



Memorandum Circular

No. 14

Series of 2019

IMPLEMENTING GUIDELINES OF THE RICE FARMER FINANCIAL ASSISTANCE (RFFA)

I. BACKGROUND

President Rodrigo Roa Duterte signed into law Republic Act No. 11203 on 14 February 2019, otherwise known as "*An Act Liberalizing the Importation and Trading of Rice, Lifting for the Purpose the Quantitative Restriction on Rice and for Other Purposes*" which lifted the quantitative restriction on rice importation.

The sudden impact of the influx of imported rice exhibited the following: a) the average retail price of regular milled rice has been declining since April with the October 2019 inflation rate for regular milled rice recorded at -9.7% b) episodes of farm-gate prices of palay have plummeted to as low as P7 to P10 per kilo in major rice-producing provinces; c) while the price of rice dropped by 14.50%, the price of palay dropped considerably more by 26.49% in September 2019 vis-a-vis 2018 prices; and d) the significant drop of farm-gate price of palay consequently resulted in huge income losses for rice farmers and the industry which is now estimated to around P50 billion at current prices;

In this regard, the President issued Presidential Directive Item No. 2 last November 21, 2019, for the National Government to immediately set up and implement **RFFA** this year through the Department of Agriculture (DA). The **RFFA** shall be distributed as direct cash transfer primarily to compensate for the income loss of rice farmers due to the drop in palay prices in the identified affected provinces.

II. ACRONYMS AND ABBREVIATIONS

AFID	Agriculture and Fishery Information Division
CO	Central Office
DA	Department of Agriculture
DBP	Development Bank of the Philippines
GFI	Government Financial Institution
ICTS	Information and Communication Technology Service
LBP	Land Bank of the Philippines
LGU	Local Government Unit
MED	Monitoring and Evaluation Division
NPCT	National Program Coordinating Team
RFFA	Rice Farmers Financial Assistance
RFO	Regional Field Office
RPCT	Regional Program Coordinating Team
RSBSA	Registry System for Basic Sector Agriculture
TWG	Technical Working Group

III. OBJECTIVES

Generally, the goal of this **RFFA** is to provide compensation for the projected income loss of rice farmers due to the drop in palay prices.

More specifically, the **RFFA** aims to:

1. Provide cash grants to smallholder rice farmers who are affected by the episodes of significant drop in palay farmgate prices;
2. Facilitate the access of rice farmers to timely funds for procurement of needed inputs; and
3. Enhance farmers' opportunity to improve productivity and profitability.

IV. DESCRIPTION

These guidelines shall serve as a reference for the implementation of **RFFA**, decoupled payments amounting to **Five Thousand Pesos (Php 5,000.00)** to eligible rice farmer beneficiaries through the Development Bank of the Philippines (DBP) and Land Bank of the Philippines (LandBank).

V. SCOPE AND COVERAGE

Implementation of **RFFA** shall prioritized identified affected provinces brought about by decline in palay farmgate prices.

The **RFFA** shall also give preferential attention to smallholder rice farmers whose farm sizes range from 0.5 but not exceeding 2 hectares. These farmers must be registered in the updated Registry System for Basic Sectors in Agriculture (RSBSA) as per approved registration and updating protocol.

V. DURATION OF THE PROGRAM

The **RFFA** activities shall commence immediately after the effectivity of this joint memorandum circular. It shall be implemented within the two (2) year transition period (2019-2020).

VI. PROCEDURES

A. Identification and Determination of Beneficiaries

1. Selection of Provinces shall be determined with the following parameters:
 - a. Magnitude of Decline in Farmgate Palay Prices
 - b. Marketable Surplus (Yield less Consumption)
 - c. Yield and Area Harvested
 - d. Estimated Income Loss/Gains
2. Eligible beneficiaries of the program shall be registered rice farmers under the RSBSA farming 0.5 to 2 hectares;
3. The DA shall generate and transmit the master list of verified rice farmer-beneficiaries to partner Government Financing Institutions (GFIs).

B. RFFA Distribution and Payment

1. Upon receiving from the DA the master list of rice farmer-beneficiaries, the GFIs shall be responsible for distributing and paying the approved RFFA grants to qualified beneficiaries per year.
2. For distribution and payment of RFFA grants, the GFIs may utilize any combination of the following modes:
 - a. Cash Card;
 - b. Cash Card of other authorized banks;
 - c. Over-the-counter (OTC);
 - d. Conduits, such as:
 - i. Countryside Financial Institutions (e.g. rural banks, cooperative banks, and thrift banks);
 - ii. Cooperatives;
 - iii. Telecommunication Companies (TELCOs);
 - iv. Accredited Remittance Centers/Companies;
 - v. ATMs being managed by other Rural Banks; and
 - vi. Other Conduits that the DA and GFI may agree upon.
3. The DA-CO and/or DA-RFOs and LGUs may extend assistance to GFIs in the implementation of the various modes.

C. Feedback and Grievance Mechanism

1. All feedback relating to the implementation of the **RFFA** shall be forwarded to the Rice Farmer Financial Assistance Regional Program Monitoring Team (RFFA RPCT), which shall be resolved in accordance with the national policies and procedures;
2. Feedback which cannot be resolved at the regional level shall be elevated to the RFFA National Program Coordinating Team (RFFA NPCT) for resolution and appropriate action; and
4. A call-and-text center shall be established under the supervision of the RFFA RPMT as a hotline to accommodate feedback from the ground. A mobile number shall be dedicated for this purpose.

VI. INSTITUTIONAL ARRANGEMENTS

A. DA-Central Office (RICE FARMER FINANCIAL ASSISTANCE TWG and National Secretariat)

1. Comply with the documentary requirements to secure budget allocation and ensure the timely release of funds intended for the RFFA;
2. Prepare the master list of qualified farmers and fisherfolk based on the approved eligibility criteria for RFFA beneficiaries;

3. Establish RFFA NPCT that will formulate policies and procedures to resolve grievances and ensure proper execution of the program;
4. DA shall prepare the payroll documents for the RFFA Program with complete details;
5. ICTS and AFID to produce information, education, and communication materials, and prepare media releases on RFFA under the Rice Farmer Financial Assistance, in cooperation with the DA-RFO Agriculture and Fisheries Information Section, for dissemination to various program stakeholders;
6. MED to develop a monitoring and evaluation system, in cooperation with the DA-RFO Planning, Monitoring and Evaluation Division, for the RFFA; and
7. DA shall submit quarterly reports to oversight agencies of RFFA Program cash grants distributed and paid to farmer-beneficiaries using the various modes of payments.

B. DA-Regional Field Offices (DA-RFOs)

1. Establish a Regional Program Coordinating Team (RPCT);
2. Assist in the overall regional implementation of the RFFA;
3. Facilitate and fast track inclusion in the master list of RFFA beneficiaries of qualified rice farmers not included in the RSBSA;
4. Conduct Know-Your-Customer (KYC) procedures and certify identity of the beneficiaries using any government issued IDs acceptable to GFIs before the start of payout;
5. DA RFO shall arrange or may provide logistical requirements for program-related activities;
6. Consolidate and provide regional accomplishment reports on RFFA to the DA-CO;
7. Resolve concerns within their jurisdiction and endorse to DA-Central Office concerns that can't be resolved in the regional level;

C. Local Government Units (LGUs) through the Office of the Provincial Agriculturist and City/Municipal Agriculturist

1. Facilitate the conduct of master listing of farmers in their respective localities to be endorsed to DA-RFOs for inclusion in RSBSA updating; and
2. Assist in the program implementation in their respective localities particularly in conducting information campaigns, providing feedback on implementation, and providing logistical support for mobility of farmers as needed for the program.

D. Government Financing Institutions (GFIs)

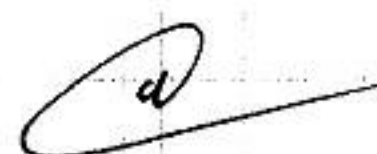
1. Receive the master list of RFFA beneficiaries from the DA-CO which they shall use solely for the purpose of the RFFA;
2. Distribute and pay RFFA grants based on the master list of beneficiaries;
3. Submit semester reports and provide copies of liquidation documents to DA-CO and/or DA-RFOs; and
4. Provide DA-CO and/or DA-RFOs with the list of RFFA beneficiaries with non-moving accounts.

E. Farmer-Beneficiaries

1. Comply with the required implementation scheme by the servicing GFI;
2. Accomplish and submit all required documents; and
3. Withdraw immediately, once available, the financial assistance to avoid account being tagged as a "non-moving" account

VII. OTHER TERMS

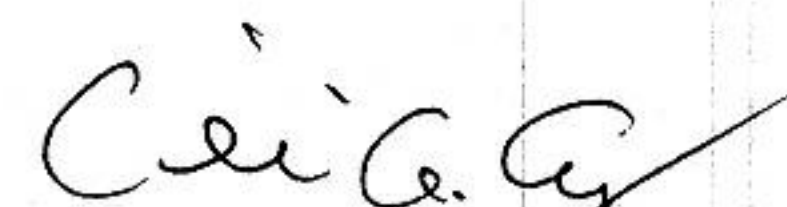
1. The parties shall communicate regularly and shall use any available means of communication including electronic means (email) which shall be considered as official documents.
2. The parties shall execute such other agreement/s including the implementing rules which are necessary to implement the terms of this Agreement, the same to be deemed as integral parts hereof.
3. The provisions and annexes of this guidelines may be amended or supplemented as deemed necessary.
4. The parties shall endeavor to implement a non-intrusive and secure automated system of data exchange that will allow the respective parties' IT applications and databases to communicate with each other in real time.
5. CONFIDENTIALITY. A party shall not disclose to unauthorized third parties any confidential information of the other party.
6. INDEMNITY. A party shall hold the other party, and other party's officials and employees, free and harmless from any liability to third parties that may rise out of fault or negligence of that party or that party's official employees.



VIII. EFFECTIVITY

This joint memorandum circular shall take effect immediately upon issuance and will remain valid until revoked in writing by competent authority. It shall be reviewed, amended or supplemented as the need arises.

Done this 20 day of December 2019, Diliman, Quezon City, Philippines.



WILLIAM D. DAR,
Ph.D.
Secretary

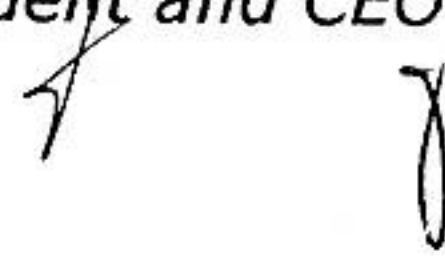


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