



The NFA Annual Report fully complied with the provisions of the NFA Code of Corporate Governance

EXECUTIVE SUMMARY

NFA RESTRUCTURING PLAN

The approval of **Republic Act 11203 (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 the National Food Authority (NFA) from a Trading** and Regulatory Agency to a Buffer Stocking Agency. The said RA likewise removed the regulatory powers of the NFA including its importation activities. As an initial compliance with the law, the NFA already ceased performing its regulatory functions over the international and domestic trading of rice, effective March 5, 2019.

The law also stipulates that NFA shall source its buffer stock solely from local farmers. As defined under the IRR, “buffer stock” refers to the “optimal level” of rice inventory that shall be maintained at any given time to be used for emergency situations and to sustain the disaster relief programs of the government during natural or man-made calamities. Pending the result of the study on the “optimal level”, the NFA shall maintain a national rice buffer stock, equivalent to 15 days, at any given time. The NFA was likewise be allowed to dispose its stocks before the quality starts to deteriorates / become unacceptable / unsafe.

Given the major changes in the NFA's functions, implementing the law requires adjustment in the agency's functional and organizational structure. As a result, the Restructuring Plan of the NFA was approved by the Governance Commission for GOCCs (GCG) per Memorandum Order No. 2019-13 dated 08 January 2020, with 22 organizational units out of 54 in its Central Office, its 15 Regional Offices retained and its 86 Provincial Offices reduced to 45 branches. The corresponding Separation Incentive Package (SIP) was approved by the Office of the President on September 4, 2020, giving NFA the authority to commence the implementation of the approved organizational and staffing pattern within two months from the date of approval of the SIP.

IMPLEMENTING THE NEW MANDATE OF ENSURING FOOD SECURITY

NEW VISION:

The NFA envisions itself to be a cost-efficient corporate entity, capable of managing the country's buffer stock within the next ten years.

NEW MISSION:

The NFA shall procure palay locally and maintain the optimal level of buffer stocks at all times, strategically located across the country. It shall manage efficiently and effectively the acquisition, quality maintenance, and disposition of the buffer stock during emergencies and calamities.

NEW MANDATE:

The NFA shall maintain sufficient rice buffer stock to be sourced solely from local farmers.

HIGHLIGHTS OF 2020 ACCOMPLISHMENTS

❖ OPERATIONS

- The NFA procured a total of 13,467,645 bags or 673,382 metric tons of palay, a 72% accomplishment of the year's target of 18,723,950 bags or 936,198 metric tons.
- The NFA distributed a total of 588,083.75 metric tons of rice, equivalent to 175% accomplishment of the year's target of 336,650 metric tons, with a 11.85% market participation rate.
- Attain its commitment to maintain at least 99.99% of its stocks in good-quality condition, or fit for human consumption.
- Maintained an average inventory of 6,573,380 bags (total rice equivalent) or 328,669 metric tons, good to last for 9.93 days, based on the average daily consumption requirement (DCR) of 661,930 bags or 33,096.5 metric tons. However, these stocks are good to last for 196.62 days, considering the NFA's national average daily sales (ADS) or distribution of 44,824 bags or 2,241 metric tons, with an average market participation rate of 6.77%.
- Services during the Pandemic Period (March 16, 2020 - December 31, 2020)
 - The NFA organized its own Covid-19 National Task Force chaired by Administrator Judy Carol L. Dansal under the Inter-Agency Task Force (IATF) Task Groups in Response Operations and Resource Management and Logistics. NFA's major role in the IATF is to ensure unhampered delivery of government rice stocks by providing food lane vehicle passes to all vehicles transporting rice. NFA also initiated weekly rice caravans to augment the rice stock inventory in NFA-NCR during the height of Pandemic from March to May 2020, where a total

of 149,800 bags or 7,490 MT were dispersed by the NFA provincial offices in Regions I, II and III to NFA-NCR.

- NFA frontliners were provided with the necessary supplies and protective materials, medicines and vitamins to protect them from possible transmission and hazards at work.
 - NFA Frontline Offices and its Personnel were ready to serve 12 hours a day, seven (7) days a week. On the other hand, those in the NFA Central and Field Offices assigned skeleton workforce to ensure the continuity of NFA services to the public. Work arrangements have been set at 50% workforce reporting to the office, while the other 50% works from home (WFH). The schedule shifts weekly, to comply with the physical distancing protocol of keeping the required distance of at least 1 meter.
 - On palay procurement operations, NFA bought about 85.01% or 11,449,181 bags (572,459 MT) of the total palay procured for the year at 13,467,645 bags or 673,382 MT, equivalent to ₱10.878 billion (B).
 - Rice released to DSWD, LGUs and other relief institutions reached 5,790,162 bags or 289,508 MT amounting to 7.237 B, equivalent to 107.36% accomplishment.
- Average response time for rice releases during emergencies and calamities were done within 26 hours or 22 hours earlier than the 48 hours target response time. This was accomplished through the vigilance and readiness to serve 24/7 of the Operations Centers in the affected areas and at the Central Office. As part of these efforts, the NFA released a total of 5,987,422 bags or 299,371.1 metric tons of rice to DSWD, LGUs, ODC / NDRRMC, and others, for relief operations.
- Prices
- The average ex-farm price of palay for the year at ₱16.18/kg was lower by ₱2.82/kg, compared to the NFA buying price of ₱19.00/kg.
 - The average commercial prices in the wholesale and retail levels of Well-Milled Rice (VMR) significantly decreased compared to last year's levels by ₱1.06/kg or from ₱39.25/kg to ₱38.19/kg and by ₱3.17/kg or from ₱43.01/kg to ₱39.84/kg, respectively. VMR having a comparable quality to NFA RICE is significantly lower by ₱13.19/kg based in ₱25.00/kg release price, compared to the average prevailing retail prices of well-milled rice at ₱38.19/kg.

❖ Facilities & Technical Services

- Constructed and maintained the following storage facilities and office buildings to improve NFA's operations:
 - 100-TCC warehouse 1 in Alang-Alang Leyte.
 - 45-TCC Warehouse in Bantay, Ilocos Sur.
 - Central Office Building in Visayas Avenue, Quezon City at 97.20% accomplishment.
- Directly undertook the troubleshooting, repair, verification and adjustment of metrology equipment service of its field offices, enabled the agency to save an estimated amount of ₱539,720.00
- Generated an income amounting to ₱48,828,102.90 for keeping the truckscales in good operating condition, and saved on handling costs.

❖ Finance

- Contributed **₱15,211,211,867.06** to the country's economy in terms of the economic activities undertaken for palay procurement, expenses for rent, transport & delivery, general services, janitorial, security, drying, milling, handling, taxes withheld from employees' compensation and from suppliers of goods and services.
- Reduced its outstanding loans as of December 31, 2020 to ₱131,222,034.00.
- Based on unaudited Financial Performance for the year, the NFA reported a total assets of ₱ 73.811 B and total liabilities of ₱203.817 B, resulting to equity deficiency of ₱130.006 B.

Total Revenue is ₱14.700 B, while Current Operating Expenses is at ₱30.138 B, resulting to a deficit of ₱15.438 B from Current Operations. Considering the financial assistance/subsidy, sales of assets and gains / (losses) received for the period, the NFA recorded a Net Surplus of about ₱20.805 B.

- On improving cost efficiency:
 - For palay, the target of decreasing the variable cost of palay to equal to or less than 7% of the total palay cost was attained by NFA at about 26% lower than the target, equivalent to 5.172%.
 - For Rice, the NFA recorded a 8.357% decrease in variable cost of rice. However, this is about 4.5% higher than the target of reducing the variable cost of rice to equal to or less than 8% of the total rice cost .

I. ENSURE FOOD SECURITY THROUGH MAINTENANCE OF BUFFER STOCKS

PALAY PROCUREMENT

The NFA buys clean and dry palay at ₱19.00 per kilogram. It also buys palay with a maximum of 30% moisture content at ₱13.00 per kilogram based on the agency's Equivalent Net Weight (ENW) factor.

As of December 31, 2020, the NFA procured a total of 13,467,645 bags or 673,382 metric tons of palay, equivalent to 72% accomplishment of the year's target of 18,723,950 bags or 936,198 metric tons. This is 58,363 metric tons or 7.98% lower than the accomplishment last year of 731,745 metric tons.

The Agency was not able not hit the 100% annual procurement accomplishment due to the following reasons:

- The farmers' planting and harvesting schedules for 2020 were hampered / stopped due to stricter quarantine protocols / series of lockdowns that were implemented during the last part of the first quarter (March 2020) up to present.
- The successive typhoons that struck the country, specifically in the following production areas in Luzon:
 - Typhoon Rolly that affected the areas of Cagayan Valley, Central Luzon, CALABARZON, MIMAROPA and Bicol Region
 - Super Typhoon Ulysses that severely affected CALABARZON
- For other production areas, although quarantine protocols / lockdowns were relaxed during the latter part of the year, unfortunately, production areas were badly hit by typhoons giving huge impact / damage in agriculture.

Palay Procurement (In Metric Tons)

MONTH	TARGET	ACTUAL 2020	% ACC.	ACTUAL 2019
January	40,450.00	47,099.40	116	7,755
February	29,504.00	40,102.95	136	6,164
March	46,029.50	38,496.45	84	49,747
April	121,669.00	9,400.15	8	91,069
May	82,810.00	2,283.60	3	84,569
June	25,515.00	4,012.35	16	31,548
July	4,850.00	4,562.15	94	16,794
August	25,770.00	7,199.90	28	11,686
September	96,560.00	117,327.35	122	42,562
October	201,570.00	252,999.75	126	161,979
November	174,165.00	124,805.20	72	150,743
December	87,305.00	25,092.95	29	77,128
TOTAL	936,197.50	673,382.20	72	731,744

NFA Buying Stations

Aside from the stationary buying stations, a total of 598 mobile buying stations were strategically set up across the country to cater to farmers in palay production and far-flung areas. The NFA deployed mobile procurement in areas in Ilocos Sur, Kalinga, Cagayan, Nueva Vizcaya, Batangas, Camarines Norte, Masbate, Sorsogon, Antique, Southern Leyte, Zamboanga City, Zamboanga del Sur, Pagadian, Ipil, Sibugay, Zamboanga del Norte, Dipolog, Agusan del Norte, Agusan del Sur, Surigao del Norte, Surigao del Sur, Misamis Oriental, Misamis Occidental, Lanao del Norte, and Maguindanao.

DISTRIBUTION

As of December 31, 2020, the NFA distributed a total of 588,083.75 metric tons of rice, equivalent to 175% accomplishment of the year's target of 336,650 metric tons, with a 11.85% market participation rate. This is 121,856 metric tons lower than the accomplishment last year of 709,940 metric tons because the NFA's sales to LGUs and other government relief agencies were reduced to 10%, due to the COVID-19 pandemic.

The NFA is mandated to distribute rice to DSWD, LGUs and other relief agencies in times of emergencies and calamities, and is likewise allowed to dispose its inventory, before the quality of its stocks starts to deteriorate through any authorized mode of disposition.

Likewise, NFA continued its sales of rice to government institutions like Bureau of Corrections (BuCor), Bureau of Jail Management and Penology (BJMP) and other relief agencies to dispose its inventories.

NFA Rice Distribution
(In Metric Tons)
2020 vs 2019

MONTH	TARGET	ACTUAL 2020	% ACC.	ACTUAL 2019	% Difference	Difference (Volume)
January	33,000.00	45,660.55	138	79,377	73.84	33,716.45
February	34,000.00	39,548.65	116	78,306	98.00	38,757.35
March	35,000.00	108,367.25	310	82,088	24.25	26,279.25
April	35,000.00	95,875.65	274	83,635	12.77	12,240.65
May	40,000.00	59,502.05	149	70,674	(18.78)	(11,171.95)
June	46,000.00	27,995.70	61	52,930	(89.06)	(24,934.30)
July	19,746.15	21,221.10	107	63,158	(197.62)	(41,936.90)
August	414,906.00	20,084.20	5	56,226	(179.95)	(36,141.80)
September	19,365.30	17,582.30	91	37,305	112.17	19,722.70
October	18,890.30	20,577.90	109	35,639	(73.19)	(15,061.10)
November	17,125.30	62,921.10	367	35,440	43.68	27,481.10
December	17,777.80	68,747.25	387	35,162	48.85	33,585
TOTAL	336,650.00	588,083.75	175	709,940	(20.72)	(121,856)

Source: GSR as of December 31, 2020

NFA Services during the Pandemic Period

- The NFA organized its own Covid-19 National Task Force chaired by Administrator Judy Carol L. Dansal under the Inter-Agency Task Force (IATF) Task Groups in Response Operations and Resource Management and Logistics. NFA's major role in the IATF is to ensure unhampered delivery of government rice stocks by providing food lane vehicle passes to all vehicles transporting rice. NFA also initiated weekly rice caravans to augment the rice stock inventory in NFA-NCR during the height of Pandemic from March to May 2020, where a total of 149,800 bags or 7,490 MT were dispersed by the NFA provincial offices in Regions I, II and III to NFA-NCR.
- NFA frontliners were provided with the necessary supplies and protective materials, medicines and vitamins to protect them from possible transmission and hazards at work.

- NFA Frontline Offices and its Personnel were ready to serve 12 hours a day, seven (7) days a week. On the other hand, those in the NFA Central and Field Offices assigned skeleton workforce to ensure the continuity of NFA services to the public. Work arrangements have been set at 50% workforce reporting to the office, while the other 50% works from home (WFH). The schedule shifts weekly, to comply with the physical distancing protocol of keeping the required distance of at least 1 meter.
- From January 1 to December 31, 2020, NFA sold a total of 11,761,674.8 bags of 50-kg rice, equivalent to ₱14.702 B at ₱25.00 per kilogram. Out of this, 49.23% or 5,790,162 bags of rice, equivalent to ₱7.238 B were sold to various Local Government Units (LGUs), legislators, DSWD, and other government relief agencies for distribution to affected families, as a result of the implementation of the Community Quarantine (CQ).

During the Pandemic period or from March 16 to December 31, 2020, the NFA sold a total of 5,790,162 bags of rice from its inventory for relief operations since the implementation of the community quarantine, at a selling price per bag of ₱1,250, amounting to ₱7.238 B to LGUs, legislators, DSWD and other institutions involved in relief operations.

- The NFA also continued to buy palay from individual farmers and farmer organizations / associations / cooperatives. From January 1 to December 31, 2020, total palay procurement is 13,467,644.6 bags of 50-kg palay, equivalent to ₱12.794 B at ₱19 per kilogram. Of this, about 85.01% or 11,449,181 bags equivalent to ₱10.878 B was bought during the implementation of the Community Quarantine (GCQ).

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 a total of 5,987,422 bags or 299,371.1 metric tons of rice to DSWD, LGUs, ODC / NDRRMC, and others, for relief operations.

DISASTER/RELIEF/CALAMITY RESPONSE

**(In Bags of 50 kg)
For the Year 2020**

DSWD	ODC/ NDRRMC	LGUs	LEGISLATORS	Others	Total
397,667	1,008	4,269,316	218,288	1,067,868	5,987,422

PRICES

Although the NFA no longer performs price stabilization function, prices are still being continually monitored, since they served as important input in the operations activities and decision-making of the NFA Management.

Ex-Farm Prices

The average ex-farm price of palay for the year at ₱16.18/ kg, was lower by ₱2.82/ kg, compared to the NFA buying price of ₱19.00/kg. This is also lower by ₱1.41/ kg compared to the ex-farm price for 2019 at ₱17.59/kg.

For corn, the average ex-farm price of yellow corngrains (YGN) at ₱12.34/kg slightly increased by ₱0.04/kg compared to NFA buying price of ₱12.30/kg. However, average ex-farm price of white corngrains is lower by ₱0.69/kg than the buying price of NFA at ₱13.00/kg.

Average Ex-Farm Prices vs NFA Buying Price

(Price per kilogram)
For the Year 2020

Commodity	NFA Buying Price (In Peso/kg) 2020	Average Ex-Farm Price (In Peso/kg) 2020	Price Difference (In Peso/kg)	Average Ex-Farm Price (In Peso/kg) 2019
Palay	19.00	16.18	2.82	17.59
YGN	12.30	12.34	0.04	11.78
WGN	13.00	12.31	(0.69)	13.34

Source: PSA (BAS) Updated: January 13, 2021

Commercial Prices

The average commercial prices in the wholesale and retail levels of Well-Milled Rice (VMR) significantly decreased compared to last year's levels by ₱1.06/kg or from ₱39.25/kg to ₱38.19/kg and by ₱3.17/kg or from ₱43.01/kg to ₱39.84/kg, respectively. VMR having a comparable quality to NFA RICE is significantly lower by ₱13.19/kg based in ₱25.00/kg release price, compared to the average prevailing retail prices of well-milled rice at ₱38.19/kg.

For Regular Milled Rice (RMR), the average wholesale price at 33.41/kg , compared to last year significant decreases of ₱11.06 / kg and ₱2.04 / kg at the wholesale level, respectively, and a decrease of ₱3.17 / kg at the retail level, but posted a slight increase by ₱0.04 / kg in the retail level. The decrease in prices can be attributed to RA 11203, as seen in the flooding of imported rice in the market.

For corn, prices of white corn showed increases of ₱0.11/kg and ₱0.74/kg in the wholesale and retail levels, respectively. On the contrary, wholesale and retail prices of yellow corn, decreased by ₱0.93/kg and ₱1.15/kg, respectively.

Average Prevailing Wholesale/ Retail Price of Rice and Corn
(Peso per kg)
2020 vs 2019

Commodity	2020	2019	Price Difference (In peso per kg)
<i>Wholesale</i>			
WMR	38.19	39.25	(1.06)
RMR	33.41	35.45	(2.04)
YGN	20.75	21.68	(0.93)
WGN	17.13	17.02	0.11
<i>Retail</i>			
WMR	39.84	43.01	(3.17)
RMR	36.22	36.18	0.04
YGN	24.86	26.01	(1.15)
WGN	27.08	26.34	0.74

Source: PSA (BAS) Updated: January 13, 2021

BUFFER STOCK OF STAPLE CEREAL EFFECTIVELY MANAGED

NFA INVENTORY

As of December 31, 2020, NFA maintained an average inventory of 6,573,380 bags (total rice equivalent) or 328,669 metric tons, good to last for **9.93 days**, based on the average daily consumption requirement (DCR) of 661,930 bags or 33,096.5 metric tons. However, these stocks are good to last for **196.62 days**, considering the NFA's national average daily sales (ADS) or distribution of 44,824 bags or 2,241 metric tons, with an average market participation rate of 6.77%.

NFA Rice Stock Inventory
(Days to Last)

MONTH	DAYS TO LAST	
	Based on DCR (661,930 bags)	Based on ADS (per month)
January	14.77	254.84
February	14.56	256.46
March	12.21	94.04
April	9.38	73.81
May	7.55	91.28
June	6.72	188.01
July	6.22	241.25
August	5.76	215.27
September	7.48	345.46
October	11.85	387.80
November	12.13	122.14
December	10.55	89.04
AVERAGE	9.93	196.62

STOCKS MAINTAINED IN GOOD & CONSUMABLE CONDITION

NFA was able to attain its commitment to maintain at least 99.99% 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.

**Percentage of Good Stocks Maintained in Good
and Consumable Condition**
(For the period January to December 2020)

MONTH	GOOD STOCKS (%)
January	99.995
February	99.996
March	99.997
April	99.996
May	99.995
June	99.989
July	99.988
August	99.987
September	99.986
October	99.996
November	99.996
December	99.993
Average	99.993

TECHNICAL RESEARCH AND SERVICES

Provision of scientific and technological research and technical services for the development / upgrading / improvement of NFA infrastructures and post-harvest facilities for the safety and preservation of the quality of grain stocks of the agency. Formulation of plans and programs, policies and procedures for grains quality control, testing, pest control measures, post-harvest facilities, metrology equipment, including monitoring, evaluation, and utilization.

Engineering Services

- Constructed and maintained the following storage facilities and office buildings to improve NFA's operations:
 - 100-TCC warehouse 1 in Alang-Alang Leyte
 - 45-TCC Warehouse in Bantay, Ilocos Sur .
- On-going completion of the Central Office Building in Visayas Avenue, Quezon City at 97.20% accomplishment.

Inventory of Post-Harvest Facilities

Description	No. of Units	Capacity
Warehouses (Constructed)	300	19,800,702.00 (bags)
Warehouses (Acquired)	33	1,995,095.00 (bags)
Mechanical Dryers		
(Operational)	206	25,788.00
(For Repair)	101	12,230.00
Total	307	38,018.00 (bags/hr)
Ricemills	38	2,898.00 (bags/hr)
Rice Fortification Equipment	17	1,700.00 (bags/hr)
Silo (Not Operational)	106	590,000.00 bags
Rice Processing Center	0	
Packaging Machine	18	323.40 (bags/hr)

Metrology Services

Directly undertook the troubleshooting, repair, verification and adjustment of metrology equipment service of its field offices, enabled the agency to save an estimated amount of P539,720.00.

Truckscale Utilization

NFA generated an income amounting to ₱48,828,102.90 from keeping the truckscales in good operating condition, and helping save on handling cost.

II. INDUSTRY SERVICES DEPARTMENT

Ugnayan with Stakeholders

Ugnayan is an activity conducted by NFA to communicate with its stakeholders the programs, activities and projects and recent developments in the NFA. It also provides an avenue for its stakeholders to raise their issues and concerns with the NFA.

From January to May 2020, a total of 194 ugnayans with farmers were conducted nationwide covering 293 municipalities with a total of 7,497 farmer-participants and 524 local government units. Issues and concerns frequently raised during the ugnayan assemblies were on procurement activities, government support price for palay; availability of stocks for calamities; cooperative development incentive fund (CDIF); etc.

“Ugnayan” (Farmers’ Assembly) Accomplishment Report January to May 2020

	Farmers	LGUs	TOTAL	Municipalities Covered
Ugnayans Conducted	No. of Participants		No. of Participants	
194	7,497	524	8,021	293

NUMBER OF FARMERS WHO SOLD PALAY STOCKS TO NFA

JANUARY TO DECEMBER 2020									
INDIVIDUAL FARMERS			WALK-IN FARMERS			FARMERS ORGANIZATIONS			
NO. OF FARMERS	QTY SOLD [50 KGS/BAG]	AMOUNT PAID BY NFA	NO. OF FARMERS	QTY SOLD [50 KGS/BAG]	AMOUNT PAID BY NFA	NO. OF FOS	NO. OF MEMBER	QTY SOLD [50 KGS/BAG]	AMOUNT PAID BY NFA
28,880	3,451,290.51	3,225,225,279.03	13,867	981,150.10	996,886,257.73	2,600	24,198	3,377,822.26	3,197,764,211.70

III. MANAGEMENT EFFICIENCY AND COMPETENCY

CORPORATE PLANNING & MANAGEMENT SERVICES

Formulation of the Agency's strategic and medium-term plans, the development of systems and procedures and computerization, as basic support system for making important management decisions.

Information Technology/Systems Development / Standard Operating Procedures (SOPs)

The development of the Electronic Integrated Financial Operation and Management Information System (e-IFOMIS) is at 97.41%. This covers the evaluation and validation of the results of pilot listings.

Corporate Planning

❖ National Food Authority

- NFA 2020-2021 National Planning Conference
 - Attended the NFA 2020-2021 National Planning Conference in Palawan, held on March 2-6, 2020.
 - Prepared documents, presentation materials, other requirements and acted as Secretariat of the National Planning Conference.
 - Prepared Directions and Marching Orders & Highlights of the National Planning Conference.
- Office Performance Commitment and Review (OPCR)
 - Prepared memorandum to all Regional Directors regarding the submission of Revised 2020 OPCR, as agreed during the National Planning Conference.
 - Completed the consolidation of 2019 2nd Semester OPCR. Prepared transmittal and submitted for signature of PMT Officials.
- Performance Based Bonus (PBB)
 - Prepared memorandum and transmittal for GSD, Regional Offices and Provincial Offices re: Updating of FY 2019 PhilGEPS posting as a requirement for 2019 Performance Based Bonus (PBB).
 - Monitored requirements to be eligible for the grant of the FY 2020 PBB.

➤ Other Matters

- Updated the NFA's Citizen Charter / ARTA.
- Finalized consolidation of revisions from the validation of inputs in the NFA Citizen's Charter.
- Finalized the NFA's Citizens Charter internal processes.
- Submitted to the Administrator the drafted Budget Partnership Agreement with Free Farmers Federation.
- Submitted Annual Procurement Plan/Project Procurement Management Plan of Corporate Planning for the Year 2021.

❖ **Governance Commission for GOCCs (GCG) Concerns**

- Prepared and submitted NFA's request for ISO Exemption for 2020.
- Prepared and submitted brief Highlights of NFA Accomplishment for CY 2019.
- Prepared & submitted final report on the Contribution of the GOCC sector to the Bayanihan Heal as One Act R.A. No. 11469, as requested by GCG.
- Prepared & submitted supporting / additional documents needed for the 2019 Performance Scorecard Validation as required by GCG.
- Answered GCG query re: SM 5 – Divestment of Properties, and submitted the NFA Council Secretary Certificate on the approval of Divestment of the NDO Property. Also submitted the unamended deed of sale of the NDO property as additional documents for the validation of the 2019 Performance Scorecard.
- Consolidated and finalized the report on the Recalibration of Targets in the NFA 2020 Performance Scorecard. Finalized and consolidated submissions of concerned departments.
- Prepared and submitted all the documentary requirements for the NFA 2020 Performance Scorecard.
- Finalized the NFA's 2020 Risk Mitigation Plan. Finalized the proposed 2021 NFA Performance Scorecard.
- Disseminated memo re: NFA ISO QMS Certification Projects, informing concerned offices that GCG and DBM has approved NFA's request for exemption on the ISO QMS Certification. Regardless, NFA will still push through with its ISO QMS Certification projects as planned.
- Prepared memorandum cascading AO25 IATF MC 2020-1 & GCG MC 2019-2 with list of 2020 Good Governance Conditions, 2020 Performance Indicators and other requirements to be eligible for 2020 Performance Based Bonus.

- Prepared and submitted data on NFA operations in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) to aid the Department of Finance (DOF) in determining the extent of operations of GOCCs in the said region, as requested by GCG.
- Finalized 2020 Performance Scorecard as modified by GCG and prepared memo to EXCOM, C.O. departments, ROs and POs, providing them with a copy of the modified NFA 2020 Performance Scorecard.
- Endorsed to GCG the letter to DBM regarding NFA's request for suspension of ISO compliance for 2019 Performance Scorecard.

❖ **Department of Agriculture (DA) Matters**

➤ **Reports / Accomplishments / Programs**

- Prepared and submitted report on the Assistance provided to the former rebels under E-Clip (Enhanced Comprehensive Local Integration) Program.
- Prepared and submitted NFA's Public Service Continuity Planning and Management Team (SCPMT) Weekly Report.
- Prepared and submitted NFA's Significant Accomplishments from January 1 to May 15, 2020.
- Prepared and submitted NFA's Administrator Judy Carol Dansal First Year Accomplishment Report.
- Prepared and submitted report on the Realignment of CY 2021 Plan and Budget to New Normal and Covid-19 Response and Rehabilitation.
- Prepared and submitted proposed programs of NFA, as identified under DA-ALPAS Program, re: NFA's realignment of FY 2021 Plan and Budget to the new normal and COVID-19 response and rehabilitation.
- Prepared and submitted 2021 Major Plans and Programs, Proposed Major Policies and Directives.
- Prepared Program Convergence Budgeting: Proposal for the FY 2021 Agricultural Development Program (ADP).
- Prepared and submitted NFA's narrative report for 1st Quarter of 2020.
- Prepared and submitted the proposed budget for the acquisition of rice mills with rice mill houses for the Ahon Lahat, Pagkaing Sapat Kontra COVID-19 Program (ALPAS sa COVID-19 Program).
- Prepared and submitted Matrix on Rice importation for SONA 2020.
- Prepared and submitted additional updates on NFA deliverables on RA 11203.
- Submitted needed data re: FY2021 Budgetary Requirements.

➤ Others

- Replied to DA inquiry re: DA Annual Report 2019, particularly on the Optimal Level of Buffer Stocks.
- Informed DA-Investment Programming Division that the annual formulation and issuance of NEDA certification for PPAs in the FY 2021 NPP is not applicable to the PPAs of NFA (NEDA forms on entitlement of private sector to Tax deductibility through financing of gov't PPAs). Conducted meeting last February 27, 2020 with Integrated Rural Development Fund as a requirement for the Budget Partnership Agreement for 2021.

❖ Others (DBM, NEDA, COA, LBP)

- Prepared and submitted to DBM NFA CY 2021 Budget Requirement.
- Prepared / reviewed letter to NEDA-EDC Secretariat requesting for excerpts of the minutes of meeting dated October 23, 2019, as additional documents for the validation of SM5 – Divestment of Assets of the 2019 Performance Scorecard.

Monitoring and Reporting

- Prepared NFA Accomplishment Reports and posted same to the NFA website.
- Prepared and submitted quarterly accomplishment report to GCG on the NFA Performance Scorecard.
- Continued coordination with concerned departments and regional offices regarding NFA's compliance to Transparency Seal
- Attended ARTA training entitled: "Capacitating Government Instrumentalities on the Citizens Charter".
- Submitted Corplan Division's Risk Register and Opportunity Action Plan as input to TRSD ISO Certification.
- Submitted inputs for the DA CY 2019 Annual Report.
- Submitted to DA NFA's BP Form 202-A regarding Convergence Programs and Projects of the NFA.
- Attended DA 2019 Programs & Projects Year-end Review & Workshop.
- Attended Capacity-Building of DA Planning Officers in Developing KPIs.
- Prepared and submitted Quarterly Report on BAR 1 form, as required by DBM.
- Prepared and submitted Quarterly Report on Programs Projects and Activities, as required by COA.

Asset Rationalization Program:

❖ Evaluation / Complete Staff Work (CSW)

- Finalized the CSW for the Proposed Lease of the Vacant Lot at the NFA-ACA Compound by DMCI approved by the NFA EXCOM.
- Drafted CSW on the proposed warehouse construction in Sanchez Mira, Cagayan.
- Endorsed to AO the letter of Governor Edwin I. Jubahid of Davao del Norte denying his request for NFA to donate its property in Tibal-og, Sto. Tomas Davao Del Norte, in exchange for the settlement of taxes of all NFA properties in the province amounting to ₱ 523,726.46, mainly because of the directive for NFA not to divest government properties.
- Prepared / submitted a report to AO informing them of the discrepancy of about 48,697 sqm in the total area between the TCT and the Deed of Absolute Sale of the NFA property in San Francisco, Macabebe, Pampanga, prior turn-over of title to the LGU.
- Prepared memorandum and submitted to DA the consolidated reports of regional / provincial offices on NFA's Inventory of Unutilize and / or Underutilize Land, and Other Assets for potential Public-Private-Partnership (PPP) projects.
- Prepared memorandum and submitted to DA the consolidated reports of regional / provincial offices for NFA's properties for divestment, with location, address, land area, TCT, OCT and estimated acquisition cost / appraised value.

SOPs Approved

- SOP on the Grant of Retirement Award approved on December 21, 2020.
- SOP on Disaster / Calamity and Emergency Loan Assistance Program approved on December 21, 2020.

Legislative-Executive Advocacy Program (LEAP)

- Prepared requested data of Congresswoman Arlene D. Brosas regarding List of farmers who sold palay to NFA at Php 19.00 from January to December 2019.
- Prepared letter reply to Sangguniang Bayan Secretary Elizabeth Legitimas regarding 60,000 bags palay procurement programmed for Compostella Valley per marketing plan.
- Attended DA Internal Budget Hearing, March 3, 2020.
- Provided information / data to EXCOM re: Senate Plenary Deliberation.

- Prepared Memorandum / Inputs on Congress Budget Hearing.
- Prepared memorandum and instructions for the Senate Committee on Finance Briefing on FY 2021 proposed budget of the NFA.
- Prepared materials requested by House of Representatives for the Plenary Budget Hearing.
- Prepared cue cards for Rep. Teodorico Haresco, Jr. for the DA-NFA Budget Hearing.

INTERNAL AUDIT DEPARTMENT

❖ Audit

- Audit Engagement – Fifteen (15) audit engagements:

Particulars	Department / Office / Region / Province	Status
1. Special Audit on Cash Accountabilities of NFA collecting and Procurement Disbursing Officer of NFA Albay Provincial Office	NFA Albay	Completed
2. Special audit on Perpetual Leave Card (PLC) Administration	Regions I, II, III, IV, V, VI, VII, VIII, Cavite, EDO, CDO, NDO, SDO, NCR-Regional Office and Central Office	Completed
3. Review of Perpetual Leave Cards (PLCs)	Food Development Center (FDC)	Completed

- Accomplishment (Office Attendance and Work From Home (WFH))
 - Completed the examination / audit of 966 employees' Perpetual Leave Cards (PLCs) for various NFA Field Office and Central Office.
 - Completed the review of Perpetual Leave Cards of 19 FDC employees.
- Other Audit Activities
 - Preparation of Guide: How to Perform Risk-Based Internal Auditing – On-going.
 - Internal Audit charter – On-going.
 - Review of SOPs and Research on audit Rating Standards – On-going.

❖ Tolerable Allowance

- Issued 396 certifications for Stock (Grains and MTS) accountabilities of NFA Officials & rank and file employees for purposes of retirement, resignation, death benefit claims, travel abroad, maternity / sick leave and / or reassignment with attached transmittal, memo and wire.
- Released / endorsed 80 memos / fax messages in different NFA Field Office and Central Offices' concerned department / s offices re: Tolerable Allowance (TOLA) matters.
- Reports
 - Consolidated Status of SAOs Accountabilities as of:
 - September 30, 2019
 - December 31, 2019
 - March 31, 2020
 - June 30, 2020
 - September 30, 2020
 - Submitted comments on the following SOPs:
 - Guidelines on the filing of criminal and administrative cases against NFA Accountable Officers with Final Shortages;
 - The New Computerized Stock Examination and TOLA Computation
 - Regional / Provincial TOLA Accomplishments: January 2019 – March 2020:
 - Evaluated Provincial Accomplishments per status of employment of all provinces from Regions I-XV based on the Quarterly Status of SAOs Accountabilities covering the period January 2019 to March 2020 versus Doable Action Plan covering the period January to December 31, 2019.
 - Completed the preparation of Consolidated Regional Accomplishment per status of Employment from Regions I to XV.
 - On-going preparation of Consolidated National Accomplishment per Status of Employment.
 - Consolidation of Doable Action Plan – for finalization
 - Monitoring of Physical Inventory Report as of May 2020 – On-going
 - National summary of shortages per SAO from December 2019 to September 2020 – On-going
 - SAOs still connected, without Stock Examination – classified to offset, with final TOLA shortage and without TOLA as of October 2020 for NTAC – completed

❖ Administrative and Other Office Matters

- Issued memos, transmittals and wires to Central Office concerned department / s regarding IASD Administrative Matters.
- Attended Meetings / conference and Briefings:
 - Virtual Meetings re: Administrative Matters
 - MANCOM Meetings
 - NTAC Meetings – *Special and Regular Meetings*
 - IASD – ESC Meeting
 - NFAPFI Meetings
 - IASD Meetings

LEGAL AFFAIRS

Review and evaluation of all documents, contracts, agreements and other deeds entered by the NFA. Handles all civil / criminal cases filed by or instituted against NFA, and the prosecution of administrative cases against erring employees.

For the year, 6,564 activities pertaining to adjudication, documentation and litigation were undertaken, details of which are as follows:

ADJUDICATION	2,987
Handling, Prosecution of Administrative Cases	
Hearings conducted	2
Pleading prepared and submitted from the Hearing Officer	4
Pleading prepared and submitted from the Prosecution	1
Preparation of Decisions, Resolutions and Formal Investigation Reports (FIRs)	
Submitted Draft Decisions and Resolutions to AO	88
Submitted Formal Investigation Reports (FIRs)	59
Support Functions	
Prepared communications	67
Process issued pleadings to all concerned parties	17
Reviewed and initialed certifications	2,749
Documentation & Legal Research	289
Contracts / SOP reviewed / evaluated	71
Opinions rendered	50
Notice of Disallowance	44
Other Memos	37
Others	87

Litigation	3,288
Hearing / s attended by Lawyers	66
Pleadings, Memoranda and related documents prepared by Lawyers	80
Opinions, reports, requests, queries & communications	385
Certifications / COC of no pending case and / or with pending cases issued	2,740
Other Accomplishments	17
TOTAL	6,564

PUBLIC AFFAIRS

Formulation and implementation of an effective and efficient information program through mass media to achieve greater public awareness of the NFA's programs, projects and activities.

- Prepared the following news brief on the NFA operational activities:
 - Enough rice in ash fall affected areas.
 - NFA releases rice for Taal Volcano victims.
 - NFA donates 2,000 bags of rice for Taal Volcano evacuees.
 - NFA prepositions Rice Buffer Stocks for lean months.
 - NFA deploys 7th rice caravan to NCR.
 - NFA welcomes probe on its rice stocks.
 - 6th NFA rice caravan goes to NCR.
 - NFA rice sold direct to LGUs and relief agencies.
 - NFA has released some 2.2M bags of rice for COVID 19 relief.
 - NFA intensifies campaign to buy palay from local farmers.
 - NFA tops 5M mark in palay procurement.
 - Maulan man at maputik, patuloy pa rin ang NFA sa paglilingkod sa sambayanan.
 - NFA Region VIII intensifies procurement activities.
 - NFA Aklan serves farmers in remote areas.
 - Palay procurement in Bohol in full swing.
 - LGU AND DA-RFU5 support NFA Camarines Norte aggressive palay buying.
 - DPWH supports NFA Albay procurement activities.
- Updated Frequently Asked Questions (FAQs) in relation to 2021 Budget Hearing.
- Prepared Communication Plan re: NFA's mandate under Republic Act (RA)11203.

- Answered/replied 994 inquiries of netizens via Facebook (FB) page.
- Posted 171 DA and NFA-related updates/new releases on Facebook.
- Endorsed 61 complaints to concerned offices/officials/employees and ensured prompt compliance for submission to the Office of the President.
- Monitored thru internet and prepared summary of 3250 news clippings from national dailies, tabloids and other media outfits (local and foreign).

IV. FINANCE AND ADMINISTRATION

Preparation and analysis of financial reports, allocation of corporate budget, execution and monitoring of budget utilization, control and monitoring of remittances and cash balances of the Agency, and management of debt / obligations.

FINANCIAL MANAGEMENT

Based on unaudited Financial Performance for the year, the NFA reported a total assets of ₱73.811 B and total liabilities of ₱203.817 B, resulting to equity deficiency of ₱130.006 B.

STATEMENT OF FINANCIAL POSITION (Unaudited)

	2020
ASSETS	
Current Assets	
Cash and Cash Equivalents	2,843,080,106.30
Investments	397,442,692.76
Receivables	3,532,054,791.79
Intra- Agency Receivables	51,040,316,274.63
Inventories	11,626,960,301.92
Other Current Assets	219,837,955.97
Total Current Assets	<u>69,659,692,123.37</u>
Non-Current Assets	
Investments	516,826,380.59
Investment Property	15,833,340.34
Property, Plant and Equipment	2,451,148,700.65
Intangible Assets	3,420,277.83
Other Non-Current Assets	1,164,237,167.44
Total Non-Current Assets	<u>4,151,465,866.85</u>
TOTAL ASSETS	<u>73,811,157,990.22</u>
LIABILITIES	
Current Liabilities	
Financial Liabilities	75,386,188,387.07
Inter-Agency Payables	69,226,518,294.22
Intra-Agency Payables	49,466,585,046.29
Trust Liabilities	1,000,132,255.24
Total Current Liabilities	<u>195,079,423,982.82</u>
Non-Current Liabilities	
Financial Liabilities	7,851,665,917.89
Deferred Credits / Unearned Income	75,083,054.12
Provisions	811,350,300.13
Total Non-Current Liabilities	<u>8,738,099,272.14</u>
TOTAL LIABILITIES	<u>203,817,523,254.96</u>
EQUITY DEFICIENCY	
Accumulated Surplus / Deficit	(135,006,365,593.58)
Contributed Capital	5,000,000,328.84
EQUITY DEFICIENCY(TOTAL ASSETS LESS TOTAL LIABILITIES)	<u>(130,006,365,264.74)</u>

Total Revenue is ₱14.700 B, while Current Operating Expenses is at ₱30.138 B, resulting to a deficit of ₱15.438 B from Current Operations. Considering the financial assistance/subsidy, sales of assets and gains /(losses) received for the period, the NFA recorded a Net Surplus of about ₱20.805 B.

STATEMENT OF FINANCIAL PERFORMANCE (Unaudited)

	2020
Revenue	
Service and Business Income	14,579,598,043.25
Shares, Grants and Donations	2,276.98
Miscellaneous Income	120,080,862.32
Total Revenue	<u>14,699,681,182.55</u>
Less: Current Operating Expenses	
Personnel Services	3,866,120,445.62
Maintenance and Other Operating Expenses	2,049,271,405.00
Financial Expenses	3,797,107,979.30
Direct Cost-Cos of Sales	19,578,780,534.02
Non-Cash Expenses	846,392,518.57
Total Current Operating Expenses	<u>30,137,672,882.51</u>
Surplus / (Deficit) from Current Operations	<u>(15,437,991,699.96)</u>
Financial Assistance / Subsidy	36,250,000,000.00
Sale of Assets	265,803.37
Gains	756,415.42
Losses	(7,981,631.48)
NET SURPLUS / (DEFICIT) FOR THE PERIOD	<u>20,805,048,887.35</u>

DEBT MANAGEMENT

The outstanding NFA loans as of December 31, 2020 amounted to ₱131,222,034.00, comprising of the following:

	As of December 31, 2020 (In '000 ₱)
I. Short-Term Credit Lines	50,495.000
II Long Term Loans	
LBP Notes	2,115.000
Various Creditors	18,750.000
Long Term Notes Syndicated - New	7,560.000
Foreign – Japanese Rice Loan	62.645
Net Lending	52,239.389
TOTAL BANK LOANS	131,222.034

CONTRIBUTION TO THE ECONOMY

For the year end 2020, NFA has contributed **₱15,211,211,867.06** to the country's economy in terms of the economic activities undertaken for palay procurement, expenses for rent, transport & delivery, general services, janitorial, security, drying, milling, handling, taxes withheld from employees' compensation and from suppliers of goods and services.

PARTICULARS	AMOUNT
Palay Procurement	12,849,476,359.22
Rent Expenses	90,405,676.89
Transportation & Deliveries Expenses	542,984,170.41
General Services	52,019,004.92
Janitorial Services	12,822,410.43
Security Services	380,666,917.09
Drying	4,023,975.00
Milling	75,054,496.18
Handling	783,110,008.37
Tax Withheld from Employees' Compensation	115,212,667.93
Tax Withheld from Suppliers of Good and Services	305,436,180.62
TOTAL	₱15,211,211,867.06

HUMAN RESOURCE MANAGEMENT

When the government implemented the community quarantine, NFA assigned skeleton workforce to ensure continuity of NFA services to the public. Work arrangements have been set at 50% workforce reporting to the office, while the other 50% works from home (WFH). The schedule shifts weekly, to comply with the physical distancing protocol of keeping the required distance of at least 1 meter.

NFA PERSONNEL COMPLEMENT As of December 31, 2020

	Status	Authorized Positions	Filled-Up Positions	Vacancies
Regular				
Central Office		514	337	177
Field Office		3,821	2,666	1,155
Sub-total		4,335	3,003	1,332
CTI				
Central Office		1	1	0
Field Office		0	0	0
Subtotal		1	1	0
TOTAL		4,336	3,004	0

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