



06 March 2020

MR. WILLIAM D. DAR

*Secretary, Department of Agriculture
and NFA Council Chairperson*

MS. JUDY CAROL L. DANSAL

Administrator

NATIONAL FOOD AUTHORITY (NFA)

*SRA Building, North Avenue,
Diliman, Quezon City*

RE : TRANSMITTAL OF 2020 PERFORMANCE SCORECARD

Dear Secretary Dar and Administrator Dansal,

This is to formally transmit the 2020 Charter Statement and Strategy Map (**Annex A**) and 2020 Performance Scorecard (**Annex B**) of NFA.

The NFA-proposed Charter Statement, Strategy Map and Performance Scorecard submitted through its letter dated 27 September 2019¹ were **MODIFIED** based on the discussions made during the Technical Panel Meeting (TPM) held on 10 December 2019 and evaluation of revised documents submitted through NFA's letter dated 17 January 2020².

In its letter dated 17 January 2020³, NFA requested exemption from the ISO Certification target for the 2020 Performance Scorecard. NFA represented that "*under the NFA restructuring, we have to undergo transition from our former processes, systems, and procedures.*" NFA also submitted the letter from the DBM which favorably granted the request of NFA to suspend its compliance with the ISO QMS requirement of Executive Order No. 6054⁴. However, the exemption granted by DBM was only for FY 2019 "*considering that the restructuring is expected to be completed on or before 31 December 2019*". The approved Restructuring Plan of the NFA was received by NFA's Office of the Administrator on 14 January 2020.

Foregoing considered, the Governance Commission hereby denies the request of NFA and included an ISO measure in NFA's 2020 Performance Scorecard. Considering that 2020 is a transition period for NFA, the flexibility to choose the site/location and/or process that will undergo ISO Certification is given to the NFA management.

We take this opportunity to **REMIND** NFA that Item 5 of GCG Memorandum Circular No. 2017-02⁵ mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter. NFA is requested to submit its revised Quarterly Targets based on

¹ Officially received by the Governance Commission on 30 September 2019.

² Officially received by the Governance Commission on 21 January 2020.

³ Officially received by the Governance Commission on 21 January 2020.

⁴ Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program, Amending for the Purpose Administrative Order No. 161, s. 2006

⁵ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.

the attached scorecard upon submission of the 1st Quarter Monitoring Report for 2020.

FOR NFA'S COMPLIANCE AND GUIDANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.
Chairman


MICHAEL P. CLORIBEL
Commissioner


MARITES C. DORAL
Commissioner



National Food Authority

Mandate:

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

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.

Mission:

The NFA shall procure palay locally and maintain the optimal level of buffer stock 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.

Core Values:

- ☐ Professionalism
- ☐ Service Excellence
- ☐ Accountability
- ☐ Organizational Awareness and Commitment
- ☐ Interpersonal Relations

Improvement of Operational Efficiency
Organizational Reforms and Good Governance

2020 STRATEGY MAP

*Ensure Food Security for Rice***SOCIAL**

Ensure Food Security through Maintenance of Buffer Stock

STAKEHOLDER

Availability of Rice During Emergencies and Calamities

Sustain Client Satisfaction

FINANCIAL

Improve Cost Efficiency

LEARNING & GROWTH

Establish Quality Management System (QMS)

Establish Competency Framework

NATIONAL FOOD AUTHORITY (NFA)

	Component				Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2017	2018	2019	2020	
SOCIAL IMPACT	SO 1	Ensure Food Security through Maintenance of Buffer Stock							
	SM 1	Buffer Stocks Maintained	Actual Procurement (Rice Equivalent) / Daily Consumption Requirement	20%	15 days and above = 20% 10-14.99 days = 15% 5 to 9.99 days = 10% Below 5 days = 0% ¹	7 Days	2.13 Days	100% of NFA Council-approved procurement procured	At Least 15 Days (based on monthly average)
	SM 2	Stocks Maintained in Safe & Consumable Condition	Total Stocks in Safe & Consumable Condition / Total Stocks Stored	20%	99.50% - 100% = 20% <99.50% - 99% = 15% <99% - 98.50% = 10% <98.50% - 98% = 5% <98% = 0% ²	99.83%	99.83%	100%	100%
	Sub-total			40%					
STAKEHOLDERS	SO 2	Availability of Rice During Emergencies and Calamities							
	SM 3	Timely Release of Stocks in Times of Emergencies and Calamities	Average turnaround time	20%	48 hours and below = 20% 49 - 60 hours = 15% 61 – 72 hours = 10% Above 72 hours = 0%	N/A	N/A	N/A	48-hour response time ³ (based on time of receipt of payment/advice of payment and authority to issue)
	SO 3	Sustain Client Satisfaction							

¹ Rating will be applied in actual performance per month; annual rating will be computed based on the average of monthly ratings² Rating will be applied in actual performance per month; annual rating will be computed based on the average of monthly ratings³ Start time: Receipt of payment or advice of payment; End time: Authorization issued by NFA for 100% of requested stocks

	SM 4a	Percentage of Satisfied Customers (Farmers)	Number of Respondents who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	(Actual / Target) x Weight If less than 80% = 0%	No accomplishment	Result not acceptable	90%	90%
	SM 4b	Percentage of Satisfied Customers (Business Organizations)		5%					90%
		Sub-total		30%					
FINANCIAL	SO 4	Improve Cost Efficiency							
	SM 5a	Decrease Variable Cost of Palay	Variable Cost ⁴ / Total Cost of Palay	10%	$\leq 7\% = 10\%$; $>7\% \text{ to } 10\% = [1 - ((\text{Actual}-\text{Target})/\text{Target})] * \text{Weight};$ $> 10\% = 0\%$	N/A	N/A	N/A	$\leq 7\%^5$
	SM 5b	Decrease Variable Cost of Rice	Variable Cost / Total Cost of Rice	10%	$\leq 8\% = 10\%$; $>8\% \text{ to } 11\% = [1 - ((\text{Actual}-\text{Target})/\text{Target})] * \text{Weight};$ $> 11\% = 0\%$	N/A	N/A	N/A	$\leq 8\%^6$
		Sub-total		20%					
LEARNING & GROWTH	SO 5	Establish Quality Management System (QMS)							
	SM 6	Attain ISO 9001:2015 Certification	Actual Accomplishment	5%	All or Nothing	Internal Audit assessment conducted last 04 to 05 December 2017	ISO 9001:2015 Certification for FDC and Tarlac Provincial Office	N/A	ISO 9001:2015 Certification

⁴ All costs excluding buying price.

⁵ Refer to Appendix A.

⁶ Refer to Appendix A.

	SO 6	Establish Competency Framework							
	SM 7	Establish Competency Framework	Actual Accomplishment	5%	All or Nothing	Failed to Establish Competency Baseline Covering 50%	Competency Baseline Result Not Acceptable No Competency Integration No Updated HR Policies	Establish Competency Baseline Covering 100% of Positions	NFA Council-approved Competency Framework ⁷
		Sub-total		10%					
		TOTAL		100%					

⁷ Based on the newly-approved OSSP of NFA. Should include the Competency Catalogue, Competency Table, Competency Matrix, Position Profiles and Competency-Based Job Descriptions.

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NFA 2020 Performance Scorecard
Appendix A: Variable Cost of Palay and Rice

	2016	2017	2018	2019
Quantity (in kg)	343,012,309.70	59,349,047.24	25,965,437.27	735,444,125.02
Procurement				
Buying Price	17.265	17.084	16.992	17.846
Cost of Container	0.028	0.046	0.002	0.011
Handling-in	0.090	0.082	0.175	0.176
Trucking	0.662	0.674	0.185	0.441
Dispersal-Transfer Cost	-	0.674	0.185	0.441
Other incidental cost	-	0.234	0.585	0.957
Total Palay Cost	18.045	18.794	18.124	19.872
Variable Cost	0.78	1.71	1.132	2.026
Variable Cost as % of Total Palay Cost	4%	9%	6%	10%
Milling				
Milling Recovery	63.88%	64.19%	66.452%	62.296%
Cost of Local Rice	28.473	28.284	28.233	31.899
Handling	0.310	0.378	0.392	0.322
Cost of Container	0.154	0.186	0.419	0.095
Trucking	0.331	0.942	0.164	0.704
Other incidental cost	0.222	0.681	0.142	1.081
Total Cost of Local Rice/Cost of Sales	29.49	30.741	29.350	34.101
Distribution				
Cost of Local Rice	29.49	30.471	29.350	34.101
Handling	0.191	0.197	0.095	0.262
Total Cost of Local Rice	29.681	30.668	29.445	34.363
Dispersal				
Cost of Local Rice	29.681	30.668	29.445	34.363
Trucking	1.086	0.980	0.305	0.172
Total Cost of Local Rice	30.767	31.648	29.750	34.535
Variable Cost	2.294	3.364	1.517	2.636
Variable Cost as % of Total Rice Cost	7%	11%	5%	8%

Notes:

1. Data as provided by the NFA in its e-mail submission on 30 January 2020 (2016-2018) and 05 March 2020 (2019).
2. Targets are computed based on the average historical performance
3. The cap on the rating scale is pegged at the highest figure for period 2016 to 2019.