



NFA Annual Accomplishment Report 2013



2013
National Year
of
Rice
SAPAT = BIGAS
KAYA = PINAG

OVERVIEW

The societal goal of inclusive growth and poverty reduction remains as the framework in setting the mission of the NFA to ensure reasonable rate of return to Filipino farmers, provide adequate supply and affordable rice and corn for the country, and promote the integrated growth and modernization of the rice and corn marketing industry, to enable it to compete in the global market.

Towards this end, NFA performed its food security and stabilization mandates while meeting the challenges of 2013. These challenges offered me the opportunity to lead the dedicated men and women of NFA in serving our people, and thus prove NFA's relevance.

MFO 1: PRICE AND SUPPLY STABILIZATION OF RICE AND CORN

Procurement

For the 363,029 MT of palay NFA bought from farmers in 2013, NFA has infused ₱6.171 B at the farmgate under its procurement program.

NFA Palay Procurement (In Metric Tons)

Region	Actual
I	21,849
II	48,312
III	78,427
IV	114,130
V	29,871
VI	20,650
VII	368
VIII	7,191
IX	4,963
X	3,238
XI	14,124
XII	10,138
XIII - NCR	4
XIV - ARMM	933
CARAGA	8,831
Total	363,029

The January – June 2013 procurement of 280,553 MT during the dry season crop was the highest for the past 34 years due to NFA's aggressive procurement strategies, such as:

1. Reforms in NFA's procurement system;
2. Deployment of mobile procurement teams in non-traditional procurement areas from 43 teams in 2012 to 55 teams in 2013 or 27.91% increase;
3. Establishment of pick-up points or collection centers; and

4. Close coordination with DA-Rice Program, BSWM, NIA, and other DA-attached agencies.

However, NFA may not have procured its target volume in support of rice farmers, the high farmgate prices that prevailed were to farmers' benefit.

Cooperative Development Incentive Fund (CDIF)

The provision of CDIF aims to promote membership of farmers in farmers' organizations (FOs).

A monetary incentive of P0.30 granted to Farmers' Organizations for every kilogram of palay/corn they sell to NFA.

The CDIF revolving fund can be used by FOs in the acquisition/rental of post-harvest facilities, as a subsidy for training expenses of FOs, purchase of farm inputs, as payment for loans, to fund entrepreneurial and development programs for FOs and for other purposes.

For 2013, the Agency has granted CDIF to 3,319 FOs nationwide with a total amount of P61,948,688.56.

CDIF Granted to Palay Farmers' Organization January – December 2013

Region	No. of FOs	Amount
I	416	6,850,037.96
II	209	4,497,353.66
III	627	12,635,377.76
IV	1,023	27,142,616.41
V	232	3,549,572.16
VI	355	2,775,694.77
VII	5	9,428.74
VIII	63	164,794.02
IX	2	33,645.69
X	37	715,472.05
XI	167	1,108,854.64
XII	142	1,831,712.53
XIII - NCR	0	-
XIV - ARMM	0	-
CARAGA	41	634,128.17
Total	3,319	61,948,688.56

CDIF utilization for the same period has reached P92.93 Million wherein 776 FOs benefited from it. Out of the said amount, P78.13 Million or 84.07% was used by 617 FOs for the purchase of NFA rice which were distributed to their members and/or for sale if FOs were licensed retailers, P10.33M or 11.12% for purchase of farm inputs by 104 FOs and P4.47M or 4.81% was utilized for payment of FOs loans, construction/repair of warehouse, cooperative office, drying pavement, etc.

CDIF Utilization
January – December 2013

Type of Utilization	No. of FOs	Amount	Percentage Utilization
1. Purchase/Repair of PHF and Production Facilities	6	259,088.06	0.28%
2. Construction/Repair of Warehouse, Coop. Office, MPDP, etc.	14	1,062,953.83	1.14%
3. Payment of Loan Amortization Insurance, etc.	17	2,720,457.38	2.93%
4. Purchase of Farm Inputs/Fertilizer	104	10,332,826.65	11.12%
5. Purchase of NFA-Rice	617	78,133,764.31	84.07%
6. Payment of License	10	100,268.50	0.11%
7. Purchase of Empty Sacks	3	108,341.55	0.12%
8. Irrigation Fee	5	216,484.37	0.23%
Total	776	92,934,184.65	100%

Distribution

NFA distributed 752,949 MT of rice, attaining 135% accomplishment of the operational target of 557,145 MT. The high percentage in distribution was due to the absence of low-priced commercial rice in the market, and accounted for by rice releases in calamity-stricken areas.

NFA Rice Distribution
(In Metric Tons)

Month	Target	Actual	%
January	31,178	32,069.65	103%
February	31,453	24,243.35	77%
March	34,913	28,225.10	81%
April	36,223	36,226.95	100%
May	42,863	47,853.40	112%
June	62,653	56,139.90	90%
July	83,458	102,516.55	123%
August	85,618	135,108.05	158%
September	54,388	107,067.85	197%
October	32,143	64,051.45	199%
November	30,145	67,965.00	225%
December	32,115	51,481.95	160%
Total	557,145	752,949	135%

Source: NFA Grains Situationer Report as of December 31, 2013

NFA issuances of rice to relief agencies during calamities that occurred in 2013 were recorded at 1,286,120 bags:

NFA Issuances of Rice to Relief Agencies
(In bags of 50 kilos)

Calamity/ Emergency	Month Occurred	Relief Agency/Volume Released					Total
		PRC	DSWD	NDRRMC/ RDRRMC	LGUs	Other Institutions / NGOs	
LABUYO	August	0	600	800	1,095	20	2,515
MARING/ HABAGAT	August	0	5,920	1,920	9,657	806	18,303
ODETTE	September	0	350	1,450	745	261	2,806
ZAMBO SIEGE/ HABAGAT	October	0	5,300	3,000	3,050	3,473	14,823
RAMIL	October	20	635	473	1,080	0	2,208
SANTI	October	0	1,591	0	654	3	2,248
BOHOL/CEBU EARTHQUAKE	October	0	13,675	0	26,011	28,708	68,394
VINTA	October	0	0	1,034	317	0	1,351
YOLANDA	November	3,369	911,209	7,958	140,433	110,299	1,173,268
ZORAYDA	November	0	0	0	204	0	204
<u>TOTAL</u>		<u>3,389</u>	<u>939,280</u>	<u>16,635</u>	<u>183,246</u>	<u>143,570</u>	<u>1,286,120</u>

Source: Rice Releases for Relief Operations (As of December 31, 2013)

Other relevant information/actions undertaken:

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

Prices

With its stabilization mandate, NFA sees to it that 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.

Aside from NFA's basic buying price of palay at ₱17.00/kg, for Yellow and White Corn at ₱12.30/kg and ₱13.00/kg, respectively, individual farmers and farmer-organizations are given additional incentive of ₱0.70/kg (₱0.20/kg for drying fee; ₱0.20/kg for delivery fee; and ₱0.30/kg for Corn Development Incentive Fee [CDIF]) provided that the palay/corn meet the standards set by the agency.

The annual average ex-farm price of palay at ₱17.08/kg remained slightly higher than NFA's buying price at ₱17.00/kg. For corn, the annual average ex-farm price of White Corn at ₱15.60/kg was higher than NFA's buying price at ₱13.00/kg. The NFA buying price for Yellow Corn at ₱12.30/kg was slightly higher than the annual average ex-farm price of ₱11.90/kg equivalent to ₱0.40/kg.

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

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	17.08	0.08
YGN (Yellow Corn)	12.30	11.90	(0.40)
WGN (White Corn)	13.00	15.60	2.60

Source: BAS (2013 – Final)

The average prevailing wholesale and retail prices of Yellow and White Corn remained stable with very minimal price changes compared to 2012. Wholesale prices registered an annual average increase of ₱1.66/kg for Well-Milled Rice (WMR) and ₱1.52/kg for Regular-Milled Rice (RMR). Retail prices registered an annual average increase of ₱1.52/kg for WMR and ₱1.62/kg for RMR.

Consumers who bought NFA Regular-Milled Rice at ₱27.00/kg saved as much as ₱6.70 as against commercial rice retailed at the annual average price of ₱33.70/kg. Consumers who bought NFA Well-Milled Rice at ₱32.00/kg saved as much as ₱4.87/kg as against commercial rice retailed at the annual average of ₱36.87/kg.

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

Commodity	Average Prices		Price Diff. (In peso/kg)
	2012	2013	
<i>Wholesale</i>			
Well-Milled Rice (WMR)	32.82	34.49	1.67
Regular-Milled Rice (RMR)	30.04	31.56	1.52
YGN (Yellow Corn)	15.78	15.90	0.12
WGN (White Corn)	15.56	15.43	(0.13)
<i>Retail</i>			
Well-Milled Rice (WMR)	35.30	36.87	1.57
Regular-Milled Rice (RMR)	32.08	33.70	1.62
YGN (Yellow Corn)	21.51	22.04	0.53
WGN (White Corn)	19.72	18.97	(0.75)

Source: BAS (2013 – Final)

Importation

An NFA Government-to-Government Committee was constituted to handle negotiations. An Oversight Committee for the Country Specific Quota imports was also established to oversee/supervise the importation.



Following the result of the Senate investigation on rice smuggling (Senate Committee Report No. 763), NFA implemented stringent evaluation procedures for all applications by the private sector for a permit to import rice under the Minimum Access Volume – Country Specific (“MAV-CSQ”) Program and closely coordinated with the Bureau of Customs for the monitoring of the imports. As a result, NFA has already recalled/post-disqualified applicants after findings that financial capacity and their corporate organizations did not meet the requirements of the NFA, the Cooperative Development Authority, the Securities and Exchange Commission, Land Bank of the Philippines, the Bureau of Internal Revenue and other government agencies. We also instituted security features in the permit itself and in our transactions with the Bureau of Customs.

Due to the series of calamities that hit the country resulting in the lowering of the stock position of NFA, the Inter-Agency Committee (IAC) recommended the immediate importation of 500,000 MT by NFA. The NFA Council, in its Resolution No. 700-2013-K dated November 15, 2013, approved the importation of 500,000 MT rice on a government-to-government mode of procurement. Shipments arriving in December totalled to 97,150 MT.

WTO Commitment

In November 2011 to March 2014, nine countries are main parties to the rice talks (Australia, Canada, China, El Salvador, India, Pakistan) in legal debate whether the country under Annex 5 of the Agreement on Agriculture can continue the Special Treatment for rice; and PH converted its initiative into a Request for Waiver under Article IX of the Marrakesh Agreement Establishing the WTO.

Status:

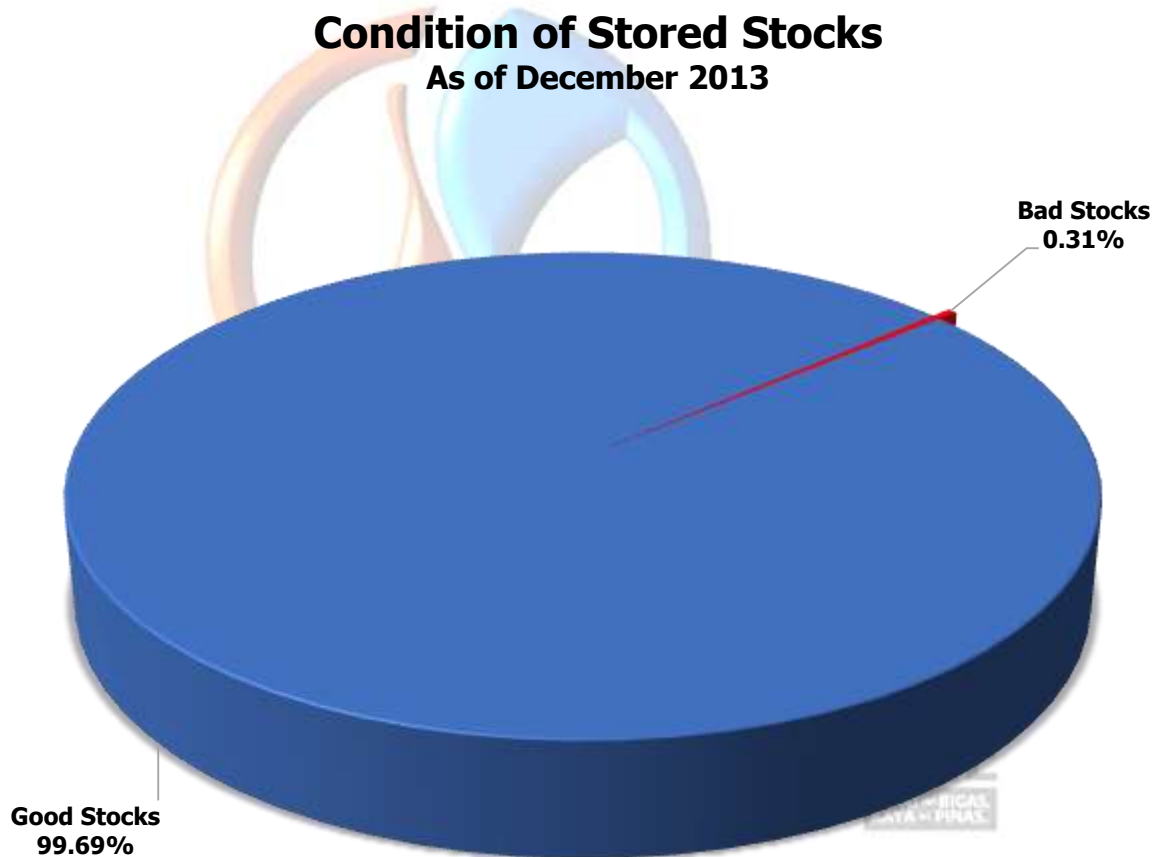
- a) Whether the Philippines under the Agreement on Agriculture can continue the Special Treatment (ST) for rice.
 - Negotiations not completed within prescribed period
 - General Council instructed Council of Trade in Goods (CTG) to resolve concerns(see attached concerns and issues)
 - Still not completed after CTG meetings of November 2012 and March and October 2013 but support expressed by some Members
 - During the last CTG deliberation in October 2013, China, India and Pakistan endorsed Philippines bid to continue the special treatment for rice for 5 years.
 - Consultations with Thailand, US, Canada, and Australia is still on going
 - Next CTG meeting: March 2014
- b) Philippines converted its initiative into a Request for Waiver establishing the WTO

Australia, Canada, US and Thailand explained that they could not yet endorse the waiver to the General Council pending bilateral talks.

Food Security and Buffer Stocking

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 and 30-day rice buffer stocks by July 1 of every year inclusive of the 15-day SRR in preparation for the lean months. In 2013, the NFA's annual average rice inventory was 16 days, sufficient to meet the minimum requirement of 15 days.

The chart below presents the annual average volume of stored stocks per condition as of December 31, 2013. Good, treated and for treatment stocks totalled 99.69%, which means they are fit for human consumption. Stocks assessed as 'treated and for treatment' during inspection are safe for distribution after treatment.



Source: Quality Assessment of NFA Stocks (January – December 2013)

Response to Calamities/Emergencies

With the following rice releases, NFA was able to restore or maintain within two weeks staple cereal supply and prices at levels immediately prior to a calamity or emergency as shown in the table below:

Prevailing Retail Prices (Php/kg)

Region/Province	No. of Occurrence	Date of Occurrence	Prices (P/Kg)		
			Two Weeks Before	Calamity Date	Two Weeks After
PHILIPPINES	51				
Region I- Ilocos Region	5				
Ilocos Norte	1	22-Sep-13	34.67	33.67	34.00
Ilocos Sur	1	18-Aug-13	33.00	33.00	33.00
Eastern Pangasinan	1	12-Aug-13	32.00	34.00	34.00
Western Pangasinan	2	23-Aug-13	34.00	34.00	34.00
		28-Aug-13	34.00	34.00	34.00
Region II- Cagayan Valley	3				
Nueva Viscaya	1	13-Aug-13	32.00	32.00	34.00
Quirino	1	14-Aug-13	31.00	31.00	32.00
Mountain Province	1	15-Aug-13	36.00	36.00	36.00
Region III- Central Luzon	11				
Aurora	2	14-Aug-13	31.00	33.00	33.00
		14-Oct-13	33.00	33.00	32.00
Bataan	1	22-Aug-13	31.00	31.00	31.00
Bulacan	2	21-Aug-13	32.00	33.00	34.00
		21-Aug-13	32.00	33.00	34.00
Nueva Ecija	1	24-Oct-13	34.00	35.00	35.00
Pampanga	2	21-Aug-13	30.00	31.00	35.00
		14-Oct-13	33.00	32.00	32.00
Tarlac	2	19-Aug-13	30.00	30.00	33.00
		12-Oct-13	33.00	32.00	32.00
Zambales	1	13-Aug-13	33.00	33.00	32.00
Region IV- Southern Tagalog	3				
Infanta	1	18-Nov-13	no data available from BAS		
Laguna	1	19-Aug-13	32.00	32.00	32.00
Romblon	1	8-Nov-13	38.00	37.00	37.00
Region V- Bicol Region	3				
Albay	1	23-Aug-13	34.00	36.00	37.00
Catanduanes	1	11-Nov-13	35.00	35.00	35.00
Sorsogon	1	23-Aug-13	32.00	33.00	34.00
Region VI- Western Visayas	3				
Capiz	1	15-Nov-13	36.00	38.00	38.00
Negros Occidental	2	20-Oct-13	34.00	33.00	33.00
		8-Nov-13	33.00	33.00	36.00
Region VII- Central Visayas	7				
Bohol	1	15-Oct-13	35.00	35.00	35.00
Cebu	4	23-Aug-13	36.00	37.00	37.00
		10-Sep-13	37.00	37.00	37.00
		10-Oct-13	36.00	36.00	36.00
		8-Nov-13	36.00	36.50	38.00
Negros Oriental	2	10-Oct-13	39.00	39.00	39.00
		8-Nov-13	39.00	39.00	39.00

Region/Province	No. of Occurrence	Date of Occurrence	Prices (P/Kg)		
			Two Weeks Before	Calamity Date	Two Weeks After
Region VIII- Eastern Visayas Northern Leyte	1 1	9-Nov-13	35.00	36.00	40.00
Region IX- Western Mindanao Zamboanga City	1 1	9-Sep-13	34.00	34.00	34.00
Region X- Northern Mindanao Camiguin	1 1	7-Nov-13	40.00	36.00	41.00
Region XI- Southern Mindanao Sarangani/GSC	7 3	15-Feb-13 10-Oct-13 25-Nov-13	32.00 36.00 36.00	32.00 37.00 36.00	32.00 36.00 37.00
Davao City	2	25-Apr-13 20-Nov-13	32.00 35.00	32.00 36.00	32.00 36.00
Davao Del Sur/ Digos	1	15-Nov-13	37.00	37.00	37.00
Davao Del Norte/ Tagum	1	12-Nov-13	39.00	39.00	39.00
Region XIII- NCR Cavite	1 1	29-Aug-13	36.00	38.00	38.00
Region XV- CARAGA Region Agusan Del Norte	5 1	7-Jan-13	32.00	32.00	32.00
Agusan Del Sur	2	16-Jan-13 19-Nov-13	34.00 38.00	34.00 38.00	34.00 38.00
Surigao Del Norte	1	7-Nov-13	40.00	38.00	39.00
Surigao Del Sur	1	11-Nov-13	38.00	37.00	37.00

Source: Price Reversion within 15 Days from the Start of a Calamity/Emergency (As Dec. 31, 2013)

In response to the Agency's Performance Parameters of 48-hour response time to staple cereal requirements in calamity/emergency-stricken areas, NFA has an actual average response time of 25 hours:

Report Compliance Rate with Target Response Time of 48 Hours from Request during Calamities and/or Emergencies

As of December 31, 2013

Region	No. of Occurrence	Target No. of Hours	Actual Response Time (Hrs.)
I	5	48	5
II	3	48	25
III	11	48	38
IV	3	48	24
V	3	48	24
VI	3	48	36
VII	7	48	19
VIII	1	48	24
IX	1	48	24
X	1	48	24
XI	7	48	30
XII	0	0	0
XIII - NCR	1	48	24
XIV - ARMM	0	0	0
CARAGA	5	48	30
Total	51	48	25

MFO 2: REGULATION AND DEVELOPMENT OF THE RICE AND CORN INDUSTRY

Licensed/Registered Grains Businessmen

NFA continues to be one of the driving forces and catalyst for change and improvement of the grains industry. This involves the monitoring and enforcement of rules and regulations governing grains business, licensing and registration of all rice and corn business for a purpose of acquiring industry information and ensuring rational distribution of grains business for optimum utility and profitability. It also includes the promotion of harmonious and productive relationship among rice and corn industry stakeholders to achieve sectoral efficiency, discipline and growth. The following programs are being undertaken to achieve the above objectives.

For the year 2013, the number of grains businessmen registered/licensed nationwide was 69,513 applicants out of the 71,000 target or 98% accomplishment.

Registered/Licensed Grains Businessmen (No. of Applicants for 2013)

Region	Target	Actual	% Accomp.
I	5,737	5,654	99%
II	4,637	4,634	100%
III	4,699	5,302	113%
IV	8,156	7,881	97%
V	6,725	6,162	92%
VI	6,053	5,983	99%
VII	6,194	5,552	90%
VIII	4,601	4,345	94%
IX	1,958	2,121	108%
X	4,083	3,715	91%
XI	3,762	3,474	92%
XII	2,245	2,144	96%
XIII - NCR	6,498	7,284	112%
XIV - ARMM	978	1,091	112%
CARAGA	4,675	4,171	89%
Total	71,000	69,513	98%

For the year, total collections generated from registration and licensing activities nationwide amounted to ₱140,503,762.83, or a 98% accomplishment of target of ₱142,800,000.00 for 2013.

Total Amount of Collection
Registered/Licensed

Region	Target	Actual	% Accompl.
I	12,744,486.56	11,909,953.12	93%
II	21,737,061.77	22,261,384.18	102%
III	16,712,400.00	18,003,834.10	108%
IV	15,852,102.28	14,714,377.98	93%
V	7,471,540.03	6,667,950.78	89%
VI	9,949,996.42	8,885,871.20	91%
VII	9,388,819.55	9,603,126.04	102%
VIII	5,788,900.06	5,992,235.38	104%
IX	4,196,418.59	4,233,110.17	101%
X	6,867,814.92	7,277,147.06	107%
XI	8,929,328.56	8,611,734.76	96%
XII	4,881,419.43	4,696,944.81	96%
XIII - NCR	11,526,576.18	11,109,754.55	96%
XIV - ARMM	1,117,582.54	1,233,805.12	110%
CARAGA	5,635,553.11	5,302,533.58	94%
Total	142,800,000.00	140,503,762.83	98%

Ugnayan with Stakeholders

For the year, NFA conducted 1,793 Ugnayans with 76,515 Stakeholder participants.

Region	No. of Ugnayan Conducted	No. of Participants
I	112	4,097
II	167	5,318
III	217	9,958
IV	144	9,245
V	101	4,778
VI	164	9,060
VII	72	4,188
VIII	227	5,264
IX	33	1,522
X	73	2,032
XI	164	7,142
XII	28	1,098
XIII - NCR	11	1,016
XIV - ARMM	32	969
CARAGA	248	10,828
Total	1,793	76,515

Complaints Acted Upon within 72 hours

Most complaints received by NFA centered on product quality, pricing, weighing, packaging and availability of rice in the market. NFA were able to address and/or refer the matter to concerned Regional Office/Department for appropriate action with the Turn-Around Time (TAT) of 72 hours. Average TAT is at 3 hours and 46 minutes.

The Customer-Assistance Unit (CAU) served 243 customers relative to the products and services carried by NFA.

Region	Total No. of Customers	Total No. of Hrs. Action Was Taken
I	21	12.50
II	No Complaints Received	
III	No Complaints Received	
IV	39	280.34
V	4	1.78
VI	8	159.99
VII	9	6.05
VIII	1	19.15
IX	No Complaints Received	
X	2	0.60
XI	5	1.70
XII	No Complaints Received	
XIII – NCR	23	80.20
XIV – ARMM	26	43.75
CARAGA	39	31.30
TEXT-NFA	66	324.20
TOTAL	243	961.56

The complaints/clarifications received from members of media/other stakeholders totalled to 94.

Region	Total No. of Customers	Total No. of Hrs. Action Was Taken
I	3	5
II	2	3
III	6	12
IV	15	47
V	5	11
VI	3	5
VII	5	6
VIII	7	10
IX	7	17
X	1	2
XI	5	8
XII	1	1
XIII – NCR	31	75
XIV – ARMM	2	3
CARAGA	1	1
TOTAL	94	206

GENERAL ADMINISTRATIVE SERVICES

Remittance of Funds to Provinces from Written Request

The average number of days to remit funds to provinces from written request is 3.161 days.

Average No. of Days to Remit Funds to Provinces January – December 2013

Region	No. of Days		% Accomp.
	Target	Actual	
I	7	3.384	100%
II	7	2.545	100%
III	7	2.913	100%
IV	7	2.855	100%
V	7	2.500	100%
VI	7	3.369	100%
VII	7	5.625	100%
VIII	7	4.400	100%
IX	7	2.430	100%
X	7	1.000	100%
XI	7	1.330	100%
XII	7	3.875	100%
XIII - NCR	7	3.500	100%
XIV - ARMM	7	4.660	100%
CARAGA	7	3.030	100%
Total	7	3.161	100%

Contribution to the Economy

As the lead government agency in the grains marketing industry, and mandated with staple cereal supply price stabilization and food security, NFA is not expected to earn while performing its social responsibility. But it can take pride in generating income across the labor sector – laborers, truckers, millers, ship and port workers; banking sector --- and government, in terms of its marketing operations and corresponding financial transactions – procurement and distribution, buffer stocking – and other expenditures amounting to ₱7.251 B. NFA remitted to the Bureau of Internal Revenue (BIR) taxes amounting to ₱404.057 M from employees' compensation including Value Added Taxes (VAT) from suppliers of goods and services. (October 31, 2013 Financial Report)

Personnel Complement

For the year 2013, out of 4,531 warm bodies, a total of 118 are new entrants spread throughout the different NFA offices from Regions I to XV.

Personnel Complement As of December 2013

	Authorized Positions	Filled-Up Positions
<u>Regular</u>		
Central Office	615	558
Field Office	3,822	3,518
Total	4,437	4,076
<u>CTI</u>		
Central Office	96	96
Field Office	359	359
Total	455	455
Total Authorized Positions	<u>4,892</u>	<u>4,531</u>

Training and Development

Internal

Particularly notable in the array of internal training accomplished for the year was the *Briefing/Workshop on the Filing of Cases against Accountable Officers with Final Shortages*. It was conducted ten times in as many locations to cover the different NFA Regional Offices. Another significant training was the *Orientation/Seminar on SOPs, TOLA & Replacement Cost*. Subject seminar catered to, essentially, the instruction, training and short study on how to better understand the issue on shortages and liquidation of stocks.

Internal Trainings Conducted As of December 31, 2013

No. of Training Conducted	No. of Participants	Total Cost
18	1,614	Php 1,777,810.00

External

Of the 51 training projects earmarked for external training in 2013, the Government Association of Certified Public Accountants (GACPA) seminar stood out for its sizeable attendance. The GACPA training with the theme: *Sustaining Public Trust through Accountability, Credibility & Transparency*, had a considerable number of participants at 21 personnel. This seminar serves as part and parcel of the continuing education for government accountants.

External Trainings Conducted As of December 31, 2013

No. of Training Conducted	No. of Participants	Total Cost
51	427	Php 1,596,437.00

Gender and Development

One of the activity conducted which was funded by NFA-GAD was *Levelling up our Managerial EQ: Managing People, Managing Emotional Life*. Cost of the training run into ₱36,000.00 and billed to the Gender and Development. At the heart of the seminar were topics designed to help individuals in a position of leadership, to better understand and address their individual and managerial stress towards more wellness.

Other activities conducted externally dealt principally on planning and budgeting. Cost of the training run into a combined ₱45,000.00 and likewise billed to the Gender and Development.

NFA has promulgated the guidelines of the Magna Carta of Women on women's availment of Special leave benefits.

Internal Audit

For the year, Internal Audit and Services conducted audit on the following:

- Special Audit on Inventory Management (Tolerable Allowance and Semi-Annual Physical Inventory)
- Special Audit on Warehousing Operations, PHF Utilization and Distribution
- Special Audit on Minimum Access Volume – Country Specific Quota (MAV-CSQ)
- Special Audit on the complaint against Reynaldo Osuna of Maramag Grains Center, Bukidnon
- Special Audit on the Auction of the Seized Vietnamese Rice of the BOC at NFA Region V
- Management Audit on Stock Accountability of Russel V. Marzan
- Special Audit on Rice Issuances on Credit to LGU's of NFA Romblon
- Management Audit on NFA-Aklan
- Special Audit of NFA-Mamburao
- Special Audit on Complaint of Anonymous Retailers in NFA CARAGA Reion
- Special Audit of NFA-Cebu
- Special Audit on Rice Importation Program for 2011 & 2012 (on-going)

Good Governance

For 2013, NFA has satisfactorily complied with the requirements on good governance conditions set by the government. Continuous efforts are being exerted by NFA to maintain/further improve its compliance rate to good governance.

The NFA Road Map, NFA Reform Agenda

Continuing efforts to reform, improve, and therefore, strengthen NFA have been a major item in President Aquino's administration agenda in attaining the Philippine Development goal of inclusive growth and poverty reduction. In the past year, the entire DA family has been very supportive of NFA's thrust towards sustained corporate relevance in the country's attainment of its developmental goals at the least economic cost of operations.

In the last six months, President Aquino has granted the Philippine Economic Managers audience for at least three occasions on the proposed NFA Road Map or Reform Agenda.

Procedural Reforms

Meanwhile, the current administration made reforms in the local rice procurement and importation systems that resulted in unprecedented high local procurement rates (i.e. in the first half of the year), and higher-integrity importation in the current year:

Local Procurement Reforms

- Relaxed procurement system
 - Free passbook
 - Farmer passbook requirements decreased, (i.e. one certificate would suffice)
 - Check payments not crossed anymore, full cash payments in less risky areas at the discretion of the Regional Managers
- Increased factor of the ENW table
- Combination of PG1/PG2, and creation of PG3

Reforms in Importation Procedures

- An NFA Government-to-Government Committee was constituted to handle negotiations.
- An Oversight Committee for the Country Specific Quota imports was also established to oversee/supervise the importation.
- A security feature in the permit was instituted.