



**NFA Annual
Accomplishment
Report
2014**

MFO 1: PRICE AND SUPPLY STABILIZATION OF RICE AND CORN

Procurement

For the 26,779 MT of palay NFA bought from farmers in 2014, NFA has infused ₱455.24 Million at the farmgate. Based on the annual target of 580,893 MT, 80% of Total Marketable Surplus is projected by the Bureau of Agricultural Statistics.

NFA Palay Procurement (In Metric Tons)

MONTH	ACTUAL	%
January	2,861	0.49%
February	1,416	0.24%
March	528	0.09%
April	1,538	0.26%
May	942	0.16%
June	182	0.03%
July	45	0.01%
August	66	0.01%
September	462	0.08%
October	3,846	0.66%
November	11,459	1.97%
December	3,435	0.59%
TOTAL	26,779	4.61%

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

Cooperative Development Incentive Fund (CDIF)

The grant of CDIF helps farmer organizations (FOs) fund their organizational needs. For every kilogram of palay a farmer sells to NFA, his cooperative gets a monetary incentive of ₱0.30/kg.

The CDIF 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 2014, the Agency has granted a total of ₱5.04 million CDIF to 668 FOs nationwide:

CDIF Granted to Palay Farmers' Organization
January – December 2014

Region	No. of FOs	Amount
I	43	86,556.76
II	17	19,747.86
III	41	90,962.12
IV	360	3,972,684.10
V	68	154,908.91
VI	85	321,913.73
VII	0	-
VIII	19	102,194.06
IX	7	41,375.79
X	4	5,784.42
XI	5	16,853.56
XII	19	227,249.30
XIII - NCR	0	-
XIV - ARMM	0	-
CARAGA	0	-
Total	668	5,040,230.61

During the year, about 337 FOs used some ₱23.91 million of their accumulated CDIF:

CDIF Utilization
January – December 2014

Type of Utilization	No. of FOs	Amount	Percentage Utilization
1. Purchase of NFA-Rice	272	19,080,609.92	79.82%
2. Payment of Loan Amortization Insurance, etc.	9	2,695,185.19	11.27%
3. Purchase of Farm Inputs/Fertilizer	36	1,590,979.34	6.66%
4. Construction/Repair of Warehouse, Coop. Office, MPDP, etc.	7	243,921.05	1.02%
5. Purchase/Repair of PHF and Production Facilities	6	233,458.71	0.98%
6. Payment of License	5	41,288.98	0.17%
7. Purchase of Empty Sacks	2	19,807.97	0.08%
Total	337	23,905,251.16	100%

Distribution

NFA distributed 1,298,528 MT of rice, attaining 129% accomplishment of the operational target of 1,003,120 MT. The high percentage in distribution was due to the absence of low-priced commercial rice in the market, and the rice releases in calamity-stricken areas, particularly in the typhoon "Ruby" stricken areas in Luzon, Visayas and Mindanao.

NFA Rice Distribution (In Metric Tons)

MONTH	TARGET	ACTUAL	%
January	45,683	45,705.45	100%
February	68,272	71,911.75	105%
March	75,461	75,975.25	101%
April	65,172	68,945.10	106%
May	85,603	84,002.25	98%
June	109,479	116,776.20	107%
July	128,699	163,399.30	127%
August	127,729	161,751.65	127%
September	101,456	171,643.65	169%
October	73,523	132,207.40	180%
November	61,458	94,476.95	154%
December	60,465	111,733.45	185%
TOTAL	1,003,000	1,298,528	129%

Source: NFA Grains Situationer Report as of December 31, 2014

NFA issuances of rice to relief agencies during calamities that occurred in 2014 were recorded at 159,951 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	
Agaton	Jan. 12, 2014	160	7,613	-	2,059	560	10,392
Glenda	Jul. 15, 2014	60	5,773	-	23,029	261	29,123
Luis	Sept 14, 2014	-	916	250	442	42	1,650
Mario	Sept. 19, 2014	25	1,668	195	3,021	716	5,625
Ruby	Dec. 3, 2014	99	44,823	4,100	53,196	5,955	108,173
Seniang	Dec. 29, 2014	4	600	1,000	3,318	66	4,988
TOTAL		348	61,393	5,545	85,065	7,600	159,951

Source: Rice Releases for Relief Operations (As of December 31, 2014)

Other relevant information/actions undertaken:

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. 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.

In 2014, the annual average ex-farm price of palay at ₱20.13/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 ₱14.69/kg was higher than NFA's buying price at ₱13.00/kg and an annual average ex-farm price of Yellow Corn at ₱12.68/kg was higher than NFA's buying price at ₱12.30/kg.

The presence of NFA significantly influenced traders to compete healthily and offer farmers with prices higher or closer to the government support price. However, even with the government/NFA buying price of ₱17.00/kg, the palay farmer would have a 42% Return of Investment (ROI), the cost of production (from PSA) at ₱11.97/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	20.13	3.13
YGN (Yellow Corn)	12.30	12.68	0.38
WGN (White Corn)	13.00	14.69	1.69

Source: PSA (2014 – Final)

The average prevailing wholesale and retail prices of Yellow and White Corn remained stable with very minimal price changes compared to 2013. Wholesale prices registered an annual average increase of ₱5.18/kg for Well-Milled Rice (WMR) and ₱5.24/kg for Regular-Milled Rice (RMR). Retail prices registered an annual average increase of ₱5.48/kg for WMR and ₱5.34/kg for RMR.

Consumers who bought NFA Regular-Milled Rice at ₱27.00/kg saved as much as ₱12.04 as against commercial rice retailed at the annual average price of ₱39.04/kg. Consumers who bought NFA Well-Milled Rice at ₱32.00/kg saved as much as ₱10.35/kg as against commercial rice retailed at the annual average of ₱42.35/kg.

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

Commodity	Average Prices		Price Diff. (In peso/kg)
	2013	2014	
Wholesale			
WMR	34.49	39.67	5.18
RMR	31.56	36.80	5.24
YGN (Yellow Corn)	15.93	17.06	1.13
WGN (White Corn)	15.43	15.86	0.43
Retail			
WMR	36.87	42.35	5.48
RMR	33.70	39.04	5.34
YGN (Yellow Corn)	22.04	22.25	0.21
WGN (White Corn)	18.97	21.08	2.11

Source: PSA (2014 – Final)

Importation

The Philippines' commitment to the World Trade Organization (WTO) is the Minimum Access Volume (MAV) totaling 350,000 MT. Of this MAV, NFA's allocation is 187,000 MT (with provision of 10% MOLSO), while the Country-Specific Quota (CSQ) – Private Sector Importation is 163,000 MT. As of December 31, 2014, the arrival of the CSQ – Private Sector imports totaled to 113,000 MT, or 69.3% of the total CSQ volume.

Due to the series of calamities that hit the country resulting to a shortfall in production and depleting commercial and household stocks, the NFA Council through Council Resolution No. 179-2014-B dated February 27, 2014, approved, upon the recommendation of the NFA Management and the Inter-Agency Committee (IAC) for Rice and Corn, the importation of 800,000 MT via Public Bidding in accordance with Republic Act No. 9184 otherwise known as the "Government Procurement Reform Act".

Further, NFA Council through Council Resolution No. 740-2014-H dated August 28, 2014, authorized the NFA to import an additional 500,000 MT, 25% Broken, Long Grain White Rice, Well-Milled on CIF, DDU Terms via a Government-to-Government Procurement to augment the NFA buffer stocks for distribution during calamities and the traditional lean months.

NFA Import Status As of December 2014

VARIETY	SOURCE	VOLUME CONTRACTED	ARRIVAL	%
Vietnam Well-Milled Long Grain White Rice 15% BKN	VINAFOOD 1	800,000 100,000 100,000	789,352.00	98.67%
Vietnam Well-Milled Long Grain White Rice 15% BKN	VINAFOOD 2	200,000 200,000 200,000		
Thai Well-Milled Long Grain WR 25% Broken	Thailand	500,000 300,000	435,097.60	87.02%
Vietnam Well-Milled Long Grain WR 25% Broken	Vietnam	200,000		
		1,300,000	1,224,449.60	94.19%

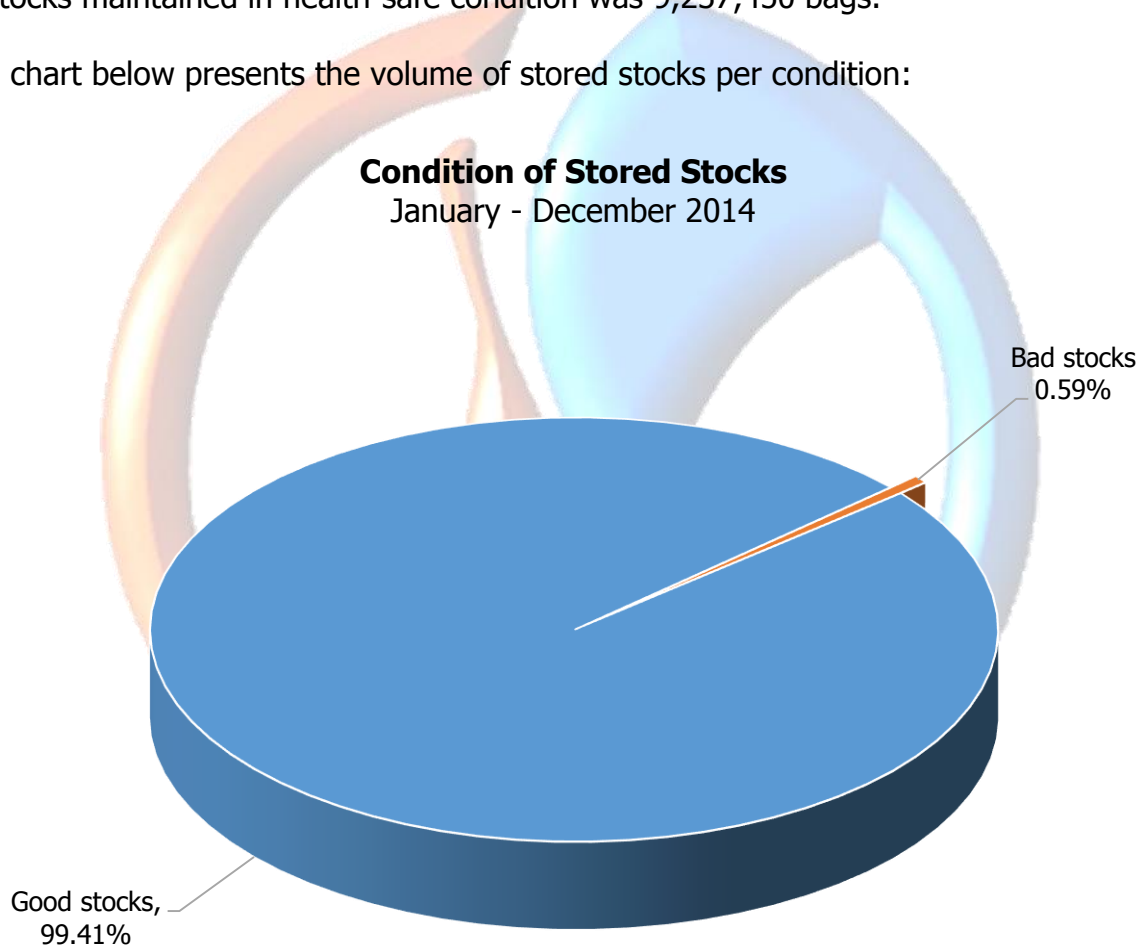
As of December 31, 2014, 94.19% or 1,224,449.60 MT arrived out of the 1,300,000 MT total contracted rice imports.

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 2014, the NFA's annual average rice inventory was good for 15 days of the Country's rice consumption requirement of 31,064 Metric Tons.

NFA was able to attain its commitment to maintain at least 98% of its stocks in good quality condition. Good, treated, and for treatment stocks totaled 99.41%, which means they are fit for human consumption. Stocks assessed as 'treated and for treatment during inspection are safe for distribution after treatment. As of December 31, 2014, the volume of stocks maintained in health-safe condition was 9,237,450 bags.

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



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:

Price Reversion within 15 Days from the Start of Calamities/Emergencies (Php/kg)

Region/Province	No. of Occurrence	No. of Reversions	Date of Occurrence	Prices (P/Kg)		
				Two Weeks Before	Calamity Date	Two Weeks After
Region I- Ilocos Region	9	5				
Abra	1		19-Sep-14	44.00	44.00	45.00
Benguet	2	1	20-Sep-14	42.00	42.00	42.00
Ilocos Norte	2	1	21-Sep-14	39.50	39.50	39.50
Ilocos Sur	2	1	22-Sep-14	40.00	40.00	40.00
La Union	1	1	23-Sep-14	39.50	39.50	39.50
Western Pangasinan	1	1	25-Sep-14	39.00	39.00	39.00
Region II- Cagayan Valley	7	6				
Cagayan	1	1	-	-	-	-
Allacapan	1	1	-	-	-	-
Tabuk, Kalinga	1	1	-	-	-	-
Isabela	2	1	-	-	-	-
Nueva Viscaya	1	1	-	-	-	-
Quirino	1	1	-	-	-	-
Region III- Central Luzon	10	6				
Bataan	1	1	19-Sep-14	40.00	40.00	40.00
Bulacan	2	1	19-Sep-14	39.00	39.00	39.00
Nueva Ecija	1	1	19-Sep-14	41.00	41.00	41.00
Pampanga	2	1	19-Sep-14	39.00	39.00	39.00
Tarlac	2	1	19-Sep-14	38.00	38.00	38.00
Zambales	2	1	19-Sep-14	41.00	41.00	41.00
Region IV- Southern Tagalog	4	3				
Batangas	1	1	08-Dec-14	40.00	40.00	40.00
Laguna	1		16-Jul-14	37.00	37.00	39.00
	1	1	08-Dec-14	39.00	39.00	39.00
Quezon	1	1	16-Jul-14	40.00	40.00	40.00
Region V- Bicol Region	11	9				
Albay	1	1	16-Jul-14	40.00	40.00	40.00
	1	1	08-Dec-14	40.00	40.00	40.00
Camarines Norte	1		16-Jul-14	39.00	39.00	40.00
	1	1	08-Dec-14	39.00	39.00	39.00
Camarines Sur	1		16-Jul-14	38.00	38.00	39.00
	1	1	08-Dec-14	41.00	41.00	41.00
Catanduanes	1	1	08-Dec-14	41.00	41.00	40.00
Masbate	1	1	16-Jul-14	40.00	40.00	40.00
	1	1	08-Dec-14	39.00	39.00	39.00
Sorsogon	1	1	16-Jul-14	39.00	38.00	38.00
	1	1	08-Dec-14	41.00	41.00	40.00

Region/Province	No. of Occurrence	No. of Reversions	Date of Occurrence	Prices (P/Kg)		
				Two Weeks Before	Calamity Date	Two Weeks After
Region VI- Western Visayas	2	2				
Aklan	1	1	08-Dec-14	35.00	35.00	35.00
Capiz	1	1	08-Dec-14	40.00	40.00	40.00
Region VII- Central Visayas	2	2				
Bohol	1	1	08-Dec-14	42.00	38.00	38.00
Cebu	1	1	08-Dec-14	38.00	38.00	38.00
Region VIII- Eastern Visayas	2	1				
Northern Samar	1	1	08-Dec-14	36.00	36.00	36.00
Eastern Samar	1		08-Dec-14	42.00	42.00	43.00
Region X- Northern Mindanao	1	1				
Misamis Oriental	1	1	08-Dec-14	40.00	40.00	40.00
Region XIII- NCR	1	1				
Cavite	1	1	16-Jul-14	41.00	41.00	41.00
NCR	0	0	-	-	-	-
Region XIV- ARMM	1	1				
Maguindanao	1	1	19-Jun-14	38.50	38.50	38.50
Region XV- CARAGA Region	5	4				
Agusan Del Norte	1	1	12-Jan-14	38.00	38.00	38.00
	1		12-Jan-14	38.00	38.00	39.00
Agusan Del Sur	1	1	08-Dec-14	41.00	41.00	41.00
Surigao Del Norte	1	1	12-Jan-14	40.00	39.00	39.00
Surigao Del Sur	1	1	12-Jan-14	38.00	38.00	38.00
PHILIPPINES	55	41				

Source: Price Reversion within 15 Days from the Start of a Calamity/Emergency (As Dec. 31, 2014)

NFA's response time to request for rice during calamities is even faster than the targeted standard 48-hour response time, with a national average response time of 23 hours.

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

As of December 31, 2014

Region	No. of Occurrence	Target No. of Hours	Actual Response Time (Hrs.)
I	9	48	24
II	7	48	24
III	10	48	24
IV	4	48	24
V	11	48	24
VI	2	48	24
VII	2	48	24
VIII	2	48	24
IX	-	-	-
X	1	48	24
XI	-	-	-
XII	-	-	-
XIII - NCR	1	48	24
XIV - ARMM	1	48	17
XV - CARAGA	5	48	24
AVERAGE	55	48	23

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 in the grains industry. This involves the monitoring and enforcement of rules and regulations governing grains business, licensing and registration of all rice and corn businesses for the 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 2014, 76,604 applicants were registered/licensed in the different lines of activity which represents an outstanding accomplishment of 102% based on the 75,000 target for the year.

Registered/Licensed Grains Businessmen (No. of Applicants for 2014)

REGION	TARGET	ACTUAL	% ACCOMP
I	6,051	6,254	103%
II	5,015	5,151	103%
III	5,664	6,212	110%
IV	8,965	8,826	98%
V	6,540	6,754	103%
VI	6,412	6,295	98%
VII	5,924	6,122	103%
VIII	4,710	4,671	99%
IX	2,209	2,549	115%
X	4,014	4,027	100%
XI	3,525	3,535	100%
XII	2,328	1,698	73%
XIII - NCR	7,858	7,233	92%
XIV - ARMM	1201	2,096	175%
CARAGA	4,584	5,181	113%
TOTAL	75,000	76,604	102%

For the year, total collections generated from registration and licensing activities nationwide amounted to ₱153,735,114.43, or a 109.81% accomplishment of the target of ₱140,000,000.00 for 2014.

Total Amount of Collection
Registered/Licensed

Region	Target	Actual	% Accompl.
I	11,886,133.00	12,880,872.70	108.37%
II	22,469,431.00	23,048,554.40	102.58%
III	17,949,083.00	23,034,086.69	128.33%
IV	14,787,538.00	16,615,424.85	112.36%
V	6,607,517.00	7,466,756.75	113.00%
VI	8,899,593.00	9,193,107.90	103.30%
VII	9,359,891.00	9,846,420.12	105.20%
VIII	6,044,397.00	6,085,788.61	100.68%
IX	4,159,502.00	4,426,261.25	106.41%
X	7,413,595.00	9,045,253.73	122.01%
XI	8,180,498.00	8,156,318.52	99.70%
XII	4,705,020.00	4,884,366.23	103.81%
XIII - NCR	10,944,868.00	11,067,146.91	101.12%
XIV - ARMM	1,247,248.00	2,023,663.52	162.25%
XV - CARAGA	5,345,686.00	5,961,092.25	111.51%
TOTAL	140,000,000.00	153,735,114.43	109.81%

Advance RL collections under the 2-year advance payment scheme totaled to ₱1,921,196.20 from 1,953 applicants.

Metal plates paid/issued to licensed/registered grains businessmen totaled to ₱2,236,400.00. Metal plates are issued in lieu of NFA registration/licensed certificates, except for import license. These are issued only once, unless lost or destroyed, a replacement is made upon payment of reasonable amount.

Ugnayan with Stakeholders

During the year, 1,570 Ugnayan were conducted to a combined group of 49,937 rice farmers and grains businessmen-participants to update them on NFA rules and regulations, policies, programs, and projects presented through advocacies, while issues and concerns were discussed thru assemblies/dialogues.

Ugnayan Accomplishment Report (Per Region)

Region	FARMERS		GRAINS BUSINESSMEN		TOTAL NO. OF UGNAYAN CONDUCTED	TOTAL NO. OF PARTICIPANTS
	NO. OF UGNAYAN CONDUCTED	NO. OF PARTICIPANTS	NO. OF UGNAYAN CONDUCTED	NO. OF PARTICIPANTS		
I	134	4,007	70	1,800	204	5,807
II	130	8,858	59	1,875	189	10,733
III	185	4,627	83	921	268	5,548
IV	39	2,237	87	3,622	126	5,859
V	26	1,094	10	450	36	1,544
VI	62	2,498	83	1,737	145	4,235
VII	32	2,233	59	2,654	91	4,887
VIII	20	589	79	1,768	99	2,357
IX	6	265	10	286	16	551
X	25	825	34	1,004	59	1,829
XI	36	1,093	106	1,477	142	2,570
XII	17	656	26	470	43	1,126
XIII - NCR	-	-	7	526	7	526
XIV - ARMM	8	544	19	476	27	1,020
CARAGA	15	358	103	987	118	1,345
Total	735	29,884	835	20,053	1,570	49,937

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 addressed and/or referred stakeholder's issues to concerned Regional Office/Department for their appropriate action in an average 3 hours and 21 minutes, 68 hours and 39 minutes earlier or faster than targeted Turn-Around Time (TAT) of 72 hours.

Region	TEXT-NFA		CAU		GMOD		PAD		TOTAL		Turn Around Time (TAT)
	CUST.	HOURS	CUST.	HOURS	CUST.	HOURS	CUST.	HOURS	CUST.	HOURS	
I	35	93.68	12	44.30	1	4.00			48	141.98	2.96
II	19	71.01	11	116.72	1	10.00			31	197.73	6.38
III	132	398.41	27	216.00	1	7.00			160	621.41	3.88
IV	68	54.15	18	36.18	1	3.00			87	93.33	1.07
V	10	8.88	2	0.60	1	4.00			13	13.48	1.04
VI	18	25.98	6	87.80					24	113.78	4.74
VII	18	133.98	1	32.00	1	2.00			20	167.98	8.40
VIII	10	28.72	8	36.70	2	5.00			20	70.42	3.52
IX	3	0.66							3	0.66	0.22
X	5	1.45	20	15.45					25	16.90	0.68
XI	11	1.17	11	98.18					22	99.35	4.52
XII	4	70.35	0	25.20	1	6.00			5	101.55	20.31
XIII - NCR	222	710.59	33	130.59	4	14.00	17	3.10	276	858.28	3.11
XIV - ARMM	1	0.19	43	13.10	1	6.00			45	19.29	0.43
CARAGA	2	0.25	3	2.00					5	2.25	0.45
TOTAL	558	1,599.47	195	854.82	14	61.00	17	3.10	784	2,518.39	3.21

GENERAL ADMINISTRATIVE SERVICES

Remittance of Funds to Provinces from Written Request

In 2014, NFA was able to remit in 1.44 days from request of its field offices, the funds needed for procurement.

Average No. of Days to Remit Funds to Provinces January – December 2014

Region	No. of Days		% Accomp.
	Target	Actual	
I	6	2.33	100%
II	6	1.33	100%
III	6	1.73	100%
IV	6	1.81	100%
V	6	1.48	100%
VI	6	1.42	100%
VII	6	1.00	100%
VIII	6	1.25	100%
IX	6	1.50	100%
X	6	1.00	100%
XI	6	-	-
XII	6	1.00	100%
XIII - NCR	6	-	-
XIV - ARMM	6	-	-
CARAGA	6	-	-
Total	6	1.44	100%

OTHER MAJOR ACCOMPLISHMENTS

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 takes pride in generating income across the economy: 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 ₱1.413 B. NFA remitted to the Bureau of Internal Revenue (BIR) taxes amounting to ₱156.180 M from employees' compensation and Value Added Taxes (VAT) Withheld from suppliers of goods and services amounting to ₱214.875 M. *(October 31, 2014 Financial Report)*

Contribution to the Economy As of October 2014 per Trial Balance

Particulars	Amount (Php)
Palay Procurement	141,311,842.46
Corn Procurement	72,712,484.30
Rent Expenses	30,789,965.51
Transportation and Delivery Expenses	469,119,037.48
Storage	71,932,429.53
General Services	93,056,724.19
Janitorial Services	6,584,334.50
Security Services	228,151,657.85
Drying	193,291.52
Milling	19,213,611.50
Handling	279,850,747.07
Tax Withheld from Employees' Compensation	156,179,685.26
Tax Withheld from Suppliers of Goods and Services	214,874,820.54
Total	1,783,970,631.71

Personnel Complement

In 2014, NFA has had an authorized Plantilla of 4,436 positions, but with 4,345 filled-up positions, throughout the different NFA offices from Regions I to XV.

Personnel Complement

As of December 2014

	Authorized Plantilla Positions	Filled-Up Plantilla Positions
<i>Regular</i>		
Central Office	615	525
Field Office	3,821	3,399
Sub-Total	4,436	3,924
<i>CTI</i>		421
Sub-Total	0	421
Total Authorized Positions	<u>4,436</u>	<u>4,345</u>

Training and Development

During the year, a total of 202 Trainings/Seminar were conducted/facilitated for 1,267 employees from the Central Office and Regional/Provincial Offices for a total cost of ₱3,035,476.30.

Training and Development	No. of Training Conducted	No. of Participants	Training Cost (MDF)
<i>Internal (HRMD)</i>			
Team Building Facilitators Training	4	126	291,900.00
Orientation Course for New Employees	1	29	23,623.50
Briefing on NFA-SPMS	7	275	411,568.80
<i>Internal (Other Department/Offices)</i>			
Awareness Training on Food Safety (GMP /SSOP / HACCP Plan in Handling of Grains and their By-Products	1		
Training of Agricultural Extension Workers	3	83	24,750.00
Basic Sensory Evaluation for Food Testing and Product Development	1	3	
ISO 900:2008 Training Courses	3	36	43,000.00

Training and Development	No. of Training Conducted	No. of Participants	Training Cost (MDF)
Certification: Retraining of Security Guards	1	13	52,000.00
Seminar Workshop on the Conduct of Stocks / MTS Examinations and TOLA Computation	1	28	92,500.00
GAD Awareness Briefing	2		CHARGED TO GAD
External	178	674	2,096,134.00
TOTAL	202	1,267	3,035,476.30

Food Development Center

The total service income of FDC amounted to ₱8,445,118.70.

Income-Generating Services	Total (in Php)
1. QUALITY EVALUATION DIVISION	
Physical & Sensory	218,860.00
Chemical Anaysis	2,305,678.00
Contaminant Laboratory	770,300.00
Microbiological	769,232.00
Microanalytical	93,413.00
Package Testing	4,830.00
Sub-total	4,162,313.00
2. INDUSTRY SERVICES DIVISION	
Seminar/Training	2,379,760.00
Information Dissem.	604.00
Facilities Usage	144,680.00
Quality Assurance	411,774.00
Sub-total	2,936,818.00
3. PILOT PLANT	172,303.25
4. TECHNOLOGY DEVELOPMENT DIVISION/ SPECIAL PROJECTS	
Shelf-Life	501,840.00
Process Estab. & Evaluation	505,035.00
Product Development	166,809.45
Sub-total	1,173,684.45
TOTAL COLLECTION INCOME	8,445,118.70

Security Services and Investigation

In 2014, NFA's Security Services and Investigation activities resulted to the following:

No. of grains business establishments inspected	-	52,737
No. of apprehensions made	-	4,143
No. of violations noted	-	6,729
No. of grains businessmen apprehended	-	4,256
Administrative fines/fees collected	-	₱ 6,543,400.00
Fees collected through enforcement	-	₱21,246,551.00

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

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 adhoc 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/classifications and presentations of report requirements of the different modules. As of December 2014, the over-all account of the project is 89.08%.

NFA Performance Evaluation System

Strategic Performance Management System (NFA-SPMS)

The NFA-SPMS Guidelines have been approved by the Civil Service Commission (CSC) in 2014. Briefing Workshops for the implementation of the SPMS were conducted for all Central Office Departments and nine Regional Offices (Regions I, II, III, VI, VIII, X, XI, XII, NCR and CARAGA). Scheduled for 2015 Briefings are seven Regional Offices (Regions IV, V, VIII, IX and ARMM).

Governance Commission for GOCCs (GCG) Scorecard

Based on preliminary reports, the NFA weighted average is at 86.45%.

Performance Measures				Baseline Data		CY 2014		
Description	Formula	Weight	Data Provider	2012	2013	Targets	Accomplishments	Rating
		2014						
MFO 1: Price and Supply Stabilization of Rice and Corn		70.00%						
Quantity 1: Domestic palay procurement target attained (MT)	accomplishment/target x % weight	10.00%	BAS	381,229	363,029.00	1,000,000 MT OR 8% of Total Marketable surplus as projected by the Bureau of Agricultural Statistics	26,779	0.27%
Quantity 2: Rate of compliance to the Strategic Rice Reserve (SRR: can last 15 days), at the national level.	Average SRR for the Year	10.00%	NFA	36	16	average of 15 days	15	10.00%
Quality 1: Percent of total stored stocks maintained in good and consumable condition.	total stocks in good condition / total stocks stored	10.00%	NFA	99.68	99.69	98% of total stocks inventory	99.40%	10.00%
Quality 2: Price reversion within 15 days from the start of a calamity/emergency	no. of reversion/total occurrences. Price reversion = return to prices 2 weeks before the calamity/emergency.	15.00%	BAS		30/50	100% = price reversion to 2 weeks level prior calamity	41 / 55	11.18%
Quality 3: Farm gate price as a percentage of the Government support price	average farm gate price/target	15.00%	BAS	16.22	17.08	90% = 15.30	20.13	15.00%

Performance Measures			Baseline Data		CY 2014			
Description	Formula	Weight	Data Provider	2012	2013	targets	Accomplishments	Rating
		2014						
Timeliness 1: Compliance rate with target response time of 48 hours from request (for release of stocks) during calamities and/or emergencies	compliance/total occurrences	10.00%	NFA	100%	25	100% = 48 hours	23.00	10.00%
Sub-total of weights:		70.00%						56.45%
MFO 2 - Regulation and Development of the Rice and Corn Industry		20.00%						
Quantity 1: No. of licensed and registered grains businessmen	Absolute Number	5.00%	NFA	69,140	69,513	75,000	76,604	5.00%
Quantity 2: No. of Ugnayans with major stakeholders	Absolute Number	10.00%	NFA	average of 8 per province	more than 1 (21 on the average)	At least 1 Ugnayan per province (86 provinces)	1,570	10.00%
Timeliness 1: Percentage of complaints acted upon within the given turn-around-time (72 hours)	Complaints acted upon within TAT / Total Complaints	5.00%	NFA	100%	3.46	100% = 72 hr	3.21	5.00%
Sub-total of weights:		20.00%						20.00%
GAS - General Administrative Services		10.00%						
Average no. of days to remit funds to provinces from written request	Average no. of days	10.00%	NFA	5 working days (average)	3.16	6 working days	1.58	10.00%
Sub-total of weights:		10.00%						10.00%
Total weights:		100.00%						86.45%

Compliance to Good Governance Conditions

A.	CONDITIONS COMMON TO NATIONAL GOVERNMENT AGENCIES & GOCC'S	STATUS/GCG Requirement
1	Posting of Agency Transparency Seal	No need to issue Certificate of Compliance (GCG to verify).
2	PhilGEPS Posting	Regional Offices to issue their respective COCs. (GSD to consolidate and issue the Agency COC)
3	Citizens Charter or Its Equivalent (Sec. 6 of RA 9485, Anti-Red Tape Act)	No need to issue Certificate of Compliance (GCG to verify).
4	Compliance to Government Quality Management System Standards (GQMSS)	GQMSS-TWG to issue time bound action plan or Statement of compliance
5	Filing of Statements of Assets and Liabilities (SALN)	HRMD to issue Certificate of Compliance together with list of personnel who submitted.
B.	CONDITIONS TO GOCCs COVERED BY R.A. NO. 10149	NFA to issue Omnibus Certification signed by the Chairperson and Chief Executive Officer/Head of the GOCC.
1	Report on Aging of Cash Advance Liquidation	Latest report as of Oct. 31, 2014, with amount due/unliquidated beyond the 30-day period for local travel at P 138,618.42 and P15,511.11 for over 1 year.
2	Paid in full all Statutory Liabilities (all taxes due, dividends, etc.)	ASD to secure certifications from concerned agencies for payment of mandatory of premiums (GSIS, Philhealth, Pag-Ibig, ECC)
3	Submission and execution of concrete & time bound action/plans for notice of Disallowances and Audit Observation Memoranda from COA; if any.	c/o Accounting Services Dept.
4	Adoption of Manual of Corporate Governance (maintained/ updated/implemented & posted on the GOCC website)	Not fully compliant. Posted with note "for approval of Council Members" (c/o Council Secretary).
5	Adoption of "No GIFT POLICY" (maintained/updated/ implemented & posted on the GOCC website)	Compliant
6	Disclosure Requirements (Posting on the GOCCs website the information enumerated under GCG MC 2012-07 on Institutional, Financial & Operational and Governance Matters and Board and Officers.	Compliant

Financials

Per interim Financial Statements (As of October 31, 2014), net loss decreased by ₱2.7 Billion (now ₱0.472 Million only after Subsidy). Borrowings decreased from ₱107.61 Billion to ₱105.89 Billion. Collections increased by 96% i.e. from ₱17.9 Billion in 2013 to ₱35 Billion in 2014.

Corn Development Fund

The Corn Development Fund (CDF) was created on March 17, 1998, with an initial fund of ₱124.4 Million for use in the development of the corn industry. It was later augmented by ₱65.9 Million Service Fees from the 2007 Corn Imports, 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 2014, the CDF Committee recommended the approval of 2 projects, namely:

1. Mobile Soil Test Clinic to Enhance Farm Productivity

The objective of the project is to provide soil testing services to marginal corn farmers especially in far-flung areas to help them increase production through precise fertilization and make corn farming profitable thru enhanced productivity of the corn farming activities. A budget of ₱3,545,960.00 from CDF shall be given in the form of grant to 10 corn farmers cooperatives. The project aims to increase corn production through sufficient and balanced fertilization as a result of the soil test services to farmers using the mobile soil test clinic.

2. Modernization of Grains Moisture Content Determination at the Farm Level

The objective of the project is to modernize and improve the farmers' system of grains moisture content determination for more efficient marketing and storage of their produce. A budget of ₱4,350,000.00 from CDF shall be given in the form of grant which involves the procurement of 50 units digital moisture meters to 50 qualified farmers; cooperatives; including training of the operation and maintenance of the equipment.

As part of its advocacy project, the CDF co-sponsored the conduct of the 10th Philippine National Corn Congress on November 19-22, 2014 in Cagayan de Oro City, in terms of a financial assistance of Three Hundred Thousand Pesos (₱300,000.00) to the Philippine Maize Federation.

Now on its 16th year, the CDF has approved loans/grants projects amounting to ₱147.8 M. As of July 31, 2014, the CDF has a balance of ₱149.9 M due to prudent management.

Post-Harvest Facilities (PHFs)

In 2014, NFA completed the construction of a 40,000 TCC warehouse with office and shed, including site development at the NFA Compound in Dipolog City. The construction of the additional storage facility resulted to a reduction in warehousing deficient and cost of warehouse rental in the said provincial office.

There were 30 other projects completed during the year:

- | | | |
|----|--|------------------------------------|
| 1. | Perimeter Fence | 4 sites |
| 2. | Multi-Purpose Pavement/Roadway Concreting | 3 sites |
| 3. | Repair/Extension of warehouse | 8 warehouses |
| 4. | Construction/Repair of Administrative Facilities | 2 regional offices
1 staffhouse |
| 5. | Purchase/Replacement of Parts of PHF/Ricemill | 3 sites |
| 6. | Purchase/Repair of Gensets | 3 sites |
| 7. | Upgrading of Electrical Systems | 6 sites |

Total

30 projects

₱121 M DA Supplemental Subsidy for NFA Mechanical Grain Dryers

In March 2012, the Department of Agriculture realigned ₱121 M from its rice program to the NFA as a supplemental subsidy, for the agency to acquire additional mechanical drying capacity per MOA entered into by both parties. The said amount was intended to fund the rehabilitation of existing mechanical dryers, acquisition of additional mechanical dryers, with accompanying dryer sheds, anti-pollution devices, and power supply, as well as costs of advocacy, training and salaries/wages of contractual employees hired to operate the dryers.

The implementation of the above is still on-going nationwide, where most of the projects were already completed. As of December 31, 2014, a total amount of ₱90,508,322.55 has already been obligated and a total amount of ₱60,347,770.75 has been remitted to field office/s. However, only ₱33.395 M has been released by DBM for this program. We have a pending request of release of funds from DBM in the amount of ₱57,597,430.27 which up to this date has not been acted upon. As a gap measure, especially for those already obligated/awarded projects, a total of ₱56,563,322.55 has been approved for realignment to cover the variance of the total fund obligated and total funds released by DBM.

Repair Rehabilitation of NFA Infrastructures/PHF damaged by Typhoon Yolanda

When typhoon Yolanda struck the country on October 8, 2013, various NFA infrastructure facilities in three (3) Regions were greatly affected:

1. Region VIII – Six warehouses including ricemill house, regional office, staff house and post-harvest facilities (ricemill/dryers)

Port Area, Tacloban City	-	30 TCCW
Alang Alang, Leyte	-	260 TCCW 100 TCCW
		Ricemill house
Ormoc City	-	30 TCCW
Guiuan, Eastern Samar	-	20 TCCW

A total of ₱9.734 M was appropriated for the repair/rehabilitation of the damaged facilities. Out of the six warehouses, four were repaired already. The two warehouses at the Alang-Alang Grains Center for reconstruction were re-evaluated and the 100 TCC warehouse will be reconstructed at Ormoc City. The two warehouses are still for bidding. The ricemill is still for rehabilitation.

2. Region VII – Two warehouses, unit offices and various administrative facilities

Bogo, Cebu	-	20 TCCW
Sta. Fe, Bantayan Is., Cebu	-	20 TCCW

A total amount of ₱3.765 M was appropriated for warehouse repairs/rehabilitation. The two affected warehouses were already repaired. Only minor repair for various structures amounting to ₱1.17 M were left for completion.

3. Region VI – Seven warehouses, regional offices/administrative and other post-harvest facilities

Banga, Aklan	-	50 TCCW
Culasi, Antique	-	50 TCCW
Bolo B, Roxas City	-	100 TCCW
Bolo A & C, Roxas City	-	(2) 100 TCCW
Dueñas Jica, Iloilo	-	10 TCCW
San Dionisio	-	20 TCCW

A total amount of ₱1.705 M was appropriated for warehouse repairs/rehabilitation. Out of the eight warehouses, five were already repaired. The remaining San Dionisio warehouse is still on-going repair, and the Bolo B warehouse is scheduled for bidding in January 2015. Other various facilities were already repaired and some are still on-going.

The total cost of repair/rehabilitation of the affected structures in three regions amounted to ₱111.205 M.

Metrology Services

During the year, the NFA directly undertook various calibration services upon request of NFA field offices. These calibration services were done on 89 truckscales; 98 platform scales (electronic and mechanical type); 128 moisture meters, 137 test weights; and, 24 top loading/analytical balance.

Technical Research and Laboratory Services

The following are the significant projects of the Agency, which could be used as basis for the improvement of NFA's operations:

Completed Projects (5)

1. Milling Degree Determination for Private Millers
2. Evaluation of the Reliability and Pilot Testing of Digital Processing System (DIPS) for Corngrains.
3. Standard for Whiteness Using Kett Meter
4. Drying Loss Assessment for Paddy Dried in Flatbed Mechanical Dryer
5. Validation of Unaccounted Weight Loss of Paddy due to Sun Drying

On-going Projects (2)

1. Shelf Life of White Corn Grits Using Various Packaging Materials
2. Rationalizing the Utilization of Seed Input for Improved Production, Processing and Marketing of Rice in the Philippines (Rice Seed Utilization Project)

Newly Implemented Projects (3)

1. Shrinkage Characteristics of Imported Rice Unloaded at Subic Bay Freeport
2. Evaluation of Computer Vision System (CVS) for Headrice and Broken of Milled Rice
3. Assessment of Compliance to Laboratory Analysis Procedures (Phase I: Regions VII and X)

Grains Quality Tests and Analysis

In 2014, a total of 1,679 samples were prepared. Analyses done for in-house samples totaled to 10,209. A total of 434 for third-party analyses were done, generating an income of ₱24,427.00. Sensory evaluation conducted totaled to 4,566.

Audit Report

In 2014, 72 special, management and fraud audits 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. Likewise, the audit engagements resulted to the investigation of five provincial offices with the following concerns:

1. NFA – Ilocos Sur	Special Audit on Stocks Accountabilities
2. NFA - Abra	Management Audit on Cash Accountabilities
3. NFA – Misamis Oriental	Management Audit on Distribution and Cash Management
4. NFA – Kalinga Apayao	Special Audit on Stocks Accountabilities
5. NFA - Mamburao	Management Audit on Stocks Accountabilities, Milling and Dispersal

INDIRECT MARKET INTERVENTION PROGRAMS

Farmers Option to Buy-Back (FOBB)

This program allows farmers to buy-back the same volume of stocks they sold to NFA within six months or one cropping season for resale to traders when palay prices in the market are higher than NFA's support price.

FOBB addresses farmers' immediate need for cash and at the same time provide them with the opportunity to maximize their earnings through proper timing of the sale of said stocks.

PARTICULARS	ACCOMPLISHMENT (Jan. – Dec. 2014)
Total palay deliveries (bags)	354,372
Stocks Withdrawals (bags)	196,763
Palay Balance (bags)	157,609
No. of FOs	99

Under the FOBB Program of NFA, 196,763 bags of palay were withdrawn by 99 farmer organizations, out of the 354,372 bags delivered to NFA, to avail of higher prices for their palay produce.

Farmers' Incentive Rice (FAIR) Purchase Program

Under this program, farmers are encouraged to sell their palay harvest to NFA, and be entitled to buy-back in the succeeding year up to 25% of rice equivalent of palay stocks sold to the Agency.

PARTICULARS	ACCOMPLISHMENT (Jan. – Dec. 2014)
Total palay deliveries (bags)	4,231,344
FAIR allocation 65% (bags)	96,657
63% (bags)	610,811
Total rice withdrawn 65% (bags)	42,244
63% (bags)	546,003
Rice balance todate 65% (bags)	54,413
63% (bags)	64,808
No. of Coops./FO Beneficiaries	1,095

Farm Level Grains Center (FLGC)

FLGCs are 10,000-bag capacity warehouses with dryers to serve as collection centers in production areas sold to eligible farmer cooperatives on installment.

FLGC Loan Amortization

As of December 31, 2014

PROGRAMS/ACTIVITIES	NO. OF FOs	TOTAL LOAN AMOUNT	TOTAL PAYMENTS
		(In Pesos)	
With Complete Amortization	2	6,176,145.17	6,176,145.17
Updated w/ Satisfactory Repayment Record	10	20,482,368.05	13,032,000.41
Defaulting FOs	11	37,323,031.82	11,057,647.61
Scheduled for Repossession	3	9,669,429.72	1,077,816.71
Repossessed/Voluntary Turned-over to NFA	11	40,137,293.07	892,702.28
Not yet Awarded to Fos	2	3,417,217.86	
<i>Amount of Amortization Payment Collected (Jan. - Dece. 2014)</i>	<i>10</i>	<i>20,482,368.05</i>	<i>2,581,657.42</i>
		TOTAL	34,817,969.60
TOTAL LOAN EXPOSURE P125.80 M		% ACCOMPLISHMENT	26%

Out of the P125.80 Million FLGC loan exposure, total payments collected as of December 2014 amounted to P34,817,969.60 equivalent to 26% collection rate.

Corn Marketing Assistance Program for Industry Producers/ Users and Local Government Units (CMAPIPULGUS)

This program aims to help corn farmers increase their income and at the same time assist corn users in sourcing their corn requirements

Corn buyers (commercial/industrial/LGUs) enter into a marketing agreement with NFA where the former provide a premium amount in addition to the existing NFA Support Price for the purchase of corn from NFA accredited individual farmers and/or farmers' organizations.

Such premium helps the corn user/LGU to buy the subject stocks from NFA within four months.

PARTICULARS	ACCOMPLISHMENT Jan. – Dec. 2014
No. of bags procured (net kgs)	2,191,358
Amount of Premium Paid	₱5,980,077.58
No. of farmers	912
No. of FOs	3