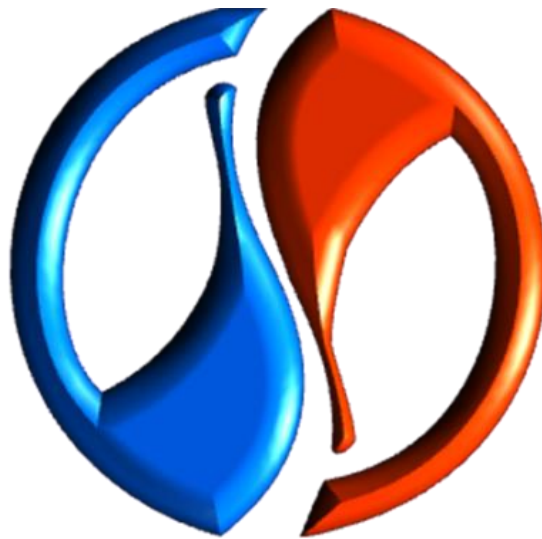


National Food Authority

2nd Quarter Accomplishment Report

(April - June 2019)



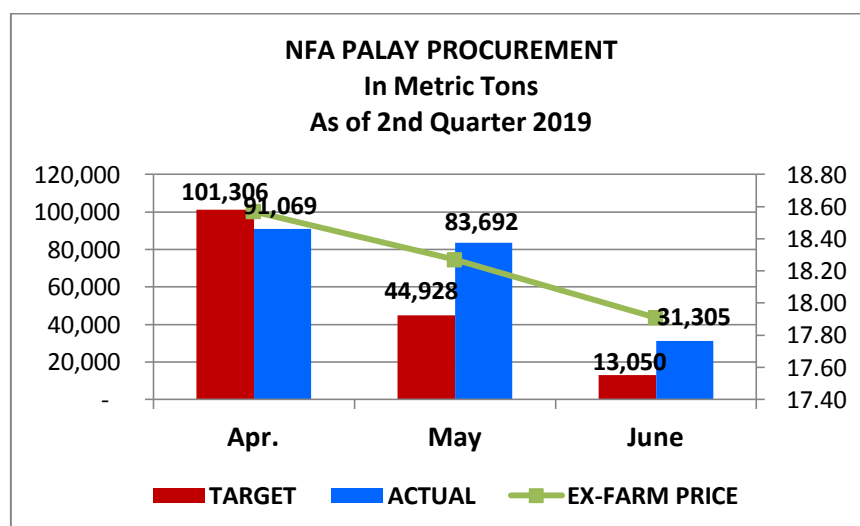
I. SUPPLY AND PRICE OF STAPLE CEREALS

PROCUREMENT

Palay

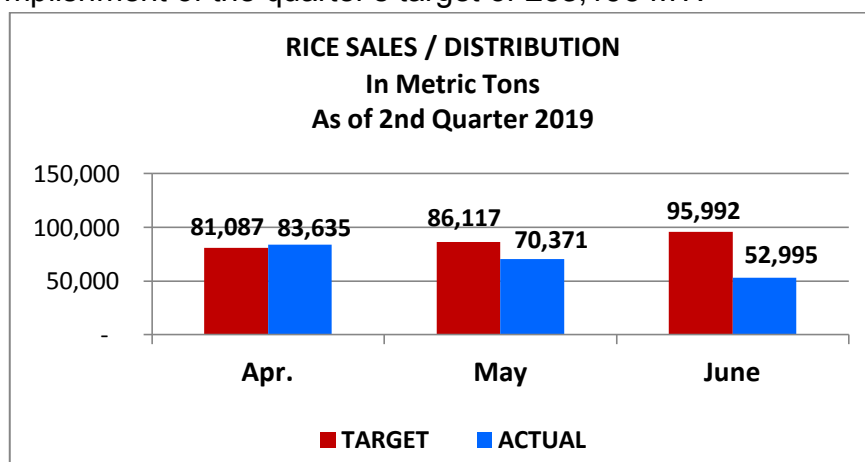
The approval of RA 11203 “An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and For Other Purposes” on February 14, 2019, changed the mandate of NFA from a Trading and Regulatory Agency to a Buffer Stocking Agency. The said act mandated the NFA to maintain sufficient rice buffer stocks to be sourced solely from local farmers.

For the 2nd quarter of 2019, NFA procured 206,066.00 MT of palay, which is 129.37% accomplishment of the quarter’s target of 159,284.00 MT. This is 116.06% higher than the 13.31% accomplishment for same quarter last year. The increase in procurement for this quarter is due to the additional ₱3.00 incentive given by NFA as Buffer Stocking Incentive (BSI).



DISTRIBUTION

For the 2nd quarter of 2019, NFA distributed 207,001.00 MT of rice, equivalent to 78.65% accomplishment of the quarter’s target of 263,196 MT.



PRICES

Average Ex-Farm Prices vs NFA Buying Price

(Price per kg)
2nd Quarter 2019

Commodity	NFA Buying Price	Ex-Farm Price	Price Diff. (In peso/kg)
Palay	17.00	18.25	(1.25)
YGN	12.30	14.05	(1.75)
WGN	13.00	16.12	(3.12)

The average ex-farm prices of palay for the quarter at ₱18.25/kg posted a ₱1.25/kg difference from the NFA's buying price of ₱17.00/kg. Likewise, ex-farm prices for yellow corn at ₱14.05/kg and white corn at ₱16.12/kg were higher by ₱1.75/kg and ₱3.12/kg respectively, compared to the NFA buying price.

Average Prevailing Wholesale/Retail Price of Rice and Corn

(Peso per kg)
2nd Quarter 2019

Commodity	June	May	April	Average Price 2019 (2 nd qtr)	Average Price 2018 (2 nd qtr)
Whole Sale					
WMR	39.32	39.50	39.95	39.59	41.24
RMR	35.46	35.85	36.27	35.86	37.80
YGN	18.30	19.79	20.23	19.44	20.10
WGN	21.80	22.63	22.77	22.40	20.54
Retail					
WMR	42.99	43.17	43.72	43.29	44.00
RMR	38.64	38.80	39.35	38.93	40.25
YGN	23.75	24.68	24.85	24.43	24.03
WGN	28.76	29.12	29.19	29.02	29.61

For the 2nd quarter of 2019, WMR and RMR wholesale prices posted an average price of ₱39.59/kg and ₱35.86/kg, respectively. Compared with same period last year, both showed decreases of ₱1.65/kg and ₱1.94/kg, respectively. On the retail level, WMR and RMR average prices were at ₱43.29/kg and ₱38.93/kg, with average decreases of ₱0.71/kg and ₱5.36/kg compared to 2018, respectively. Yellow corn showed a decrease of ₱0.66/kg in the average whole sale price, while a increase of ₱0.40/kg in the retail price, compared to the average prices in the 2nd quarter of 2018. White corn showed an increase of ₱1.86/kg in the average wholesale price, while a slight decrease of ₱0.59/kg in the retail level was noted, compared to the average prices in the 2nd quarter of 2018.

FARMERS WHO SOLD PALAY TO NFA FOR THE 2nd QUARTER OF 2019

Particulars	Palay		Amount Paid by NFA
	Number of Farmers	Qty. in Bags of 50 kg	Php
Individual Farmers	1,557	154,198.69	153,143,042.45
Walk-In Farmers	1,340	89,782.21	89,412,221.15
Farmers' Organizations	348		
No. of Members	2,286	204,744.64	208,402,100.06
TOTAL	5,183	448,725.54	450,957,363.66

For the 2nd quarter of 2019, there were 5,183 farmers who sold palay to NFA. The total palay deliveries of 448,725.54 bags amounted to ₱450.957M.

II. BUFFER STOCK OF STAPLE CEREALS EFFECTIVELY MANAGED

RICE STOCK INVENTORY

For the 2nd quarter of 2019, NFA had an average stock inventory of 10,852,683 bags (total rice equivalent –TRE) or 542,634 MT, good to last for 16.65 days, based on the 2019 national daily rice consumption requirement of 32,593 MT.

NATIONAL QUALITY ASSESSMENT (QSAR) OF NFA STOCKS

Classification/ Condition of stocks	Average (in 50-kg bags)	Percentage (%)	
Good Stocks	12,159,499.60	97.722	} 99.998%
Treated	281,083.30	2.259	
For Treatment	2,139.70	0.017	
Sweepings	0.00	0.000	} 0.002%
Partially Damaged	93.00	0.001	
Totally Damaged	178.30	0.001	
TOTAL	12,442,993.90	100.00	

The total average volume of NFA stored grains assessed for the 2nd quarter of 2019 is 12,442,993.80 bags, composed of palay, milled rice and corn grits. Stocks fit as food (rice) represent 99.998% of the total assessed grains. Stocks for disposition were 271.30 bags (0.002%), composed of sweepings, partially damaged, and totally damaged stocks. The average volume of NFA stocks assessed as good was 12,159,499.60 bags.

TECHNICAL RESEARCH AND SERVICES DEPARTMENT

Metrology Services

During the 2nd quarter of 2019, Metrology Division's personnel undertook troubleshooting, repair, verification and adjustment of metrology equipment of Field Offices as requested. The NFA saved an estimated amount of ₱218,322.00 for directly undertaking the troubleshooting, repair, verification and adjustment of metrology equipment service.

Engineering Services

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

Completed Projects

- Construction of Perimeter fence in Puerto Princesa City, Palawan.

On-going Projects

- Construction of a 45-TCC Warehouse in Bantay, Ilocos Sur.
- Construction of One-storey Provincial Office Building with Roofdeck in Puerto Princesa City, Palawan.
- Construction of Central Office Building in Visayas Avenue, Quezon City.
- Construction of 100 TCC warehouse 1 in Alang-Alang, Leyte. (under Yolanda Rehabilitation & Recovery Programs & Projects)

FOOD DEVELOPMENT CENTER

Testing

- Performed 11 physical and sensory evaluation, 459 chemical analyses, 175 microbiological, and 22 microanalytical quality evaluation
- Other activities included the testing of packaging materials and label evaluation; heat penetration and heat distribution test to establish and/or evaluate adequacy of thermal processes of canned goods; shelf life testing to establish shelf life of various packaged products; and the conduct of seminar/training.

Research and Development

- Development and Implementation of R & D projects
 - Prepared ten progress report and three final reports.
 - Prepared three project proposals.

Quality Assurance

- Implemented two pilot plant projects
- Conducted inspection of 15 food manufacturing plants and issue compliance certificates

Training Programs

- Designed and/or developed two new training courses
- Implemented five training courses to the food industry and government agencies

- Prepared/improved ten training course materials
- Evaluated the implementation of six training courses

Industry Liaison

- Evaluated 177 clients' technical inquiries, which analyses/services to be recommended to FDC to meet international standards
- Prepared evaluation report on three customer satisfaction survey
- Monitored and delivered 829 FDC technical reports to stakeholders

ISO Compliance

- Implemented 28 QA activities for testing laboratories
- Monitored, reviewed and verified effectiveness of 113 ISO documents
- Prepared three audit reports for ISO 9001:2015 and two audit reports/documents for ISO/IEC 17025:2005

Operational accomplishment of FDC representing served services to clients for the 2nd quarter of 2019 amounted to ₱1,688,449.14. Income from collections received from clients' requests for FDC services (RFDCS) is ₱1,407,795.81.

III. DEVELOPMENTAL REGULATION OF THE GRAINS INDUSTRY IMPLEMENTED AND ENFORCED

With the approval of RA 11203, the NFA's licensing and regulatory functions were repealed. Hence, the NFA ceased implementing said function effective March 5, 2019.

UGNAYANs (Farmers' Assembly)

Performance Indicator	Accomplishment
UGNAYANs conducted	135
Participants	5,193

Ugnayans, as a means to communicate/coordinate NFA programs, projects and activities with its stakeholders, were still continued.

For the 2nd quarter of 2019, 135 UGNAYANs were conducted, participated in by 5,193 NFA Stakeholders, 2.46% less than the 5,324 participants in 138 UGNAYAN sessions during the 2nd quarter of 2018.

CDIF GRANTED TO FARMER ORGANIZATIONS

	April	May	June	Cumulative 2019	Cumulative 2018
Number of FOs	299	127	207	633	171
Amount of CDIF Granted	10,497,406.68	4,505,242.15	4,422,297.26	19,424,946.09	349,748.95

For the 2nd quarter of 2019, CDIF in the total amount of ₱19,424,946.09 was granted to a total of 633 farmer organizations. The said grant is 5,453.97% higher compared to the ₱349,748.95 amount of grant during the 2nd quarter of 2018.

CDIF PERCENTILE UTILIZATION

CDIF by Type of Utilization	Amount (Php)		Percentage	
	2019	2018	2019	2018
Purchase of Farm Inputs/Fertilizers	3,190,827.58	809,703.98	97.61%	92.49%
Purchase/Repair of Postharvest and Production Facilities	0	56,007.79	0%	6.40%
Payment of Loan Amortization	78,064.33	9,707.45	2.39%	1.11%
TOTAL	3,268,891.91	875,419.22	100%	100%

CDIF utilization for the 2nd quarter of 2019 was used for the purchase of farm inputs/fertilizers, which comprises 97.61% of the total utilization of the fund. The other 2.39% was used to pay loan amortization. During the 2nd quarter of last year, 92.49% of the fund utilization was for the purchase of farm inputs/fertilizers.

NFA-ACCREDITED FARMERS AND FARMER ORGANIZATIONS

	Individual Farmers (IFs)			Farmers' Organization (FOs)			
	No. of IFs	Area Planted (in has)		No. of FOs	No. of Members	Area Planted (in has)	
		Palay	Corn			Palay	Corn
April-June 2019	1,725	6,956.04	63.50	344	19,246	48,615.05	842.95
April-June 2018	996	1,386.14	122.83	93	2,791	10,495.85	2,096.57

For the 2nd quarter of 2019, a total of 1,725 Individual Farmers (IFs) and 344 Farmer Organizations (FOs) with 19,246 members were accredited by NFA. Compared with 2nd quarter of 2018, the number of IFs and FOs increased by 73.19% and 269.89% respectively.

IV. MANAGEMENT EFFICIENCY AND COMPETENCY

CORPORATE PLANNING AND MANAGEMENT SERVICES

Information Technology/Systems Development/SOPs

- As of June 30, 2019, the development of the Electronic Integrated Financial Operation and Management Information System (e-IFOMIS) is 97.18%. This covers the evaluation and validation of the results of pilot listings.
- On June 30, 2019, the SOP on the Grant of Local and Foreign Scholarship submitted by the Manual Systems Development Division, has been approved.

- The following SOPs were submitted by the Manual Systems Development Division to the Office of the Administrator for revisions/approval:
 - SOP on Property Inspection
 - Amendment/Addendum to SOP on FOBB – Suspended per AO-2019-C-001 dated February 26, 2019
 - Amendment/Addendum to the Specifications of Authority on Financial Matters

Corporate Planning

- Acted as secretariat to nine management meetings
- Change Management Team Support Group:
 - Finalized the review/preparation of the proposed NFA Restructuring Plan and submitted to GCG on May 22, 2019

Corporate Development and/or Evaluation

1. Asset Rationalization Program
 - a. Finalized the Complete Staff Work (CSW) for the divestment of the following:
 - Plaridel Lots in Quezon
 - Catalunan Grande
 - Bacolod Swapping of property
 - b. Updated the Fair Market Value of properties for divestment, including prioritization of disposition over a 5-year period.
 - c. Provided the field offices with guidelines in computing/estimating the fair market value of properties.

Monitoring and Reporting

1. Prepared monthly and first quarter NFA Accomplishment reports.
2. Finalized the NFA Public Service Continuity Plan (PSCP)

INTERNAL AUDIT SERVICES

1. Fact-Finding Investigation Team to conduct Investigation on Alleged NFA issues/irregularities raised during the Senate Hearing: Regions I to XV - on-going report preparation
2. Issued 55 Certifications for Stock (Grains and MTS) Accountabilities of NFA officials and rank and file employees

PUBLIC AFFAIRS

1. Monitored / shared / replied and posted updates on NFA social media accounts
2. Issued news/photo releases for media

LEGAL AFFAIRS

For the 2nd quarter of 2019, 1,317 activities pertaining to adjudication, documentation and litigation were undertaken:

Adjudication	570
Submission of Position Papers, Memoranda, and other pleadings	23
Support Functions	28
Report Compliance	5
Actions on request for certification from Cos and FOs	514
Documentation & Legal Research	82
Contracts reviewed/evaluated	25
Opinions rendered	32
Notice of Disallowance	16
Opening of Sealed Canvass/Bids	1
Meetings	8
Litigation	665
Hearing/s attended by Lawyers	45
Pleadings, memoranda & related documents prepared by Lawyers	17
Opinions, reports, requests, queries & communications	89
Certifications/COC of no pending case	514
TOTAL	1,317

FINANCE & ADMINISTRATION

Contribution to the Economy (2nd quarter of 2019)

Particulars	Amount
Palay Procurement	4,515,099,619.47
Corn Procurement	-
Rent Expenses	26,934,908.27
Transportation & Deliveries Expenses	79,459,791.62
General Services	7,353,417.61
Janitorial Services	743,469.95
Security Services	79,353,345.71
Drying	37,804,352.58
Milling	777,995.84
Handling	96,392,284.00
Tax Withheld from Employees' Compensation	29,560,753.45
Tax Withheld from Suppliers of Goods & Services	101,173,311.41
TOTAL	4,974,653,249.91

Debt - Management

Particulars	Balance as of June 30 (in Million Pesos)
I Short-Term Credit Lines	48,352.982
II Long-Term Loans	
LBP – Notes	4,815.000
Various Creditors – Treasury Bonds	42,375.000
Long Term Notes Syndicated – New	9,000.000
LBP	4,500.000
DBP	4,500.000
Foreign-Japanese Rice Loan	90.342
Net Lending	55,062.874
TOTAL BANK LOANS	159,696.198

HUMAN RESOURCE MANAGEMENT

NFA Personnel Complement as of June 30, 2019

Status/Station	Authorized Positions	Filled Up Positions	Vacancies
Regular			
Central Office	615	511	104
Field Office	3,821	3,328	493
Sub-Total	4,436	3,839	597
CTI Personnel			
Central Office	49	49	
Field Office	225	225	
Sub-Total	274	274	
Total	4,710	4,113	597

Trainings

For the 2nd quarter of 2019, NFA facilitated the participation of 168 NFA officials and employees in 4 internal and 5 external trainings.

TITLE	No. Of Participants	Duration
I. Internal Training	162	
1 Records Management Training	19	May 2
Quality Assurance Pool Training and Refresher Course on Grains	60	May 7-9
2 Qualification	50	May 14-16 June 20-22
3 Training on Sensory Evaluation on Milled Rice and Calibration	30	April 25-May 17
4 Establishment of Thermal Process Canned Goods	3	June 18-21
II. External Training	6	
1 Mandatory Continuing Legal Education	1	April 11-14
2 Accelerated Shelf-Life Testing for Food Products	2	April 24-26
3 Regional Convention of HRMP	1	April 24-25
4 Training on Certified Pesticide Applicator	1	April 23-26
5 41 st GACPA Annual National Convention	1	May 22-25
TOTAL	168	