



2016
NFA Annual
Report

ENSURE FOOD SECURITY: Availability, Accessibility, Affordability of Safe-to-Eat Staple Food

15-Day National Average Buffer Stocks Maintained

NFA ensures the country's food security by maintaining a buffer stock of the staple food equivalent to a minimum of 15-day Strategic Rice Reserve (SRR) year-round. Due to ample supply of rice and in anticipation of the El Niño, the NFA was able to maintain inventory good to last for an average of 26 days, considering the country's rice consumption requirement of 32,150 Metric Tons.

NFA Rice Stock Inventory
(Days to Last)

MONTH	DAYS TO LAST
January	31
February	34
March	35
April	36
May	33
June	28
July	25
August	19
September	16
October	17
November	19
December	17
AVERAGE	26

30-Day Buffer Stock Available by June 30

NFA should have a 30-day rice buffer stock by July 1 of every year, inclusive of the 15-day Strategic Rice Reserve (SRR), in preparation for the lean months. As of end of June 2016, NFA had an inventory of 932,875 MT, equivalent to a 28-day buffer stock inventory.

Procurement

Total palay procurement for the year totaled to 117,885 MT, 28% lower than the targeted volume of 164,516 MT. Procurement accomplishment for the 33 surplus provinces as of December 31, 2016 is 82.53%.

Palay Procurement (In Metric Tons)

MONTH	TARGET	ACTUAL	%
January	5,165	13,891	269
February	6,285	7,499	119
March	12,975	8,888	69
April	26,660	26,191	98
May	13,140	5,156	39
June	1,112	677	61
July	588	203	35
August	753	108	14
September	9,975	1,423	14
October	27,662	16,326	59
November	39,963	28,758	72
December	20,240	8,8815	44
TOTAL	164,516	117,885	72

Source: NFA Grains Situationer Report as of December 31, 2016

In terms of contribution to volume procured, Western Visayas topped the list at 167.19%, exceeding its target for the year, followed by Southern Tagalog at 74.95%, CARAGA region at 66.23% and southern Mindanao at 65.28%.

Prices

With its stabilization mandate, the NFA sees to it that its support prices at the farm gate level allow farmers reasonable returns on their investment, and that there is always a ready and adequate supply of rice at affordable prices in the market.

NFA's basic buying prices for Palay, Yellow Corngrain (YGN) & White Corngrain (WGN) are at ₱17.00/kg, ₱12.30/kg and ₱13.00/kg, respectively. On top of the buying price, individual farmers are given additional incentives if the grains (palay/corn) sold to NFA meet the standards set by the agency, at ₱0.20/kg for drying fee and ₱0.20/kg for delivery fee, and if a member of cooperative/farmer-organizations, an additional ₱0.30/kg as Cooperative Development Incentive Fee (CDIF), for a total of ₱0.70/kg.

Average Ex-Farm Prices vs. NFA Buying Price
(Price per kg.)

Commodity	NFA Buying Price	Ex-Farm Price	Price Diff. (In peso/kg)
Palay	17.00	18.08	1.08
YGN (Yellow Corn)	12.30	12.06	(0.24)
WGN (White Corn)	13.00	13.03	0.03

Source: PSA (2016 – Final)

The presence of NFA significantly influenced traders to compete healthily and offer farmers with prices higher or closer to the government support price.

In 2016, the annual average ex-farm price of palay at ₱18.08/kg. is higher by 6.35% compared with NFA's buying price of ₱17.00/kg. However, even with NFA's buying price of ₱17.00/kg, farmers were already assured of an ROI of 42% as against PSA's cost of production of ₱ 11.97/kg.

For corn, the annual average ex-farm price of white corn at ₱13.03/kg slightly higher than NFA's buying price of ₱13.00/kg. However, the annual average ex-farm price of yellow corn at ₱12.06/kg was slightly lower than NFA's buying price at ₱12.30/kg.

Average annual prices of rice remained stable through the year. Slight decreases were noted at by ₱0.11/kg (WMR) and ₱0.35/kg (RMR), at the wholesale level, and 0.18/kg for WMR and ₱0.51/kg for RMR, at the retail level. Likewise, even in key consumption/highly urbanized areas like Metro Manila, Cebu, Davao and Baguio, average prevailing prices generally remained stable, despite occurrence of several typhoons.

Average Prevailing Wholesale/Retail Prices of Rice and Corn
(Price per kg.)

Commodity	Average Prices		Price Diff. (In peso/kg)
	2015	2016	
Wholesale			
WMR	38.33	38.22	0.11
RMR	34.75	34.40	0.35
YGN (Yellow Corn)	17.03	17.70	0.67
WGN (White Corn)	16.12	16.97	0.85
Retail			
WMR	41.60	41.42	0.18
RMR	37.54	37.03	0.51
YGN (Yellow Corn)	22.51	22.57	0.06
WGN (White Corn)	21.86	23.87	1.71

Source: PSA

In similar manner, the average prevailing wholesale and retail prices of yellow and white Corn remained stable with very minimal price changes compared to 2015.

Consumers who bought NFA Regular-Milled Rice at ₱27.00/kg saved as much as ₱10.03/kg as against commercial rice retailed at an annual average price of ₱37.03/kg., while consumers who bought NFA Well-Milled Rice at ₱32.00/kg saved as much as ₱9.42/kg as against commercial rice retailed at the annual average of ₱41.42/kg.

Distribution

Of the 1,310,762 MT targeted for distribution in 2016, the NFA was able to distribute 1,141,850 MT or a distribution performance of 87% only, and a market participation rate of 13%.

NFA Rice Distribution (In Metric Tons)

MONTH	TARGET	ACTUAL	%
January	86,565	46,560	54
February	87,625	58,428	67
March	89,365	65,112	73
April	92,985	71,641	77
May	102,770	97,832	95
June	119,576	171,751	144
July	157,955	114,286	72
August	157,320	163,255	104
September	136,835	115,391	84
October	100,246	73,996	74
November	90,025	75,358	84
December	89,495	88,242	99
TOTAL	1,310,762	1,141,850	87

Source: NFA Grains Situationer Report as of December 31, 2016

In terms of contribution to volume distributed, central Mindanao topped the list at 186.82% accomplishment, followed by CARAGA region at 178.96%, southern tagalong at 108.26%, Bicol Region at 104.41%, western Mindanao at 103.61%, NCR at 101.87% and Central Luzon at 101.53%. All aforementioned regions exceeded their targets for the year.

As of December 31, 2016, the country's total rice industry inventory was estimated to last for 86 days, at 32,150 MT Daily Rice Consumption (DCR) requirement.

Sector	Inventory (In MT)	Days to last
NFA	548.0	17
Commercial	948.1	30
Household	1,269.6	39
Total	2,765.7	86

Release of Stock during Calamities

In 2016, the El Niño phenomenon and eight typhoons hit the country. The NFA was able to respond to local government units' (LGUs) request for the issuance of rice in less than 2.13 hours. The total rice released to LGUs and other relief-giving organizations totaled to 895,527 MT, the bulk of which was issued after the pronouncement of El Niño phenomenon in January 2016.

NFA Issuances of Rice to Relief Agencies (In Metric Tons)

CALAMITY/ EMERGENCY	MONTH OCCURRED	RELIEF AGENCY/VOLUME RELEASED				
		PRC	DSWD	LGUs	OTHERS/ NGOs	TOTAL
El Niño	January 1, 2016	-	478,420	348,292	400	827,112
Typhoon Carina	July 31, 2016	-	-	20	-	20
Habagat	August 13, 2016	-	-	12,156	-	12,156
Typhoon Ferdie	September 11, 2016	-	160	540	30	730
Typhoon Julian	October 05, 2016	-	0	100	-	100
Typhoon Karen	October 13, 2016	-	816	4,579	-	5,395
Typhoon Lawin	October 18, 2016	47	3,880	18,243	8,056	30,226
Typhoon Marce	November 24, 2016	-	3,500	105	-	3,605
Flooding in Reg.8	December 16-17, 2016	-	0	2,759	625	3,384
Typhoon Nina	December 24, 2016	-	2,277	10,522	-	12,799
<u>TOTAL</u>		<u>47</u>	<u>489,053</u>	<u>397,316</u>	<u>9,111</u>	<u>895,527</u>

Source: Rice Releases for Relief Operations (As of December 31, 2016)

Also, NFA had the following significant activities:

1. Activated Operation Centers (OPCEN) to ensure ready assistance to calamity-stricken areas;
2. Constant market monitoring;
3. Regular coordination with Local Government Units (LGU) and other relief agencies; and
4. Opened warehouses for rice issuances/withdrawals for relief operations.

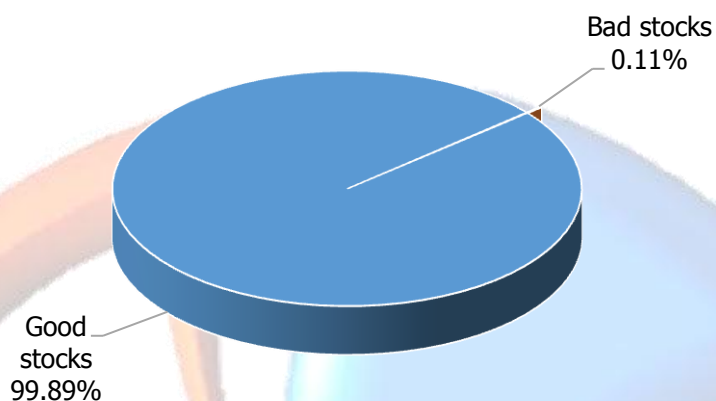
Stocks Maintained in Good & Consumable Condition

NFA was able to attain its commitment to maintain at least 99% of its stocks in good-quality condition, or fit for human consumption. Stocks assessed as treated and for treatment during inspection are safe for distribution after treatment. For 2016, the monthly average volume of stocks maintained in health-safe condition was 17,770,780 bags, equivalent to 99.89% accomplishment.

The chart below presents the volume of stored stocks per condition:

Condition of Stored Stocks

January - December 2016



Percentage of Good Stocks Maintained in Good and Consumable Condition

(For the period January to December 2016)

REGION	GOOD STOCKS (%)
I	100.00%
II	100.00%
III	99.99%
IV	99.96%
V	100.00%
VI	100.00%
VII	99.97%
VIII	98.70%
IX	99.98%
X	100.00%
XI	100.00%
XII	100.00%
XIII - NCR	99.91%
XIV - ARMM	99.87%
XV - CARAGA	99.87%
Average	99.89%

Grains Business Licensing & Registration

NFA continuously monitors and enforces rules and regulations governing grains business, license and registers all rice and corn businesses to maintain an industry databank and ensure rational distribution of grains business. Also, NFA promotes harmonious and productive relationship/s among rice and corn industry stakeholders, through its "Ugnayan with Stakeholders," as one of the major avenues to achieve sectoral efficiency, discipline and growth.

For the year 2016, a total of 78,565 applicants engaged in various lines of activities were registered/licensed by NFA for a 99.52% accomplishment of its 80,000-target. This translates to a total R/L collections of ₱169.8 million or a 5% increase in accomplishment from last year's ₱165 million.

Number of NFA Licensees and Collections (CY 2016)

REGION	LICENSEES			COLLECTIONS
	NEW	RENEWED	TOTAL	
I	754	5,275	6,029	13,155,020.49
II	721	4,790	5,511	24,994,891.45
III	730	5,198	5,928	26,626,566.37
IV	1,012	7,538	8,550	17,592,996.69
V	745	5,703	6,448	7,354,566.63
VI	747	5,646	6,393	9,563,700.28
VII	813	5,717	6,530	10,469,355.02
VIII	633	4,364	4,997	7,306,547.97
IX	543	2,127	2,670	4,739,721.11
X	784	3,417	4,201	9,600,654.45
XI	1,146	3,344	4,490	10,395,908.94
XII	430	1,638	2,068	6,110,071.56
XIII - NCR	882	5,554	6,436	13,530,856.48
XIV - ARMM	396	1,648	2,044	1,921,343.99
XV - CARAGA	1,736	4,534	6,270	6,537,454.46
TOTAL	12,072	66,493	78,565	169,899,655.89

Southern Tagalog Region topped the list of the total number of registrants/licensees for 2016 with 8,550 RL applicants. Other regions exceeding the 6,000 plus applicants were Regions I, V, VI, NCR and CARAGA.

Complaints Acted Upon within 72 hours

Most complaints received by NFA were on product quality, pricing, weighing, packaging and availability of rice in the market. NFA addressed and/or referred stakeholders'

issues to concerned Regional Office/Department for their appropriate action within an average Turn-Around time (TAT) of 1.2303 hours, much faster than the target TAT of 3 hours.

Monitoring & Compliance Report for Complaints Received
CY 2016

Month	No. of Clients	No. of Hours	Turn Around Time (TAT)
1 st Quarter	31	46.73	1.507
2 nd Quarter	31	49.84	1.607
3 rd Quarter	25	18.26	0.730
4 th Quarter	11	4.62	0.42
TAT	98	119.447	1.2303

Ugnayan with Stakeholders

For the year 2016, a total of 1,246 Ugnayans were conducted nationwide, participated in by 54,819 farmers and grains businessmen. Compared to last year, there is a decrease of 24% on the total number of Ugnayans conducted from 1,648 to 1,246, and 15% decrease on the number of participants from 64,848 to 54,819. The decrease may be attributed to the shift in the target in the 2016 Performance Scorecard of the processing time of license application.

Ugnayan Accomplishment Report
(Per Region)

REGION	NO. OF UGNAYAN CONDUCTED	NO. OF PARTICIPANTS
I	156	5,754
II	253	17,466
III	92	4,858
IV	79	3,831
V	47	1,071
VI	113	4,486
VII	45	2,809
VIII	135	3,851
IX	2	44
X	47	1,423
XI	63	2,250
XII	41	1,668
XIII - NCR	80	1,789
XIV - ARMM	27	1,566
XV - CARAGA	66	1,953
Total	1,246	54,819

Most of the issues and concerns frequently raised and discussed during the conduct of *Ugnayans* are regarding request for increase in the buying price/support price of NFA, delivery of wet palay; NFA programs for the farmers, updates on rules and regulations on registration and licensing, Food Guardian Campaign, PGSP compliance, distribution guidelines and mobile licensing.

RATIONALIZED AND EFFICIENT LOCAL PROCUREMENT

Cereal Procurement Fund Made Available

In 2016, NFA was able to remit to the field offices their cereal procurement funds within an average of 1.63 days from their requests.

Average No. of Days to Remit Funds to Provinces
(January – December 2016)

MONTH	No. of Days	
	Target	Actual
January	5	1.64
February	5	1.06
March	5	1.04
April	5	1.50
May	5	4.00
June	5	*
July	5	*
August	5	*
September	5	1.46
October	5	1.31
November	5	1.37
December	5	1.33
Total	5	1.63

Legend:

*No request for remittance received/lean months

EFFICIENT RICE IMPORTATION

NFA Importation

Only one Government to Government (G-to-G) negotiation was conducted for the year for the supply of 250MT imported rice. Hereunder is the Summary of the Contracts entered into by NFA with the winning suppliers and the corresponding percentage accomplishment per contract:

Imported Milled Rice Arrivals (CY 2016)

MONTH CONTRACTED		SCHEDULE OF ARRIVAL	DATE OF ARRIVAL	% ACCOMP.
QUANTITY IN METRIC TONS				
Feb-15		Sep-Oct 2016	Sep-Nov 2016	100.00%
250,000 MT		250,000 MT	250,000 MT	
Thailand	150,000 MT (25% broken @ \$424.85/MT)			
Vietnam	100,000 MT (25% broken @ \$424.85/MT)			

Minimum Access Volume (MAV)

Of the 211 applicants who filed their intention to avail of the allocation to import under the Minimum Access Volume (MAV) Rice Importation Program, 210 importers qualified and were issued Certificate of Eligibility (COE). The following were the allocation and source-country:

DETAILS	COUNTRY SPECIFIC QUOTA (CSQ)				TOTAL ALLOCATION
	THAILAND	VIETNAM	PAKISTAN	INDIA	
Quantity	300,180.00	303,350.00	82,670.00	6,140.00	692,340.00
Actual Arrival	156,653.70	107,352.20	26,941.00	-	290,946.90
<i>Balance</i>	<i>143,526.30</i>	<i>195,997.80</i>	<i>55,729.00</i>	<i>6,140.00</i>	<i>401,393.10</i>
(%) Accomplishment	52.19%	35.39%	32.59%	52.19%	42.02%

ORGANIZATIONAL REFORM

Functional Delineation/Reorganization

The NFA Council approved the commencement of NFA Reorganization on May 17, 2016. As proposed, the NFA will pursue functional delineation of the proprietary from the regulatory functions of the NFA, under one Administrator, and one Council.

IMPROVED FINANCIAL PERFORMANCE

Contribution Margin

In 2016, NFA had a gross income of ₱3.812 B or 14.35% of its annual sales. The following table shows the sales and cost of sales of NFA on a per product-line basis:

SCHEDULE OF SALES AND COST OF SALES AS OF NOVEMBER 30, 2016

SALES	QTY	USP	AMOUNT
Local Rice	72,940,443.16	25.04	1,826,589,218.54
Local Corngrains	1,478,959.71	13.06	19,319,728.50
Local Rice-Well Milled	7,769,838.49	27.72	215,365,405.76
IMR-Vietnam Rice	32,294,562.45	23.85	770,102,819.19
IMR-Thailand Rice	32,625,611.87	24.45	797,706,320.41
IMR-15% Broken (800 MT-2014)	62,375,137.29	23.18	1,445,874,736.17
IMR-15% Broken	160,046,526.66	27.78	4,446,416,639.34
IMR-25% Broken	680,521,615.80	25.06	17,052,113,398.46
TOTAL SALES	1,050,052,695.43		26,573,488,266.37
LESS COST SALES		UC	
Local Rice	72,940,443.16	29.29	2,136,283,096.70
Local Corngrains	1,478,959.71	12.56	18,569,471.64
Local Rice-Well Milled	7,769,838.49	29.96	232,767,136.83
IMR-Vietnam Rice	32,294,562.45	20.69	668,219,337.39
IMR-Thailand Rice	32,625,611.87	21.77	710,213,111.28
IMR-15% Broken (800 MT-2014)	62,375,137.29	20.24	1,262,266,887.64
IMR-15% Broken (2015)	160,046,526.66	20.33	3,254,495,111.43
IMR-25% Broken (2015)	680,521,61.80	21.27	14,477,746,037.92
TOTAL SALES	1,050,052,695.43		22,760,560,190.83
GROSS INCOME FROM SALES			3,812,928,075.84

Divestment

Of the 1,619,020 approved capital outlay in 2016, only 332,386 was bid/obligated/contracted, equivalent to a low absorption rate of 21%.

Debt-Management

As of December 31, 2016, NFA's bank loans payable had a balance of ₱131.721 B, 15% lower than the target set on its scorecard of ₱155 Billion.

I - Short-Term Credit Lines (In '000 ₱)	
<u>Government Banks:</u>	
LBP	15,072.235
DBP	21,334.663
<i>Sub-total</i>	<i>36,406.898</i>
II - Long-Term Loans	
LBP - Notes	9,315.00
Various Creditors - T. Bonds	8,000.00
Long Term Notes Syndicated - New	9,000.00
<i>LBP</i>	<i>4,500.00</i>
<i>DBP</i>	<i>4,500.00</i>
Long Term Notes - Syndicated	69,000.00
<i>LBP</i>	<i>7,360.00</i>
<i>DBP</i>	<i>9,200.00</i>
<i>BDO</i>	<i>26,256.80</i>
<i>Chinabank</i>	<i>7,544.00</i>
<i>Metrobank</i>	<i>1,683.00</i>
<i>PNB</i>	<i>2,760.00</i>
<i>Mizuho</i>	<i>395.6</i>
<i>BPI</i>	<i>13,800.00</i>
<i>Sub-total</i>	<i>95,315.00</i>
<u>TOTAL BANK LOANS</u>	<u>131,721.898</u>

Personnel Complement

As of year end 2016, of NFA's authorized plantilla positions of 4,436, only 85.07% or 3,774 positions were filled-up. There are still 350 personnel nationwide on a co-terminus status.

Personnel Complement

As of December 31, 2016

Status/Station	Authorized Plantilla Positions	Filled-Up Plantilla Positions
<i>Regular</i>		
Central Office	615	506
Field Office	3,821	3,268
Sub-Total	4,436	3,774
<i>CTI</i>		
Central Office		66
Field Office		284
Sub-Total	0	350
Total Authorized Positions	4,436	4,124

OTHER MAJOR ACCOMPLISHMENTS

Contribution to the Economy

NFA is not expected to earn while performing its social responsibility of providing affordable/subsidized rice for the poor sector of the society, yet it takes pride in generating income in two major economic sectors: the labor sector (laborers, truckers, millers, ship and port workers), and the banking sector, and the national government, in terms of its marketing operations and corresponding financial transactions – procurement and distribution, buffer stocking – and other expenditures amounting to P724 M. NFA remitted to the Bureau of Internal Revenue (BIR) taxes amounting to P13.2M as taxes withheld from employees' compensation, and Value Added Taxes (VAT) withheld from suppliers of goods and services amounting to P21.5 M.

Contribution to the Economy As of November 30, 2016 per Trial Balance

Particulars	Amount
Palay Procurement	495,422,845.17
Corn Procurement	4,955,314.09
Rent Expenses	2,986,717.97
Transportation and Delivery Expenses	79,732,804.14
Storage	18,298,618.91
General Services	11,967,757.19
Janitorial Services	1,725,306.38
Security Services	30,937,503.67
Drying	177,900.15
Milling	849,062.87
Handling	41,559,610.07
Tax Withheld from Employees' Compensation	13,196,172.29
Tax Withheld from Suppliers of Goods and Services	21,478,664.50
Total	723,288,277.40

Training and Development

During the year, a total of 16 Internal Trainings Programs were conducted for 1,154 employees from the Central Office and Regional/Provincial Offices, while a total of 125 External Training Programs (Central Office only) were attended by 261 participants.

Name of Trainings	Date	# of Participants
1. NFA Competency Framework	Jan. 26-29, 2016 Central & Regional Office	60
2. NFA SPMS	May 02 to June 30, 2016 Central Office	185
3. Coaching and Mentoring	May 02 to June 30, 2016 Central Office	205
4. Orientation Course for New Central Office Employees	July 20 to 22, 2016	16
5. Training Conference for Accountants and Budget Officers	July 13 to 15, 2016 Iloilo July 20 to 22, 2016 Legaspi August 03 to 05, 2016 Cabanatuan August 24 to 26 Gensan	117
6. IO Conference	Gensan Nov 23 to 25 Batangas Dec 6 to 8	52
7. Seminar Workshop on fact Finding investigation & Administrative Justice	Aug 10 to 18 Sep 5 to 8 Isabela and Cebu	31
8. GAD Trainings		
a. GAD Seminar	March 22, 28 & 31, 2016 Central Office	97
b. Emotional Intelligence	July 15 to 17 Cabanatuan & Gensan	110
c. Congruent Leadership for Managers	October 11 to 13, 2016 Zamboanga and Gensan October 13 to 15, 2016 Cebu	51
d. GAD Awareness on Gender Mainstreaming	Oct 3 to 5, 19 to 21 Central Office and NCR	77
e. Life Coaching and Mentoring	November 10 to 11, 2016	39
f. Motivational Interviewing/Pathways to Serenity	October 27 to 29, 2016 Gensan November 17 to 19, 2016 Cabanatuan November 24 to 26, 2016 Iloilo	114

Food Development Center

The total income of FDC from food quality and related services rendered amounted to ₱9,454,009.85.

Income-Generating Services	Total (in Php)
1 QUALITY EVALUATION DIVISION	
Physical & Sensory	76,130.00
Chemical Anaysis	1,158,935.00
Contaminant Laboratory	2,854,250.00
Microbiological	872,671.00
Microanalytical	147,684.00
Package Testing	4,265.00
Sub-total	5,113,935.00
2 INDUSTRY SERVICES DIVISION	
Seminar/Training	2,154,530.00
Information Dissem.	597.00
Facilities Usage	104,865.00
Plant Inspection	393,679.00
SP-AP Consultancy	5,400.00
Sub-total	2,659,071.00
3 PILOT PLANT	224,813.85
4 TECHNOLOGY DEVELOPMENT DIVISION/ SPECIAL PROJECTS	
Shelf-Life	594,110.00
Process Estab. & Evaluation	636,665.00
Product Development	200,725.00
Sub-total	1,431,500.00
5 Others	24,690.00
TOTAL COLLECTION INCOME	9,454,009.85

Security Services and Investigation

In 2016, NFA's Security Services and Investigation collected fees, through enforcement and administrative fines, totalled to ₱19.677M:

PARTICULARS	ACCOMPLISHMENT (Jan. - Dec. 2016)
No. of grains business establishments inspected	54,587
No. of violations noted	3,155
No. of grains businessmen apprehended	2,402
Administrative fines/fees collected	₱3,454,748
Fees collected through enforcement	₱16,221,805

Electronic Integrated Financial and Operations Management Information (e-IFOMIS)

e-IFOMIS is a program envisioned as a web-enabled on-line information system on NFA operations and financial transactions that are linked together, accessing one database. With the e-IFOMIS, NFA can:

- Collect, process, maintain, transmit and report data about financial and operations event;
- Support financial planning and budgeting activities;
- Accumulate and report cost and operations information;
- Provide facilities for ad-hoc queries within the data structure; and,
- Support the preparations of financial statements, operations and other management reports.

The project is in the process of data gathering/classification and presentation of report requirements of different modules. As of December 31, 2016, the project is 96.21% complete.

Yolanda Rehabilitation and Recovery Programs and Projects

When typhoon Yolanda struck the country on November 8, 2013, various NFA infrastructure, in Regions VI, VII and VIII were greatly affected. As of December 31, 2016, 99.99% of the ₱111,042,431.48 Yolanda Fund was obligated for the repair/rehabilitation, reconstruction of warehouses, repair/replacement of PHF equipment and repair of administrative facilities in the said Regions, or 99.97% physical accomplishments. The variance of 1% is in terms of projects which are either on-going, or for procurement.

Yolanda Rehabilitation and Recovery Programs and Projects As of December 31, 2016

PROGRAM/PROJECT/ACTIVITY	REGION	FUNDING REQUIREMENT
1. Repair/Rehabilitation of warehouses	VI, VII, VIII	18,053,007.66
2. Reconstruction of warehouses	VIII	73,000,000.00
3. Repair/Replacement of PHF/Equipment	VI, VIII	13,451,763.82
4. Repair of Administrative Facilities	VI, VII, VIII	6,700,000.00
TOTAL BUDGET		111,204,771.48

Metrology Services

During the year, the NFA technical personnel directly undertook various repairs and calibration services of metrology equipment in the field offices. Repair services were done on 14 truckscales and 18 platform scales and, calibration services on 61 electronic truckscales, 22 digital platform scales, 217 digital moisture meters, 11 roller weights; and, 12 laboratory equipment (top loading, analytical balance and oven). The NFA saved an estimated amount of ₱2,224,100.00 for directly undertaking the repair and calibration services.

Technical Research and Laboratory Services

The following are the significant projects of the NFA, which can improve NFA's operations:

Completed Projects (2)

1. Storage and handling Dev./Utilization Projects
 - a. Shelf-Life of White Corn Grits using Various Packaging Materials
 - b. Assessment of Compliance to Laboratory Analysis Procedures (Phase II: Regions V, XI, CARAGA and NCR)
 - c. Validation of Weight Loss of Milled rice Incurred during Land and Sea Transport)
2. TRSD-ISO Project
 - a. ISO 9001:2008 Certification
 - b. TRLD Process Documentation

Carry-over/On-going Projects (4)

1. NFA-TRSD ISO Certified QMS Maintenance
 - a.1 Conduct of ISO Internal Audit
 - a.2 Preparation of documents required for Bidding of Consultancy Services to ISO 9001:2015
 - a.3 Updating of QMS Manual
 - b. Mobile Soil Test Clinic to Enhance Farm Productivity
2. Nationwide Establishment, Calibration and Training of New Analytical Panellists for Sensory Evaluation of Milled Rice (Phase I CO, Regions I-IV)
3. Comparison of Storage Characteristics of WPP NFA Sack and Laminated Sacks as Container of NFA Milled Rice
4. Updating of Laboratory Manual on Grains Analysis

Internal Audit

In 2016, nine completed Audit Engagements were undertaken by NFA's Internal Audit Services Department, with key findings on non-compliance with provisions of NFA SOPs, guidelines and instructions, and lapses on operational activities, as follows:

1. Special Audit on distribution, Cash and Receivable Managements and TOLA
2. Alleged Irregularity on Procurement
3. Comprehensive Audit (Audit Extension) of the Food Development Center
4. Special Audit on Lingap para sa Mahirap Program Fund
5. Special Audit on Alleged Defective Appointments
6. Special Audit on the Conduct of the Conference and Seminar-Workshop for Administrative Officers and Representatives during the period June to July 2015
7. Special Audit on Procurement, Drying and Quality Operations
8. Special Audit on Procurement Operations
9. Special audit on procurement, drying and milling Operations, Cash Mgt.: Receipts & Disbursement & TOLA

Corn Development Fund

The Corn Development Fund (CDF) was created on March 17, 1998, with an initial seed fund of ₱124.4 Million for use in the development of the corn industry. It was later augmented from service fees collected from the 2007 Corn Imports in the amount of ₱65.9 Million, bringing the total CDF principal amount to ₱190 Million. This fund is held in trust by NFA and managed by the CDF Committee composed of representatives from the government and private corn producer and user sectors.

The CDF provides loans (maximum of ₱10M) and grants (maximum of ₱0.5M) to eligible corn farmers & consumer groups. The loan can be used for the acquisition, installation and/or improvement of equipment and facilities for production, transport, warehousing and marketing. The grant is for training, seminars and research studies on corn.

In the past 19 years, the CDF has assisted corn projects that ultimately redound to benefit the corn farmers and end-users. For 2016, the accomplishments are:

1. **Mobile Soil test Clinic to Enhance Farm Productivity (Mobile STK Project).**
The project aims to provide soil testing services to marginal corn farmers especially in far-flung areas to help them increase production through precise fertilization. This would make corn farming profitable thru reduced cost and enhanced farm productivity, 10 corn farmers cooperatives benefitted with the grant 10 Mobile STK including the training of technicians on the use of said test kit (STK), with the ₱3,545,960.00 grant from CDF. The motorcycle component of the project will facilitate the cooperative's rendering of soil testing services as this can be provided even to remote farm areas.

The 10 corn cooperative applicants from Regions I, II, X and XII were already distributed the Mobile Soil test Kit, based on the criteria set by the BSWM and the CDF Committee.

2. **Modernization of Grains Moisture Content Determination at the Farm Level Moisture Meter Project).** The project aims to modernize and improve the farmers' system of grains moisture content determination for more efficient marketing and storage of their produce. 50 units of digital type moisture meter were procured by the NFA central office Bids and awards Committee with allocated budget of P4,350,000.00 for the procurement of the moisture meters and for the required training on the operation and maintenance of the equipment and other administrative expenses.

34 moisture meters out of the 50 units earlier approved for grant allocation were already distributed to eligible CDF-approved corn farmers' organization (FOs)/ cooperatives located in the corn producing provinces of Regions I, II, X and XII based on the criteria set by NFA/CDF.

3. **Training on the Operations, Maintenance and Calibration/Verification of the Moisture Meter Project.** The Regional Calibrators of NFA Regions I, II, X and XII were trained on the operation, maintenance and calibration/verification of the moisture meter on October 7-9, 2016 in NFA Cagayan de Oro City. They, in turn, would train the technicians (to be designated by the concerned cooperatives) on how to operate and maintain the moisture meter. As stipulated in the MOA with the cooperative, the moisture meters to be given to the cooperatives, will be subject to regular calibration by the concerned NFA Calibrators.
4. **Conduct of Training of Trainers (TOT) on Corn Post Production Technology, Entrepreneurial Development, Corn Development Fund and Skills Development.** The training was highlighted by skills development topics and micro-teaching demonstrations wherein the capability of the participants in technology transfer and other learning activities were enhanced. The CDF completed the conduct of TOT in four batches with allocated budget of P476,300.00 in Baguio City, Iloilo City and General Santos City.
5. **Agricultural Commodity Exchange System-Enhanced Electronic Trading System (ACES-EETS) for Corn**
NFA is currently working on the conceptualization and implementation of the Enhanced Electronic Trading System (EETS) for corn, where a matching mechanism between buyers and sellers is provided on-line and real-time. There is a need to introduce improvements to provide a more suitable and responsive system in the corn industry. This prompted the on-going formulation of a Terms of Reference, in coordination with concerned NFA departments and stakeholders for the acquisition of software and hardware components.

The CDF is also continuously monitoring updates of earlier implemented and completed CDF loan programs.

FOOD GUARDIAN (#1for100iNFAntry)

Food Guardian volunteers nationwide who advocate food security and non wastage of rice, gathered last April 27, 2016 at SM North Sky dome for the launched of 1 Million Food Guardians Campaign.

As of December 31, 2016, a total of 1,259,278 strong Food Guardian Volunteers are helping in ensuring that rice is available, accessible and visible in public markets, and is safe to eat by consumers.

EXCOM Planning & National Planning Conference

In 2016, EXCOM Planning and National Planning Conferences were conducted to flesh-out 2016-2017 plans and commitments. "Plano sa Pagbabago, Ngayon Na!" was the theme of 2016 National Planning Conference held at the Emiramona Garden Hotel in Tagaytay City last February 03-05, 2016. This was attended by members of the Executive Committee, Central Office Department Managers and Regional Directors.

