

National Food Authority

2nd Quarter Accomplishment Report

(April – June 2018)

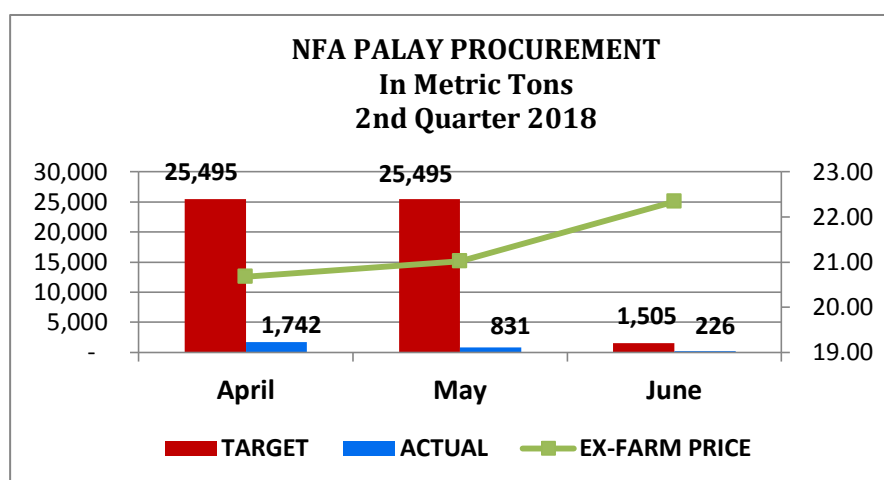


I. STABLE SUPPLY AND PRICE OF STAPLE CEREALS

PROCUREMENT

Palay

For the 2nd quarter of 2018, NFA procured 2,799 MT of palay, which is 5.33% accomplishment of the quarter's target of 52,495 MT. This is 8.52% lower than the 13.85% accomplishment for same quarter last year. The consistent low procurement for this quarter is due to higher prevailing average farm-gate price of ₱21.35/kg (as of June 30, 2018) compared with the government buying price of ₱17.00/kg.



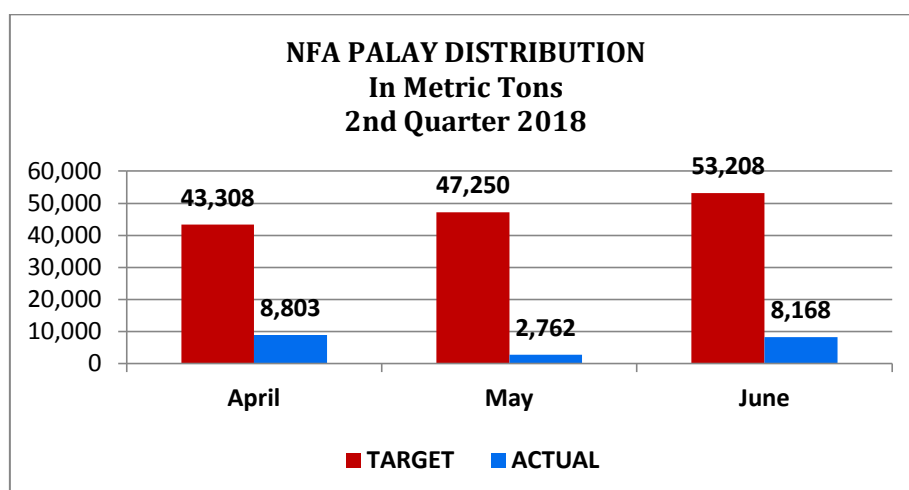
IMPORTATION

Out of the importation total of 250,000 MT of Well Milled Long Grain White Rice, 68.56% or 171,400 MT were already delivered. Of these, 92,000 MT already completed discharging, while 79,400 MT are still at the disports. The remaining 31.44% or 78,600 MT are scheduled to arrive in the next few months, 52.16% or 41,000 MT of which are already in transit.

	Quantity (MT)
Total Quantity Contracted	250,000
Quantity Delivered	171,400
<i>Completed Discharging</i>	92,000
<i>At Disport</i>	79,400
Quantity Scheduled to Arrive	78,600
<i>In Transit</i>	41,000
<i>Loading</i>	26,000
<i>At Laycan</i>	11,600

DISTRIBUTION

For the 2nd quarter of 2018, NFA distributed 19,733 MT of rice, equivalent to 13.73% accomplishment of the quarter's target of 143,766 MT. There is a 39.91% decrease in distribution compared to 53.64% of last year's 2nd quarter distribution. The NFA injected more rice in the market despite very low inventory to cushion the effect of increasing commercial prices of rice and make available low-priced rice for the poor.



PRICES

Average Ex-Farm Prices vs NFA Buying Price

(Price per kg)
2nd Quarter 2018

Commodity	NFA Buying Price	Ex-Farm Price	Price Difference
Palay	17.00	21.35	(4.35)
YGN	12.30	13.44	(1.14)
WGN	13.00	16.58	(3.58)

The average ex-farm prices of palay for the quarter at ₱21.35/kg posted a ₱4.35/kg difference from the NFA's buying price of ₱17.00/kg. Likewise, ex-farm prices for yellow corn at ₱13.44/kg and white corn at ₱16.58/kg were higher by ₱1.14/kg and ₱3.58/kg respectively, compared to the NFA buying price.

Average Prevailing Wholesale/Retail Price of Rice and Corn

(Peso per kg)
2nd Quarter 2018

Commodity	June	May	April	Average Price 2018 (2 nd Q)	Average Price 2017 (2 nd Q)
Whole Sale					
WMR	41.52	41.18	41.01	41.24	38.57
RMR	38.12	37.82	37.46	37.80	34.84
YGN	20.10	20.10	20.11	20.10	17.97
WGN	21.41	19.87	20.34	20.54	16.38
Retail					
WMR	44.29	43.94	43.76	44.00	41.65
RMR	40.59	40.19	39.97	40.25	37.42
YGN	24.61	23.79	23.68	24.03	22.46
WGN	29.02	29.82	29.99	29.61	30.69

For the 2nd quarter of 2018, WMR and RMR wholesale prices posted an average price of ₱41.24/kg and ₱37.80/kg, respectively. Both showed increases of ₱2.67/kg and ₱2.96/kg compared to the average prices in the 2nd quarter of 2017, respectively. On the retail level, WMR and RMR average prices were at ₱44.00/kg and ₱40.25/kg, with average increases of ₱2.35/kg and ₱2.83/kg compared to 2017, respectively. Likewise, yellow corn wholesale and retail prices in the 2nd quarter of 2018 manifested increases of ₱2.13/kg and ₱1.57/kg, respectively, from 2017. White corn showed a rather substantial increase of ₱4.16/kg in the average wholesale price, while a slight decrease of ₱1.08/kg in the retail level was noted, compared to the average prices in the 2nd quarter of 2017.

FARMERS WHO SOLD PALAY TO NFA FOR THE 2nd QUARTER OF 2018

Particulars	Palay		Amount Paid by NFA
	Number of Farmers	Qty. in Bags of 50 kg	Php
Individual Farmers	462	23,457.52	17,636,549.22
Walk-In Farmers	259	4,597.96	3,955,299.36
Farmers' Organizations	159	23,723.91	19,982,742.97
No. of Members	492		
TOTAL	1,213	51,779.39	41,574,591.55

For the 2nd quarter of 2018, there were 1,213 farmers who sold palay to NFA. The total palay deliveries of 51,779.39 bags amounted to ₱41.57M.

II. BUFFER STOCK OF STAPLE CEREALS EFFECTIVELY MANAGED

RICE STOCK INVENTORY

For the 2nd quarter of 2018, NFA had an average stock inventory of 399,196 bags (total rice equivalent –TRE) or 19,959.80 MT, good to last for 0.62 days, based on the 2018 national daily rice consumption requirement of 32,013 MT.

NATIONAL QUALITY ASSESSMENT (QSAR) OF NFA STOCKS

Classification/ Condition of stocks	Average (in 50-kg bags)	Percentage (%)
Good Stocks	403,940.40	89.193
Treated	10,994.07	10.469
For Treatment	8.67	0.001
Sweepings	3.07	0.004
Partially Damaged	26.03	0.023
Totally Damaged	306.40	0.310
TOTAL	415,278.64	100.00

The total average volume of NFA stored grains assessed for the 2nd quarter of 2018 is 415,278.64 bags, composed of palay, milled rice and corn grits. Stocks fit as food (rice) represent 99.66% of the total assessed grains. Stocks for disposition were 335.5 bags (0.34%), composed of sweepings (0.004%), partially damaged (0.023%), and totally damaged (0.34%) stocks. The average volume of assessed NFA stocks as good was 414,943.14 bags.

III. DEVELOPMENTAL REGULATION OF THE GRAINS INDUSTRY IMPLEMENTED AND ENFORCED

NFA PRIVATE SECTOR RICE IMPORTATION

Performance Indicator	Accomplishment
Number of NFA Licensed Importers	103
- Farmers' Organizations	59
- Other Sectors (Non-Farmers)	44

For the 2nd quarter of 2018, NFA issued/renewed licenses to 103 importers: 59 for farmers' organizations and 44 for grains businessmen. Compared to the 2nd quarter of 2017, there was a 156.5% increase in licensed importers from farmers' organization, and a 109.5% increase from grains businessmen.

REGISTERED/LICENSED GRAINS BUSINESSMEN

Particulars	Amount
R/L Fees Collection	73,986,920.20
Mobile Licensing	4,536,307.04
Advance Collections (2018-2020)	149,975.44
2019 Applicants: 146	7,336.94
2020 Applicants: 117	142,638.50
No. of R/L Applicants	22,702
METAL PLATES (@ P200/pc)	
- No. of Issuances of Metal Plates	2,718
- Amount	543,600.00

For the 2nd quarter of 2018, NFA registered and licensed 22,702 applicants, 263 of whom availed of the advance license scheme. This is almost twice the number of registered and licensed applicants in the 2nd quarter of 2017 which was 11,165. Total R/L collections on grains business activities amounted to ₱73,986,920.20, which includes collection from mobile licensing amounting to ₱4,536,307.04, and ₱149,975.44 from advance license collections. There were 2,718 metal plates issued/sold for ₱543,600.00. For the quarter, the R/L fees posted an accomplishment of 49.94% of the annual target collection of ₱150M.

PHIL. GRAINS STANDARDIZATION PROGRAM (PGSP)

Performance Indicator	Accomplishment
Grains Business Establishment Inspected	3,315
Meetings/Seminars/Trainings	
Number conducted	1,306
Number of Participants	2,343
Press Releases made	3
PGSP Violation cases filed	2

To check whether the PGSP Rules and Regulations are strictly observed, 3,315 grains business establishments were inspected for the 2nd quarter of 2018, a 173% increase from the 1,215 grains business establishments inspected in the 2nd quarter of 2017. NFA conducted 1,306 trainings and seminars to advocate PGSP rules and regulations, participated in by 2,343 NFA Stakeholders.

UGNAYANs (Farmers' Assembly)

Performance Indicator	Accomplishment
UGNAYANs conducted	141
Participants	3,948

For the 2nd quarter of 2018, 141 UGNAYANs were conducted, participated in by 3,948 NFA stakeholders, 27% less than the 5,410 participants in 185 UGNAYAN sessions during the 2nd quarter of 2017. RL renewal period, rice distribution, and Tulong sa Bayan Caravan were among the topics discussed during the sessions.

CDIF GRANTED TO FARMERS ORGANIZATIONS

	April	May	June	Cumulative 2018	Cumulative 2017
Number of FOs	42	65	63	170	200
Amount of CDIF Granted	64,667.65	153,547.35	127,925.34	346,140.64	1,464,476.96

For the 2nd quarter of 2018, CDIF in the total amount of ₱346,140.64 was granted to a total of 170 farmers organizations. The said grant is 83.33% lower compared to the ₱2,076,684.96 amount of grant during the 2nd quarter of 2017.

CDIF PERCENTILE UTILIZATION

CDIF by Type of Utilization	Amount (Php)		Percentage	
	2018	2017	2018	2017
Purchase of Farm Inputs/Fertilizers	809,703.98	3,364,214.06	92.49%	91.64%
Purchase/Repair of Postharvest and Production Facilities	56,007.79	83,178.54	6.40%	2.26%
Payment of Loan Amortization	9,707.45	223,825.12	1.11%	6.10%
TOTAL	875,419.22	3,671,217.72	100%	100%

CDIF utilization for the 2nd quarter of 2018 was used for the purchase of farm inputs/fertilizers, which comprises 92.49% of the total utilization of the fund. During the 2nd quarter of last year, 91.64% of the fund utilization was for the purchase of farm inputs/fertilizers.

NFA-ACCREDITED FARMERS AND FARMERS ORGANIZATION

	Individual Farmers (IFs)			Farmers' Organization (FOs)			
	No. of IFs	Area Planted (in has)		No. of FOs	No. of Members	Area Planted (in has)	
		Palay	Corn			Palay	Corn
April-June 2018	996	1,386.14	122.83	93	2,791	10,495.85	2,096.57
April-June 2016	375	1,140.01	0.00	40	692	1,198.89	17.00

For the 2nd quarter of 2018, a total of 996 Individual Farmers (IFs) and 93 Farmers' Organization (FOs) with 2,791 members were accredited by NFA. NFA's accreditation of IFs and FOs is valid for two years. Compared with 2016, there were significant increases in the number of IFs and FOs in the 2nd quarter of 2018 at 165.6% and 132.5%, respectively.

FOOD DEVELOPMENT CENTER

Testing

- Performed 27 physical and sensory evaluation, 407 chemical analyses, 191 microbiological, and three microanalytical quality evaluation.
- Other activities included the testing of packaging materials and label evaluation; heat penetration and heat distribution test to establish and/or evaluate adequacy of thermal processes of canned goods; shelf life testing to establish shelf life of various packaged products; and the conduct of seminar/training.

Research and Development

- Development and Implementation of R & D projects
 - Prepared final progress report on Arsenic in Rice project

Quality Assurance

- Conducted inspection of 14 food manufacturing plants and issue compliance certificates.

Training Programs

- Implemented eight training courses to the food industry and government agencies
- Prepared/revised 20 training course materials
- Prepared 18 evaluation reports on the implementation of training courses

Industry Liaison

- Evaluated 249 clients' technical needs and requirements of industry clients, and recommend FDC analyses/services to meet international standards
- Prepared two evaluation reports on customer satisfaction survey
- Monitored and delivered 370 FDC technical reports to stakeholders

ISO Compliance

- Implemented 16 QA activities for testing laboratories
- Monitored, reviewed and verified effectiveness of 32 ISO documents
- Prepared one audit report for ISO 9001:2015

Operational accomplishment of FDC representing served services to clients for the 2nd quarter of 2018 amounted to ₱2,018,519.78. Income from collections received from clients' request for FDC services (RFDCS) is ₱1,940,338.50.

INTERNAL AUDIT SERVICES

1) Audit Engagements

- a) Completed
 - a) Special Audit on Property, Plant and Equipment: Regions II, V, IX, X
 - b) Special Audit on Stock Inventory Variance: Regions V and IX
- b) Audit Report for Finalization
 - a) Special Audit on Property, Plant and Equipment: Regions I, VI, VIII, NFA-NCR, NFA-ARMM
 - b) Special Audit on Stock Inventory Variance: Regions VIII, NFA-NCR, NFA-ARMM
- c) Audit On-Going
 - a) Special Audit on Property, Plant and Equipment, and Provident Fund Loans: Regions III, IV, VII, XI, XII, XV
- d) Review of Perpetual Leave Cards – 23 completed; 6 on-going

2) Tolerable Allowance (TOLA)

- a) Issued 117 Certifications of Stock (Grains and MTS) Accountabilities of NFA officials and rank and file employees – Completed
- b) Consolidation of 4th Quarterly Status Reports (All Provincial Offices – Regions I to XV) – Completed
- c) Entertained queries from different NFA Regional and Provincial Offices re: TOLA matters – Acted upon with despatch

CORPORATE PLANNING AND MANAGEMENT SERVICES

Information Technology/Systems Development/SOPs

- Approved SOP on Amendment to Specification of Authority on General Services
- Installed/implemented the Registration and Licensing Information System (RLIS) project in 24 provinces in Regions I, VII, VIII, IX, ARMM
- On-going implementation of the following e-IFOMIS modules at Central Office:
 - Financial Information System
 - Receivable Management
 - General Services Information System

Problems encountered during the project implementation referred to the Comfac Corporation, the developer of the e-IFOMIS Project, are still being resolved.

Corporate Planning

- Prepared presentation on Ambisyon 2040: Biyaya ng Pagbabago and Matrix of Anti-Poverty Programs, Projects and Activities for the Office of the Cabinet Secretary
- Attended the coordination Meeting for the CabSec supervised agencies' Biyaya ng Pagbabago Commitments
- Prepared communication to DBM regarding NFA's request for the release of the P5.2B balance of the 2018 NG subsidy
- Prepared DBM Form No.701, re: Proposed Provisions for FY 2019
- Prepared Food Security Policies and Issues for Capacity Building Workshop on ASEAN +3 Rice Trade Forecast Model in Korea.
- Prepared highlights of meeting with LTO, BOC, and NBI regarding Inter-Agency Coordination of Land Enforcement Groups on Rice trading activities.
- Prepared DBM Form No. 701, re: Special Provisions 60-day buffer stock
- Prepared letter to Sen. Cynthia Villar, Chairman, Committee on Agriculture and Food, respectfully submitting NFA's position on Senate Bills and Resolutions regarding the expiration of the Quantitative Restrictions on Rice.
- Prepared letter to GCG requesting for consideration of the 2016 PBB Rating.
- Prepared letter to GCG for clarification of targets set for the NFA 2018 Performance Scorecard.
- Submitted letter of appeal to GCG on certain 2017 indicators where we were given low/failing grade.
- Answered clarifications from Integrated Rural Development Foundation (IRDF)/National Movement on Food Sovereignty (NMFS), on issues regarding NFA's policy on palay procurement, now that the NFA is under the Department of Agriculture.

Corporate Development and/or Evaluation

- Divestment of Assets: On-going Complete Staff Work (CSW)
 - Divestment of NFA – Sto. Tomas property in Davao del Norte
 - Partial Divestment of NFA-NDO property
 - Poblacion, Calintaan, Occidental Mindoro
 - Bugallon, North Ramon, Isabela
 - La Paz, Saguday, Quirino
- Prepared letter to COA-Central Office, requesting for valuation of NFA properties in Lagao, General Santos City and Maitum, Sarangani Province.
- Evaluation
 - Proposed Corn Center in Sablayan, Occidental Mindoro – on-going
 - Transfer of NFA Cavite and Rizal to Region IV-A for reporting purposes only
 - Lease of NFA property in Zamboanga by SOLECCO

Monitoring and Reporting

- Visibility Reports from Field Offices – Liaison with LGUs and Congressmen
- Finalized target for 2018 Scorecard
- Finalized justification and required documents for 2017 PBB application
- Submitted documents for the validation of the 2016 PBB
- Prepared and submitted 1st Quarter Accomplishment Report for GCG
- Prepared and submitted to Legal Affairs Department (LAD) the Freedom of Information (FOI) inventory and information
- Attended meetings on Rice Roadmap in DA and IRRI

FINANCE

Debt Management

Particulars	Balance as of June 30
I Short Term Credit Lines	38,380.961
II Long Term Loans	
LBP – Notes	6,615.000
Various Creditors – Treasury Bonds	0.000
Long Term Notes Syndicated – New	9,000.000
LBP	4,500.000
DBP	4,500.000
Long Term Notes – Various Creditors	52,125.500
Sub-Total	67,740.000
TOTAL BANK LOANS	106,120.961

Contribution to the Economy as of April 30, 2018

Particulars	Amount
Palay Procurement	25,676,523.09
Corn Procurement	-
Rent Expenses	1,186,868.80
Transportation & Deliveries Expenses	3,399,163.30
General Services	3,500,320.57
Janitorial Services	124,084.19
Security Services	23,210,235.03
Drying	91,228.99
Milling	3,683,915.53
Handling	3,975,812.18
Tax Withheld from Employees' Compensation	8,324,043.01
Tax Withheld from Suppliers of Goods & Services	9,927,507.75
TOTAL	83,099,702.44

TRAININGS

For the 2nd quarter of 2018, NFA facilitated the participation of 226 NFA officials and employees in 8 internal and 24 external trainings.

TITLE	No. Of Participants	Duration
I. Internal Training	158	
1 Competency Based Succession Planning Amendment	30	April 10-12
2 Training/Calibration of New Analytical Panelist for Sensory Evaluation	24	April 17-May 4
3 Seminar/Workshop for Legal Affairs Department Personnel	21	April 17-19
4 Briefing on Food Safety and ISO 9001-2015	17	May 4
5 Grains Classification and Laboratory Analysis	45	May 29-30
6 2-day Seminar on Briefing/Consultation on HR matters	17	May 8-9
7 Good Manufacturing Practices in Handling and Processing Foods	1	June 1
8 Establishment of Thermal Process for Canned Goods	3	June 19-22
II. External Training	68	
1 44th Pre-Judicature Program	1	April 16-27
2 The 7 Habits of Highly Effective Government Leaders	1	April 24-26
3 Basic Internal Control Concepts and Internal Auditing Principles	1	April 18-20
4 15th International Agricultural Engineering Conference and Exhibition and 68th PSAE Annual Convention	15	April 24-26
5 Seminar on Leave Benefits	6	April 25-26
6 Fumigation for the Control of Stored Pests	3	May 9-10
7 Internal Control System for Property & Supply Management	2	May 30-June 1
8 40th GACPA	4	May 23-26
9 MCLE	1	May 5,12,19, 26
10 Regional Convention and MCLE	1	May 2-5
11 MCLE	2	May 21-24
12 MCLE Lecture	3	May 9,10,16, 17
13 The 33rd Phil. Chemistry Congress	1	May 30-June 1
14 The W/S on Food Quality and Safety Assurance in Modern Food Production System	1	May 28-June 1
15 SDC Track 1	2	June 6-8
16 MCLE for Lawyers	3	June 6-8, 22
17 Quality Customer Service	2	June 20
18 Financial Management	1	June 20
19 Re-Training Course, Enhancement for Security Training	11	June 18-23, 25
20 Basic Security Supervisory Course	1	June 18-23, 25
21 2018 ICT International Summit	1	June 21-22
22 Records and Information Management	2	June 26-27
23 Gender Responsive Planning and Budgeting	1	June 25-28
24 FPA-PAPFI CAP-Fumigator License Renewal	2	June 21
TOTAL	226	

NFA PERSONNEL COMPLEMENT as of June 30, 2018

Status/Station	Authorized Positions	Filled Up Positions	Vacancies
Regular			
Central Office	615	528	87
Field Office	3,821	3,340	481
Sub-Total	4,436	3,868	568
CTI Personnel			
Central Office	54	54	
Field Office	247	247	
Sub-Total	301	301	
Total	4,737	4,169	568

PUBLIC AFFAIRS

1. News Releases prepared and issued = 35
 Photo Releases = 1
**Posted 275 updates and answered 642 queries in NFA Facebook account for the months of April to June*
2. Speeches/Messages prepared = 12
3. Letters to Editor/Columnist = 1
 Letters of Regrets to Ad Solicitors/Donation = 2
4. Press Briefings and Press Conferences = 5
5. Radio, TV and Print Interviews = 32
6. Photo and Video coverage = 14
7. Facilitated and coordinated compliance/reply to different complaints regarding NFA regulations lodged at 8888 Complaints Center = 21 complaints
8. Prepared media advisory/invitation for Press Conference on Delivery of Commercial Rice, Pre Bid on Government to Government (G2G) 250,000 MT Rice Importation, Rebidding of G2G 250,000 MT Rice Importation, Bidding of Open Tender, and Unloading of Rice Importation
9. Prepared the following:
 - Timeline in Rice Price Increase
 - Statement of Support to the NFA Mandate and Leadership for Grains Businessmen
 - Opening Statement of Dep. Adm. Judy Carol Dansal during the G2G Pre Bidding and Bidding of 250,000 MT Rice Importation and Talking Points of Adm. Jason Aquino during the press conference at the Subic Port
 - Certificate of Commendation for Grains Businessmen who participated in the Tulong sa Bayan Caravan
 - On-going editing of the Grains Industry Museum Handbook and the Manual on NFA Provident Fund
 - Explanatory Note on NFA Bill

- Highlight of Round Table Discussion on Social Welfare Benefits under the TRAIN Law
 - Submitted to the Presidential Communications Operations Office (PCOO) the on-boarding form for the e-Freedom of Information (e-FOI) portal and the list of FOI receiving office and decision makers
10. Editing and lay outing of GRAINS magazine for the 1st quarter of 2018

LEGAL AFFAIRS

For the 2nd quarter of 2018, 1,040 activities pertaining to adjudication, documentation and litigation were undertaken:

Adjudication	142
Served approved SO with complete case folder/s to HO and Pros	2
Notice of Pre-Hearing Conference issued	26
Orders prepared	8
Pre-Hearing Conference conducted	9
Motions/Pleading filed	20
Service/Mailing of Motions/Pleadings and Orders	5
Reproduction & service of copies of position papers memoranda & other pleadings to Pros. And H.O.	9
Recorded the minutes of hearing and proceedings per case	13
Transcribed Minutes/TSN of hearing and proceedings per case	1
Prepared and Submitted Formal Investigation report (FIR)	18
Service of proposed decision/s to the Administrator's Office for approval/signature	4
Service/Mailing Decision/s Promulgated by CSC or CA	1
Rendition of opinions on administrative matters requested by any department at Central, Regional and Provincial Offices nationwide	25
Attendance to House and/or Senate Hearings	1
Documentation & Legal Research	111
Contracts reviewed/evaluated	20
Opinions rendered	46
Pre-Bid Conference (TWG)/Post Qualification	0
Opening of Sealed Canvass/Bids	6
Meetings	12
Notice of Disallowance	27
Litigation	787
Hearing/s attended by Lawyers	72
Pleadings, memoranda & related documents prepared by Lawyers	36
Opinions, reports, requests, queries & communications	83
Certifications/COC of no pending case	596
TOTAL	1,040