



2018
NFA Annual
Report

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

BUFFER STOCKS

15-Day National Average Buffer Stocks Maintained

For the year 2018, the NFA maintained an average inventory of 68,558.33 MT, good to last for 2.2 days considering the average national consumption requirement of 32,013 MT. On the other hand, these stocks are good to last for 32.31 days considering the NFA's national average daily sales (ADS) or distribution of 590,379 MT.

NFA Rice Stock Inventory
(Days to Last)

MONTH	DAYS TO LAST	
	DCR	ADS
January	3.3	60.75
February	1.9	62.42
March	1.4	28.12
April	0.4	28.24
May	0.1	24.68
June	0.1	6.12
July	1.7	22.80
August	2.9	31.29
September	3.5	25.51
October	4.0	27.12
November	3.3	35.95
December	3.2	34.76
AVERAGE	2.2	32.31

30-Day Buffer Stock Available by June 30

Specific to the NFA's mandate to maintain a 30-day rice buffer stock by 01 July (inclusive of 15-day SRR), the NFA's total rice inventory of 2.1 MT is equivalent to 0.1-day buffer stock. The inventory was very low because the NFA was not able to buy due to the very high farmgate prices, at about ₱3.38/kg higher compared to NFA's buying price of ₱17.00/kg (excluding delivery, drying and Cooperative Development Incentive Fund (CDIF) incentives).

Despite the very low inventory level, the NFA still needs to ensure the presence of NFA rice in major markets, thus, surplus regions/provinces have resorted to inter- or intra-regional stocks transfer (dispersal) to augment the supply in areas with critical inventory level.

PROCUREMENT

Palay Procurement

The NFA procured 61,784 MT of palay, equivalent to 50% accomplishment of the year's target of 123,734 MT. The relatively high ex-farm price vis-à-vis existing government support price disadvantaged NFA's local buying activity. To address the situation, the following procurement strategies were undertaken by the Agency.

- Continuous conduct of information campaign and installation of signages and directional locations;
- Conduct of sustained "Ugnayan" with farmers organizations and cooperatives; and,
- Undertake flexibility in buying storm-damaged palay.

During the last months of the year, NFA procurement picked-up with the implementation of the Buffer Stocking Incentive (BSI) in October 2018, at ₱3.00 per kilogram. As a result the NFA was able to increase its market absorption rate at an average of 50%.

Noteworthy is the 210% volume contribution to NFA procurement by NFA Occidental Mindoro. Note also that despite the NFA low procurement performance, the objective of providing farmers with a fair return on their production investment was still realized, considering that ex-farm prices compared to NFA's buying price are higher.

Palay Procurement (In Metric Tons)

MONTH	TARGET	ACTUAL	%
January	3,045	290	10
February	2,820	258	9
March	9,935	479	5
April	15,825	1,748	11
May	2,387	796	33
June	2,025	150	7
July	1,830	35	2
August	3,073	25	1
September	11,095	265	2
October	25,887	14,753	57
November	30,947	36,676	119
December	14,866	6,309	42
TOTAL	123,734	61,784	50

NFA Importation

For the year, the NFA successfully contracted a total of 1,250,000 MT rice imports, broken down as: 453,000 MT under the Government-to-Government (G-to-G) transaction and about 797,000 MT under the Open-Tender mode.

The arrivals of the 250,000 MT and 203,000 MT, contracted under the G-to-G scheme were 100% completed. On the other hand, the arrivals of the 797,000 MT contracted under the Open Tender scheme is already at 70.36%.

Designated as disports for the imports are Manila, La Union, Subic, Batangas, Tabaco, Iloilo, Bacolod, Cebu, Tacloban, Zamboanga, Cagayan de Oro, Davao, Gen. Santos City and Surigao.

Imported Milled Rice Arrivals (In MT) (CY 2018)

Mode of Procurement	Date of Bidding	Contracted Volume (MT)	Actual Qty Rcvd on NFA Whse (MT)	Source Countries / Remarks
G-to-G	May 4, 2018	250,000	250,000	Thailand/Vietnam
G-to-G	Nov. 28, 2018	203,000	203,000	Thailand/Vietnam
G-to P	May 22, 2018	250,000	244,949	Thailand/Myanmar India
G-to-P	Oct. 18, 2018	47,000	47,000	Thailand/Vietnam
G-to-P	Nov. 20, 2018	500,000	268,855	Thailand/Vietnam Myanmar/India Pakistan
TOTAL		1,250,000	1,013,804	

DISTRIBUTION

The NFA was able to distribute a total of 590,379 MT of rice, representing 71% of the national target, at an average market participation rate of 9.18%. Because of low inventory level, the 2018 distribution is lower by 15%, compared with the 2017 total rice distributed at 692,822 MT.

Note that the NFA distribution activities were prioritized in major rice deficit provinces like NCR and Cebu, provinces where the presence of poor is prevalent like ARMM, CARAGA, and places devastated by typhoons and man-made calamities like the Marawi, with the Marawi Siege.

NFA Rice Distribution
(In Metric Tons)

MONTH	TARGET	ACTUAL	%
January	33,803	43,882	130
February	37,228	19,474	52
March	38,742	31,219	81
April	43,307	9,489	22
May	22,193	2,936	13
June	53,208	8,169	15
July	81,011	57,316	71
August	80,159	76,203	95
September	53,985	107,464	199
October	116,768	118,034	101
November	136,764	59,373	43
December	136,402	56,820	42
TOTAL	833,571	590,379	71

The country's total rice industry inventory was estimated to last for 85 days, at 32,013 MT Daily Rice Consumption (DCR) requirements. (PSA: as of December 01, 2018).

Sector	Inventory (In MT)	Days to last
NFA	102.14	3.19
Commercial	1,089.17	34.02
Household	1,527.17	47.70
Total	2,718.48	84.91

PRICES

The presence of NFA's Buying Price of ₱17.00/kg significantly pushed traders to fairly compete, by offering farmers with prices relatively higher or closer to the government support price. It is worth noting that the 2018 average annual ex-farm of ₱20.87/kg, as monitored by the Philippine Statistics Authority (PSA), is 22.76% higher compared with the Agency's Buying Price.

For corn, the annual average ex-farm prices of white corn at ₱14.08/kg and yellow corn at ₱14.01/kg are 8.31% and 13.90% higher than NFA's buying price of ₱13.00/kg and ₱12.30/kg, respectively.

Higher market prices as compared to NFA's buying prices are favorable to farmers as they get to enjoy higher rate of return on investments on their production costs.

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	20.87	-3.87
YGN (Yellow Corn)	12.30	14.01	-1.71
WGN (White Corn)	13.00	14.08	-1.08

Compared to last year, the average annual prices of well-milled and regular-milled rice posted significant increases of ₱3.34/kg and ₱4.26/kg at the wholesale level and ₱2.63/kg and ₱4.04/kg in the retail level, respectively. The sudden increase in prices, particularly during the lean months can be attributed to the issue on artificial rice shortage possibly caused by hoarding and the low stock inventory of the NFA averaging a little over two days for the year.

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

Commodity	Average Prices		Price Diff. (In peso/kg)
	2017	2018	
Wholesale			
WMR	38.82	42.16	3.34
RMR	34.62	38.88	4.26
YGN (Yellow Corn)	17.99	20.15	2.16
WGN (White Corn)	17.31	20.732	3.41
Retail			
WMR	42.55	45.18	2.63
RMR	37.49	41.53	4.04
YGN (Yellow Corn)	22.49	24.52	2.03
WGN (White Corn)	29.09	28.81	(0.28)

Risk Management and Disaster Response

As part of risk management and disaster response of the NFA, the Operations Centers of affected areas and at the Central Office are always vigilant and ready to respond 24/7 to disasters. As part of these efforts, the NFA released rice to LGUs and other relief-giving organizations totaling 164,829 bags or 8,241.45 mt, the bulk of which was issued for tropical storms Ompong and Usman, and during the Mount Mayon Eruption in January.

Aside from rice releases, the NFA likewise undertook the following activities:

- Coordinated regularly with local counterparts;
- Conducted constant market monitoring; and,
- Opened NFA warehouses for rice issuance/withdrawals for relief operations, even if holidays or weekends.

NFA Issuances of Rice to Relief Agencies
(In Bags)

Calamity/ Emergency	Month Occurred	RELIEF AGENCY/VOLUME RELEASED								
		PRC	DSWD	LGUs	OCD	OVP	Legislators	NDRR MC/PD RRMO	OTHERS / NGOs	TOTAL
Typhoon Agaton	Jan. 9, 2018		13,200	1,820					8,571	23,591
Mt. Mayon Eruption	Jan. 13, 2018		1,556	23,802	5,000	920	4,428		298	36,004
Typhoon Basyang	Feb. 13, 2018		75					2,500	200	2,775
Typhoon Gardo	July 9, 2018			230						230
Tropical Depression Henry	July 15-19, 2018			210						210
Tropical Storm Inday	July 18-20, 2018		72	1,615			500		15	2,202
Tropical Depression Josie	July 21, 2018	20	957	5,618	750	500	350		5	8,200
Sulu Fire	July 25, 2018			937						937
Typhoon Ompong	September 13, 2018	413	50,275	11,807	5,200		100	50	1,769	69,614
Typhoon ROSITA	October 27, 2018	75	336	2,529					40	2,980
Typhoon Usman	December 29, 2018	70	17	11,949	5,750			150	150	18,086
TOTAL		578	64,488	60,517	16,700	1,420	5,378	2,700	11,048	164,829

Compliance to Removing Non-Tariff Barriers and Streamlining Administrative Procedures on the Importation (AO 13); Adopt Measures to Reduce the Gap in Prices of Rice (MC 26) and Immediate release of NFA Stocks in the Market (MC 28) of Agricultural products

The NFA facilitated the importation procedure by simplifying the administrative process/procedure and reducing the legal and financial requirements from 16 to three (3).

Minimum Access Volume (MAV)

To address the short-fall in production and critical demand-supply gap, the NFA was authorized by the NFA Council to approve the importation of additional rice stocks beyond the MAV commitment (out-quota volume).

Under the Out-Quota Rice Importation through NFA, of the 166 applicants with a total allocation of 1,237,184 MT, about 11.63% or 143,845.70 MT was already delivered.

The 350,000 MT direct importation (out-quota) granted to supermarkets under the DTI comes with a commitment that the said rice shall be sold at P38.00/kg. Certificates of Eligibility were already given to Puregold at 40 TMT, Purerice Milling and Processing

Corp. at 1.25 TMT and SM at 20 TMT (under process). Of the 46,250 MT allocation availed, 42.55% equivalent to 19,681 MT was already delivered.

Imports of 108,500 MT intended for ZAMBASULTA is almost 100% completed.

For the MAV in-quota, of the 671,384 MT allocated under the 2018 MAV, 78.48% or 526,870.4 MT already arrived.

Rice Importation Program for the Private Sector (CY 2018)

Programs	# of Applicants	Qty Allocated (MT)	Actual Arrival (MT)	Balance (MT)	% Accomplishments
2018 MAV	130	473,406	473,106.2	299.80	99.94%
		197,978	53,764.20	144,213.80	27.16%
ZAMBASULTA	4	33,500	33,500	-	100.00%
ZAMBASULTA	16	75,000	74,950	50	99.93%
Out Quota (NFA)	166	1,237,184	143,845.7	1,093,338.3	42.55%
Out Quota (DTI)	2	46,250	19,681	26,569	11.63%
TOTAL		2,063,318	798,847.1	1,264,470.9	38.72%

Tagpuan Day Rice Responsive Program (TDRRP)

Tagpuan Day Rice Responsive Program was conducted 4,161 times in various municipalities nationwide. NFA sold about 12,512.50 MT and served about 2.24 M beneficiaries.

Launching of the Suggested Retail Price

To avert increasing rice prices, the Suggested Retail Price (SRP) for rice was launched in NCR by the DA and NFA with DTI last October 27, 2018. Launching at the other regions followed suit. The SRP for regular-milled rice (local) is at ₱39.00/kg, WMR-imported ₱39.00/kg, WMR-local ₱44.00/kg, Premium Rice (local) 47.00/kg, Premium (imported) Grade 1 at ₱43.00 and grade 2 at ₱40.00.

With the implementation of the SRP, prices of well-milled and regular-milled rice, started to go down at about ₱2.68/kg and ₱2.49/kg at the wholesale level and ₱2.91/kg and ₱3.41/kg in the retail level, respectively, at the end of the year.

Palengke Watchers

As additional monitoring activity to ensure the availability, visibility and accessibility of NFA rice, the Agency deployed Palengke watchers in all major and minor markets in Metro Manila, including the provinces of Rizal and Cavite.

A total of 346 additional palengke watchers were deployed starting September 17, 2018, to assist the regular NFA enforcement officers in monitoring the availability of NFA rice in the markets, inventory of commercial and NFA rice, and compliance to grains

business rules and regulations. Their presence in the market was aimed at deterring illegal activities such as diversion, re-bagging and overpricing.

NFA KontraAbuso Hotline Services

The NFA KontraAbuso Hotline was launched last July 10, to monitor and stop illegal activities concerning NFA rice. As of Dec 31, 2018, the task force received 829 reports from the public and grains businessmen, 703 of which are text messages, 113 are calls, and 13 are emails.

727 of the complaints were already been resolved, 76 are pending with the concerned offices, 7 are still subject for investigation by the Security Services and Investigation Department (SSID) and 19 were not NFA-related. Majority of the complaints were about the non-availability of NFA rice in the market.

Quick response was given to the concerns of customers and stakeholders. A total of 26,700 stakeholders were assisted on their inquiries, requests and complaints, through the agency's Customer Assistance Units (CAUs), while 295 complaints against NFA offices, officials or employees via Hotline 8888 were resolved. Hotline 8888 was mainstreamed at NFA effective November 2017.

The public may report to Hotline 8888 or Txt NFA at 0906-436133, any irregularities they may witness on the ground, such as overpricing or passing NFA rice as commercial variety.

PARTICULARS	ACCOMPLISHMENT (Jan.-Dec. 2018)
Complaints Received	829
No available NFA rice	188
Alleged over-pricing of NFA rice	58
Alleged re-bagging/re-sacking of NFA rice	66
Alleged mixing of NFA rice to commercial rice	37
Alleged diversion of NFA rice	9
Alleged refusal to sell NFA rice	96
Alleged unfair distribution of NFA rice	4
Alleged hoarding of NFA/commercial rice	7
Other Complaints/Concerns	364
Complaints Resolved	727
Complaints subject for SSID investigation	7
Complaints still pending with the concerned field office	76
Complaints not NFA related	19

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 2018, the monthly average volume of stocks maintained in health-safe condition was 17,085,759 bags, or 99.83% accomplishment.

Percentage of Good Stocks Maintained in Good and Consumable Condition (For the period January to December 2018)

MONTH	GOOD STOCKS (%)
January	99.706%
February	99.556%
March	99.755%
April	99.577%
May	99.427%
June	99.984%
July	99.998%
August	99.998%
September	99.998%
October	99.997%
November	99.996%
December	99.995%
Average	99.832%

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.

As of December 31, 2018, there were 12,793 new licensee/registrants and 64,586 renewees or a total of 77,379 licensees/registrants engaged in various lines of activities. This is an increase of 9.69% compared to last year. The total collections amounted to ₱190,239,104.9, of which ₱168,186,361.30 was for R/L and application fees alone. Total collections represented a 127% accomplishment against the total target of ₱150 million.

Comparative Table of Licensees and Collections (2018 vs.2017)

Particulars	2018	2017	% Inc (Dec)
No. of Licensees/Registrants	77,379	76,228	1.51
New	12,793	10,889	17.49
Renewees	64,586	65,339	(1.15)
Amount of Collections (in millions)	190,239,104.91	173,427,082.32	9.69

Registration and Licensing Information System (RLIS)

The Registration and Licensing Information System (RLIS) is a computerized database that aims to attain efficiency in the delivery of NFA services, particularly in the registration and licensing of the grains business in the country. Its implementation is in line with the government's objective to ease doing business in the country, as part of good regulatory practice. The installation and implementation of RLIS has shortened the processing time from 45 mins to 25 mins for new applicant and from 30 mins to 15 mins for renewal in the issuance of licenses and registration. The remaining target of 41 provinces for 2018 was accomplished, thereby completing the installation of the system nationwide.

Registration and Licensing Information System (RLIS) (For the Year 2018)

Month	Region	No. of Province	Province
1 st Quarter	V	6	Albay, Masbate, Sorsogon, Camarines Norte, Camarines Sur, Catanduanes
	XI	6	General Santos City, Davao Del Norte, Davao Oriental, Compostela Valley, Davao City, Davao Del Sur
	XII	3	Sultan Kudarat, Marbel, North Cotabato
	ARMM	1	Maguindanao
2 nd Quarter	I	6	La Union, Abra, Benguet, Western Pangasinan, Eastern Pangasinan, Ilocos Sur
	VII	4	Cebu City, Bohol, Negros Oriental, Siquijor
	VIII	6	Leyte, Southern Leyte, Biliran, Eastern Samar, Northern Samar, Western Samar
	IX	4	Zamboanga City, Dipolog City, Pagadian City, Ipil
	ARMM	4	Basilan, Sulu, Tawi-Tawi, Lanao Del Sur
3 rd Quarter	I	1	Ilocos Norte
4 th Quarter	-	-	-
Total		41	

Ugnayan with Stakeholders

A total of 1,582 Ugnayans were conducted nationwide with 55,838, participants, composed of 31,477 farmers and 24,361 grains businessmen. An increase of 33.95% was noted in the number of Ugnayans conducted last year at 1,181, likewise increasing the number of participants from 47,392 to 55,838, or by 17.82%.

Most of the issues and concerns frequently raised and discussed during the conduct of *Ugnayans* were requests 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.

“Ugnayan” Accomplishment Report (Per Region)

Region	Farmers		Grains businessmen		Total	
	Ugnayans Conducted	No. of Participants	Ugnayans Conducted	No. of Participants	Ugnayans	Participants
Region I	110	3,901	33	1,021	143	4,922
Region II	199	5,143	71	1,892	270	7,035
Region III	71	3,463	22	548	93	4,011
Region IV	39	3,120	33	1,959	72	5,079
Region V	22	768	19	576	41	1,344
Region VI	74	2,952	117	3,051	191	6,003
Region VII	15	1,126	59	1,751	74	2,877
Region VIII	74	2,692	177	4,774	251	7,466
Region XIV	92	2,793	-	-	92	2,793
Region X	26	1,043	48	1,782	74	2,825
Region XI	29	604	67	2,287	96	2,891
Region XII	26	1,660	15	415	41	2,075
Region XIII	4	67	37	2,563	41	2,630
Region XIV	12	775	16	641	28	1,416
Region XV	33	1,370	42	1,101	75	2,471
Total	826	31,477	756	24,361	1,582	55,838

Debt-Management

As of December 31, 2018, NFA's bank loans payable has a balance of ₱102.585 B. Due to the efficient management of NFA's debts, the NFA did not reach or overshoot its target loan ceiling of ₱130 Billion.

I - Short-Term Credit Lines (In '000 ₱)	
Government Banks:	
LBP	19,449.360
DBP	21,171.273
Sub-total	40,620.633
II - Long-Term Loans	
LBP - Notes	5,715.00
Various Creditors - T. Bonds	-
Long Term Notes Syndicated - New	9,000.00
<i>LBP</i>	4,500.00
<i>DBP</i>	4,500.00
Long Term Notes - Syndicated	47,250.00
<i>LBP</i>	5,040.00
<i>DBP</i>	6,300.00
<i>BDO</i>	17,980.20
<i>Chinabank</i>	5,166.00
<i>Metrobank</i>	1,152.90
<i>PNB</i>	1,890.00
<i>Mizuho</i>	270.90
<i>BPI</i>	9,450.00
Sub-total	61,965.00
<u>TOTAL BANK LOANS</u>	<u>102,585.633</u>

Contribution to the Economy

Though the NFA is not expected to earn while performing its social responsibility of providing affordable/subsidized rice for the poor sector of the society, it takes pride in generating income to two major economic sectors, namely, the labor sector (laborers, truckers, millers, ship and port workers), and the banking sector, and the national government, in terms of its marketing operations activities – procurement and distribution, buffer stocking- the corresponding financial transactions and other expenditures incurred, totaling **₱2,368,892,916.21**.

The NFA remitted to the Bureau of Internal Revenue (BIR) a total of **₱109.72 M**, as taxes withheld from employees' compensation and Value Added Tax (VAT) withheld from suppliers of goods and services amounting to **₱258.97 M**.

Contribution to the Economy
Per Trial Balance
December 31, 2018

Particulars	Amount
Palay Procurement	1,024,315,414.50
Rent Expenses	57,613,440.30
Transportation and Delivery Expenses	359,356,931.75
General Services	48,325,669.33
Janitorial Services	17,913,484.32
Security Services	306,830,762.46
Drying	11,129,748.68
Milling	3,919,380.03
Handling	170,801,988.75
Tax Withheld from Employees' Compensation	109,716,386.99
Tax Withheld from Suppliers of Goods and Services	258,969,709.10
Total	2,368,892,916.21

HUMAN RESOURCES AND MANAGEMENT

As of 2018 year-end, 87.67% or 4,139 positions were filled-up out of the NFA's authorized plantilla position of 4,721. There are still 582 vacancies nationwide consisting of 93 positions from Central Office and 489 positions from the Field Offices. There are still 285 personnel nationwide on a co-terminus with the incumbent (CTI) status.

Personnel Complement
As of December 31, 2018

Status/Station	Authorized Plantilla Positions	Filled-Up Plantilla Positions	Vacancies
<u>Regular (C.O.)</u>			
Central Office			
Executive	62	50	12
Rank & File	553	472	81
Total	615	522	93
Field Office (F.O.)			
Executive	115	105	10
Ran & File	3,706	3,227	479
Total	3,821	3,332	489
<u>CTI</u>			
Central Office	51	51	
Field Office	234	234	
Total	285	285	
Total Authorized Positions	4,721	4,139	582

Personnel Actions

Personnel action were concentrated on the processing of the promotion of 554 officials and employees and the hiring of 340 employees due to the high turn-over of retiring NFA officials and employees.

No. of appointments evaluated/processed	Cumulative for the Year
Promotion	554
Hiring	340
Transfer Entry	12
Renewal of Appointment	5
Reappointment	48
COPT/Transfer	15
Reinstatement	1
Re-appointment	2
Demotion	1
Total	978

Training and Development

A total of 135 Training Programs were conducted for 746 employees from the Central and Regional/Provincial Offices. Total training expenses incurred amounted to P1,639,345.

Kinds of Training	No. of Training/Seminar	No. of Participants	Training Fee Charged to		Attributed - GAD Funds
			MDF	MOOE	
Internal Training I	7	154	293,825	-	-
Internal Training II	15	365	337,690	-	-
External Training	113	227	1,007,830	-	-
Total	135	746	1,639,345	-	-

FOOD DEVELOPMENT CENTER

The total income of FDC from food quality and related services rendered amounted to ₱7,856,431.07.

Income-Generating Services	Amount
QUALITY EVALUATION DIVISION	
Chemical Analysis	1,376,269.00
Microbiological Analysis	866,515.00
Physical & Sensory Evaluation	143,680.00
Microanalytical	15,598.00
Contaminants	1,102,211.36
Package Testing	470.00
Sub-Total	3,504,743.36
INDUSTRY SERVICES DIVISION	
Training	1,854,100.00
GMP/HACCP Certification	485,408.00
Pilot Plant Operation	40,715.15
Document Review	25,800.00
Use of Training Facilities	39,407.00
Plant/Lot Inspection	92,355.35
Consultancy	6,250.00
Preparation of Certificates	6,020.00
Information Dissemination	464.00
Sub-Total	2,550,519.50
TECHNOLOGY DEVELOPMENT DIVISION/ SPECIAL PROJECTS	
Process Evaluation & Establishment	549,129.00
Shelf-Life Testing	391,505.51
Product Development	171,888.75
Sub-Total	1,112,523.26
Income generated from the use of FDC pilot plant for long-term research project "Arsenic in Rice" as funded by DA-BAR	600,709.95
Fees for the provision of FDC services to NFA:	
a. Chemical, Microanalytical& Physical & Sensory	41,825.00
b. Dormitory services from Aug. 9-Oct 25, 2018	46,110.00
TOTAL COLLECTION INCOME	7,856,431.07

SECURITY SERVICES AND INVESTIGATION

The NFA's Security Services and Investigation collected fees, through enforcement and administrative fines, totalled to P 4,143,745M:

PARTICULARS	ACCOMPLISHMENT (Jan.-Dec. 2018)
No. of grains business establishments inspected	206,139
No. of grains businessmen apprehended	10,896
No. of apprehensions/violations resolved	26,479
Total fines collected	₱ 4,143,745.00

TECHNICAL RESEARCH AND SERVICES DEPARTMENT

Metrology Services

During the year, the NFA technical personnel directly undertook various repairs and calibration services of metrology equipment in the field offices. Calibration services were done on 61 truckscales and 29 electronic platform scales, 83 digital moisture meters, 5 mechanical platform scales, 8 M2 Standard Test Weight and 24 laboratory equipment (top loading, analytical balance and oven). The NFA saved an estimated amount of ₱1,039,910.00 for directly undertaking the repair and calibration services.

Engineering Services

The construction and maintenance of storage facilities and office buildings were aimed to improve NFA's operations:

Completed Projects

- Construction of 120-TCC Warehouse in Cebu.
- Reconstruction of 100-TCC Warehouse with WS II Office in Alang-Alang, Leyte.
- Construction of rice mill in Casiguran, Aurora.

On-going Projects

- Construction of a 45-TCC Warehouse in Bantay, Ilocos Sur.
- Reconstruction of 100-TCC Warehouse with WS I Office in Alang-Alang, Leyte.
- Construction of Central Office Building in Visayas Avenue, Quezon City.
- Proposed construction of Provincial Office in Puerto Princesa City, Palawan

Yolanda Rehabilitation and Recovery Programs and Projects

When typhoon Yolanda struck the country on November 8, 2013, various NFA infrastructures in Regions VI, VII and VIII were greatly affected. As of December 31, 2018, 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.

Yolanda Rehabilitation and Recovery Programs and Projects
As of December 26, 2018

PROGRAM/PROJECT/ ACTIVITY	REGION	FUNDING REQUIREMENT	REMARKS
1. Repair/Rehabilitation of warehouses	VI, VII, VIII	18,053,007.66	19 warehouses completed
2. Reconstruction of warehouses	VIII	73,000,000.00	2 warehouses completed, 1 unit on-going
3. Repair/Replacement of PHF/Equipment	VI, VIII	13,451,763.82	8 repairs /replacement completed
4. Repair of Administrative Facilities	VI, VII, VIII	6,700,000.00	44 administrative facilities completed
TOTAL BUDGET		111,204,771.48	

CORPORATE PLANNING & MANAGEMENT SERVICES

Information Technology/Systems Development/SOPs

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, 2018, the project is 96.99% complete.

Standard Operating Procedures (SOPs) - Fourteen SOPs were reviewed and approved concerning NFA dispersal operations, decentralization of capital outlays for Machinery and Equipment and Furniture, Fixtures and Books, Tolerable allowance (TOLA) for Mechanical Drying, Specifications of Authority, CornDev Fund, among others.

Corporate Planning

1. Prepared the requirement/targets to the 2017-2022 Public Investment Program under the Philippine Development Plan.
2. Prepared reports on the Management Meetings (MANCOM and joint EXCOM-MANCOM and Regional Directors meetings).
3. The NFA, in partnership with the Korean Agency of Education, Promotion and Information Service in Food, Agriculture, Forestry and Fisheries (EPIS) spearheaded the Local Training on National Agri-Food Information System in the Philippines (NAIS) last December 14, 2018 at the LB Soriano Hall, SEAMEO INNOTECH, Commonwealth Ave., Quezon City. The training was participated in by nineteen participants from NFA Central Office and three Korean Subject Matter Experts from e-Sum Technologies and three Korean representatives from Cryp Tomato.

Corporate Development and/or Evaluation:

1. Divestment

NFA Council re-evaluated and approved the sale of property NDO property in ACA Compound, Valenzuela property consisting of 136,655 sqm. To DOTr-PNR, and approved the sale based on the offered amount of PNR equivalent to Nine Hundred Fifteen Million Five Hundred Eighty Eight Thousand Five Hundred Pesos Only **(P915,588,500) at ₱ 6,700/sqm**. The Deed of Sale is for revision on the payment scheme to fully adopt under Section 5, items “f” and “g”, (50% shall be paid upon execution of Deed of Sale and the balance of 50% shall be paid upon transfer of title).

On-going Complete Staff Work (CSW)

- Maramag, Bukidnon
- Bugallon, North Ramon, Isabel
- Catalunan Grande
- FLGC III Maragusan, Compostela Valley

2. Asset Rationalization Program (ARP) Committee - Committee meetings were held to discuss the divestment of assets, in General Santos City, Maitum, Catalunan Grande and Sto. Tomas Davao del Norte.
3. Legislative Executive Advocacy Program (LEAP)
 - Attended and prepared the NFA's presentation for the Congress and Senates' Hearings on CY 2019 Budget
 - Prepared NFA's position paper on HB 7735 and SB 1998 on Rice Liberalization Bill
 - Attended and prepared NFA's position on HB 5636 and SB 1592 on the TRAIN Law

AUDITING SERVICES

Audit Engagements

In 2018, six completed and four on-going 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:

Completed (6)

1. Special Audit on Rice Distribution Activities in Regions III, IV, VI, and VII.
2. Special Audit on Property, Plant and Equipment (PPE) in Regions I, II, III, IV, V, VI, VII, VIII AND IX, X, XI, XII, XV, ARMM NCR.
3. Special Audit on Stock Inventory Variance in Regions V, VIII, IX, NCR, ARMM.
4. Special Audit on Stock Accountabilities of Stock Accountable Officers in CDO, NDO, SDO, EDO and CPO.
5. Special Audit on Importation and Dispersal Operations in Regions I, III, IV, V, VII, XI.
6. Twenty-seven Reviews of Perpetual Leave Cards (PLCs).

On-going (4)

1. E-IFOMIS TOLA Module Implementation in Batangas Provincial Office and Laguna.
2. Fact Finding Investigation Team to conduct investigation on Alleged NFA issues/irregularities raised during the 2/27/2018 Senate Hearing.
3. Four Reviews of Perpetual Leave Cards (PLCs).
4. Special Audit on Provident Fund Loans in Regions III, IV, VII, XI, XII, XV.

Tolerable Allowance (TOLA)

1. Issued 427 Certifications of Stock (Grains and MTS) Accountabilities of NFA officials and rank and file employees.
2. 2017 List of Accountable Officers as of March 2018-Completed
3. 4th Quarter of 2017, 1st and 2nd Quarter of 2018 TOLA Status Report-Completed

ISO CERTIFICATION

In 2018, the following were ISO and Pre-ISO Certified:

1. NFA Region 6 Regional Office and Iloilo Provincial Office;
2. Pre-Certification-Documentation Phase of NFA Region 3 Regional Office and Cabanatuan Provincial Office; and
3. Upgrading the Food Development Center (FDC) ISO Certification from 9001:2008 to 9001:2015.

PUBLIC AFFAIRS

1. Prepared/published news and photo releases on the NFA accomplishments, activities, issues and concerns and other related issues on:
 - Additional imports for NFA to replenish its stocks. Allowed in tranches of 250 TMT and 500 TMT, in addition to the approved two batches of 250,000 MT each, bringing NFA's total imports for the year to 1.25 Million MT.
 - Intensified distribution activities to abate the increasing rice prices.
 - Tulongsa Bayan: Rice Traders pledged support in this rice caravan in the absence of NFA rice that delivered and sold rice for ₱38/kg in Metro Manila markets.
 - Implementation of the NFA Tagpuan Day Rice Responsive Program (TDRRP) that brings the low-priced but quality NFA rice closer to barangays to cater to the intended poor beneficiaries.
 - Implementation of the Buying Stocking Incentive at (BSI) at -₱3.00/kg, starting in October 2018, resulting to increased palay procurement for NFA in the last months of the year.
 - Launching of the Suggested Retail price for Rice and deployment of Palengke Watchers.
 - Increased rice releases to calamities, both natural and man-made like typhoons Ompong and Usman, and the Mount Mayon Eruption and very high rice prices in Zambasulta due to the closure of the Malaysian border.
 - Coordination with enforcement agencies to fight illegal rice trading activities.
 - Rice Tariffication Bill
2. Monitored and summarized the highlights of news clippings about NFA, agriculture and other related issues, handled the Freedom of Information concerns, maintained and managed the NFA Facebook account, invited trimedia reporters to attend NFA special events, and provided photo and video coverage.

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. Another ₱65.9 Million representing service fees from the 2007 corn importation was added to the fund, bringing the fund to a total amount of ₱190 Million.

Now on its 20th year, CDF has funded 242 corn-related projects, involving an amount of ₱158.4 Million, and with fund balance of ₱164.8 Million, catering to some 20,000 corn farmers beneficiaries for loan/grant and other undertakings of the CDF. Through the years, the CDF continue to live up to its purpose of serving the needs of the corn industry. It shall continue with its purpose for which the fund was set up: developmental project to promote PHF modernization; training-workshop to enhance skills and productivity; continuing research and studies; marketing and processing; and, adopting a mechanism to link various sectors to promote the integrated growth and development of the corn industry.

CDF Loan Projects Implemented

1. WAO Corn Center Project
2. Alfonso Lista Corn Center Project
3. NPGC Corn Center Project
4. North Cotabato Free Farmers' Cooperative (NCFFC)
5. Biba-Diwa Multi-Purpose Cooperative (BDMPC)

CDF Grant Projects

Implemented

1. Mobile STK Project
2. Moisture meter Project

For Implementation

1. Pilot-Testing of the Rolling Corn Mill for Village Level Operations
2. 10 Million Corn Dev Fund to implement the Development of the Real-Time EETS
3. Moisture meter Project

Other CDF Undertakings

1. 14th Philippine National Corn Congress at the PICC
2. Acceptability of the Different Rice-Corn Blends (RCB) among the Participants in the 13th Philippine National Corn Congress (PNCC)
3. Corn Buyers Forum
4. Participated in the conduct of a Congressional Hearing at the House of Representatives relative to the Proposed House Bill introduced by Representative Jose T. Panganiban Jr.
5. Conduct of CDF Briefing for Provincial Support Groups (PSG) in two sites