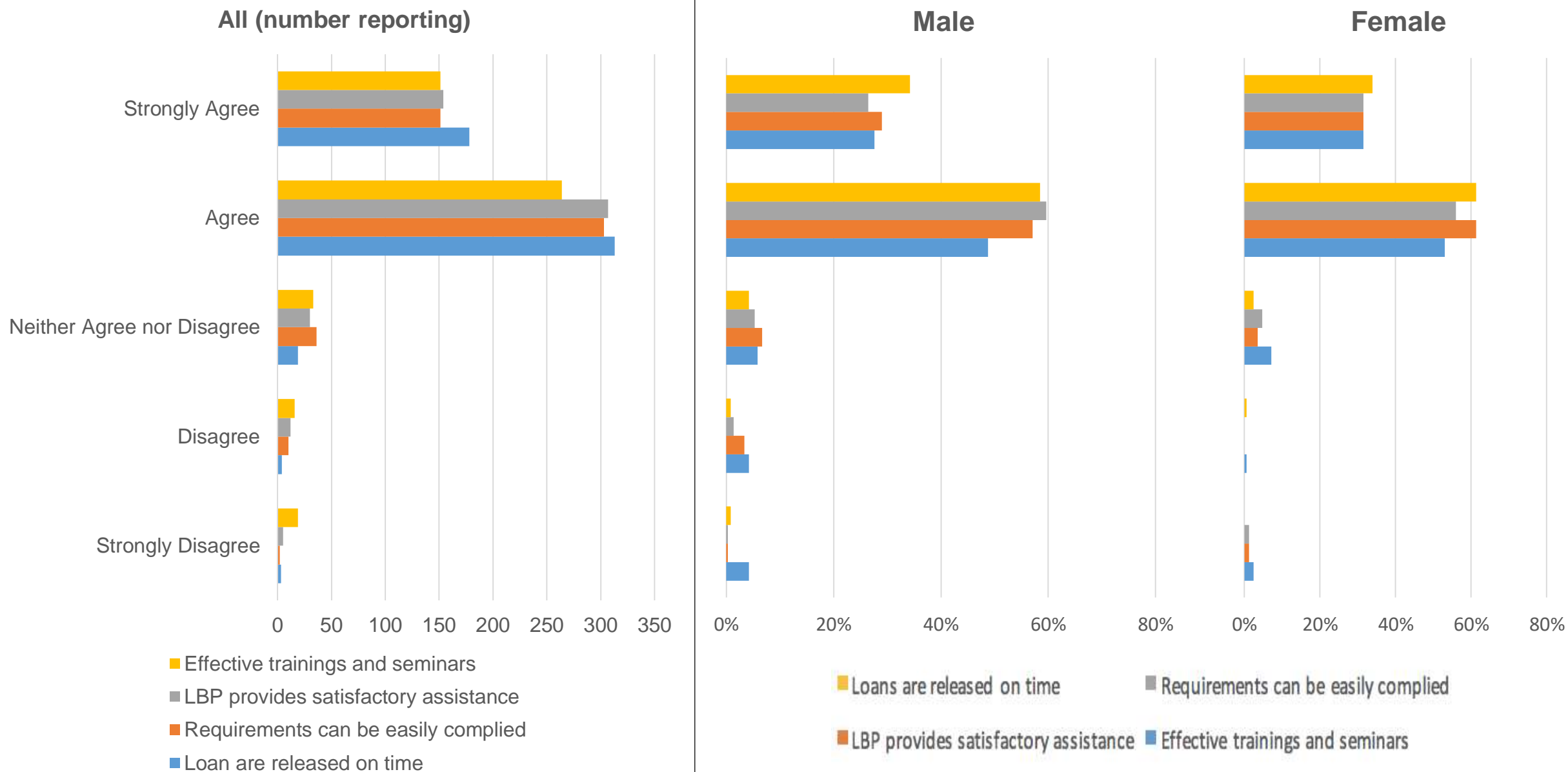


Figure 25. Non-SSP Borrowers' Perception on the Loan Administration by LBP



SUMMARY AND CONCLUSIONS

- Extent of SSP contribution to
 - **Increased productivity** –
 - ✓ yield of borrowers is higher;
 - ✓ around 10% of farmers shifted from inbred to hybrid with a 2t/ha yield difference
 - **Increased income** –
 - ✓ Partial budget analysis shows higher income for borrowers due to higher yield and low interest payment
 - ✓ PSM shows impact on net income of P6,259 in DS
- SSP participation **significantly and positively** affects gross farm income
- Factors affecting SSP participation includes education (+), membership in other FO (+), household size (+), farm size (+), and tenure (-)

Improvement in access to credit

- Amount of loans granted
 - Total cumulated loan as of April 2017 **P4.7 B** with P1 B in Isabela and Nueva Ecija
- Number of borrowers
 - **12,157** borrowers as of April 2017 covering **23,322** ha
- Fund leveraging
 - **10%** of beneficiaries **shifted** from inbred to **hybrid**
 - **15%** of beneficiaries use part of loans for **small business**, **10%** for **household expenses**
 - **Sustained education** of children, build houses
- Improved access to credit (survey results)
 - Average loan amount **increased** from P67,899 to **P104,511** per borrower per season

Extent of absorption of play harvest by NFA/reliable buyers

- Only small % of harvest in Bukidnon (10%), Mindoro, and Bohol (less than 50%) due to price difference

ATI credit worthiness

- Strictly enforced attendance to seminar as a requirement; results to increased appreciation of farmers

Complied with lending terms

- ✓ Interest rates
- ✓ Eligibility criteria
- ✓ Documentary requirements
- ✓ Status of service conduits
- ✓ Repayment performance

Gender dimension – 35% of beneficiaries are women

- Trends shows **equal** risks and opportunities for men and women
- **Same** trend in **perception** on the program and the institutions involved
- **No** women borrowers reported to have **defaulted**

Successful features

- Strong participation of IAs
 - Use of concrete criteria in the selection of borrowers
 - Presence of coordinators from IAs to assist borrowers in loan application
- Cooperation of all institutions involved in the program
 - tapping of other credible buyers other than NFA, such as Bohol RPC
 - Requiring a certain % of harvest to be brought to NFA
 - expansion of collateral
 - Presence of LGUs
- Loan features
 - Low interest
 - AGFP guarantee
 - Collateral for safekeeping only

Positive perception of borrowers on all institutions involved; Neutral for NFA

Bottlenecks

- MTA implementation
- Monitoring and evaluation



RECOMMENDATIONS

1. Use of concrete criteria in selecting potential borrowers
2. Institutionalize coordinators in IA's, to be subsidized by SSP
3. Revisit role of NFA, strictly enforce a % of harvest to be sold to NFA or accredited buyers
4. Expand loan collateral
5. Additional staff for LBP LC specific for SSP
6. Institutionalize involvement of LGUs
7. Expand role of ATI to provide technical trainings
8. Incentives to IAs must be given immediately
9. Consider substitute IDs for difficult ones like TIN
10. Redefine IAs of good standing in view of free ISF



PHOTO DOCUMENTATION

OCCIDENTAL MINDORO



Briefing of
Interviewers



Focus Group
Discussion in Rizal



Interview of IA Chairman
in Rizal



Interview of MAO in Sta.
Cruz



NUEVA ECIJA



Focus Group
Discussion in Guimba



With Land Bank SSP
Account Officer

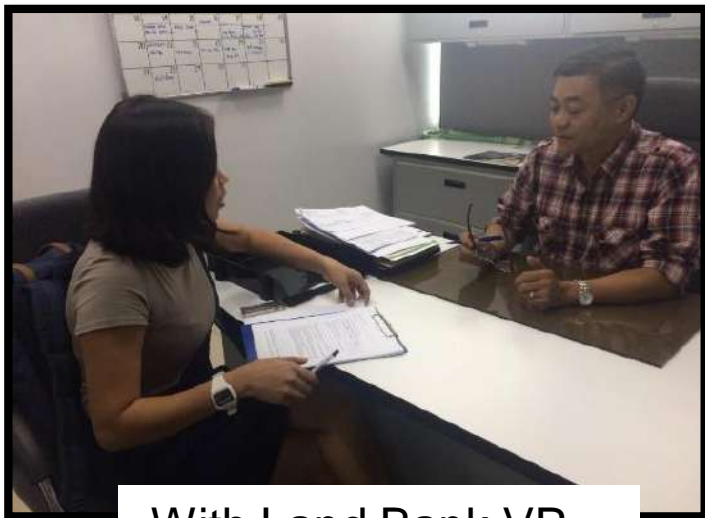


Interview of MAO and
IA Chairman in
Guimba



Training of Enumerators

ISABELA



With Land Bank VP-
Cauayan



Focus Group
Discussion in
Santiago



Training of Enumerators



With NFA-Santiago
Manager Information Officer



BUKIDNON

Training of enumerators



Focus Group
Discussion in
Malaybalay



KII with IA Officer in
Valencia



Group interview of
SSP farmers



BOHOL



Focus Group Discussion
in Pilar



KII with IA Officers in
Ubay



Training of Enumerators

ILOILO

Training of Enumerators



Focus Group Discussion
in Oton

With MAO Oton and
Land Bank SSP Account
Officer



Group interview of
farmers



KII with IA Officer in Barotac
Viejo

