



29 January 2020

MEMORANDUM ORDER

No.: 11

Series of 2020

SUBJECT: SURE AID TAAL PROGRAM GUIDELINES

WHEREAS, in response to occurrence of calamities and natural disasters that severely affect agriculture/fishery sector that put at risk of loss of crops/livestock/fisheries and livelihoods of affected families, the Governing Council of the Agricultural Credit Policy Council (ACPC) approved the Survival and Recovery (SURE) Assistance Program and in February 20, 2017, the Secretary of Agriculture issued Administrative Order No.2 Series of 2017 for the Implementing Guidelines thereof;

WHEREAS, the incident of the eruption of the Taal volcano had adversely affected agricultural activities in the immediate areas of the Provinces of Batangas and Cavite where one of the most affected sectors is the livestock industry where their livelihood is heavily devastated;

WHEREAS, there had been reports of massive buying of livestock animals, especially horses, large and small ruminants in the area at a very low price. In this emergency situation, animals that suffered injuries command a very low price, and because they cannot be adequately taken care of, small farmers/fisherfolk are prompted to sell to unscrupulous traders;

WHEREAS, this scenario is a threat to the genetic integrity of livestock animals in the affected areas, as traders intend the animals that they procure mainly for slaughter. To preserve the livestock genetics, there is a need to save these animals and prevent them from being sold to traders;

WHEREAS, as of this date, there is no assurance that the affected families can permanently return back to their places of residences, thus, livestock raisers and other small farmers/fisherfolk are unable to engage in their pre-disaster livelihoods;

WHEREAS, in view of the peculiar circumstances of the Taal volcano disaster, there is a need to develop new set of SURE Assistance Program Guidelines to respond immediately and effectively to the needs of the small farmers/fisherfolk families affected by the Taal volcano eruption disaster;

NOW, THEREFORE, I, SECRETARY WILLIAM D. DAR, of the Department of Agriculture, in accordance with law, hereby issue this Order to implement the following "SURE-Aid Taal" Program Guidelines.



SECTION I. SCOPE AND COVERAGE

SURE-Aid Taal Calamity Assistance Program shall be extended to the affected small farmers/fisherfolk families from the areas identified by the Department of Agriculture (DA) as severely affected. Priority shall be extended to those who had to evacuate from their places of residence due to continuing hazard risk posed by Taal volcano.

SECTION II. PROGRAM DESCRIPTION

The Program shall consist of the following components:

1. **Financial Assistance** – which consists of the following modes of assistance: (a) **Insurance Pre-payout Cash Assistance** –for livestock/farm animal raisers; (b) **Emergency Loan Assistance** for the immediate and emergency needs of the affected small farmers/fisherfolk; (c) **Recovery Loan Assistance** for the rehabilitation or re-start of farming/fishing activities. The first two modes shall be extended during the emergency response phase while the Recovery loan assistance shall be extended when the beneficiaries are ready to resume their farming/fishing activities.
2. **Animal Genetic Conservation and Rehabilitation** –which involves sheltering of livestock/animals rescued or delivered by affected animal raisers. The DA through the Regional Field Office (RFO) IV-A shall provide custody, proper care and maintenance of the animals delivered by affected raisers during the period when the animal raisers are unable yet to take care of the animals. The DA-RFO IV-A shall formulate and implement the mechanics of the custodianship scheme.

SECTION III. ELIGIBLE BENEFICIARIES

Eligible beneficiaries shall be small farmers/fisherfolk defined below and who are from the affected areas as identified by the DA:

Small Farmer	Refers to “natural person dependent on small-scale subsistence farming or fishing activity as primary source of income” (Section 4, RA 8435/AFMA), i.e., those who (a) own or are still amortizing lands that are not more than three (3) hectares, tenants, leaseholders, and stewards (Presidential AO No. 21 of 2011, Revised IRR of RA 8425/Social Reform Act); or (b) engaged in backyard livestock and poultry raising defined by Philippine Statistics Authority (PSA) as engaged in: (a) livestock raising not exceeding any of the following: (i) 20 head of adults and zero young, (ii) 40 head of young animals, (iii) 10 head of adults and 22 head of young animals; and (b) poultry raising not exceeding: (i) 500 layers or 1,000 broilers, (ii) 100 layers and 100 broilers if raised in combination, (iii) 100 head of duck.
Small Fisherfolk	Refers to those directly or indirectly engaged in taking, culturing, or processing fishery or aquatic resources, to include, (a) those engaged in fishing using gears that do not require boats or boats less than three (3) tons, in municipal waters, coastal and marine areas; (b) workers in commercial fishing and aquaculture; (c) vendors and processors of fish and coastal products; (d) subsistence producers such as shell-gatherers, managers, and producers of mangrove resources, and other related producers (Presidential AO No. 21 of 2011, Revised IRR of RA 8425/Social Reform Act).

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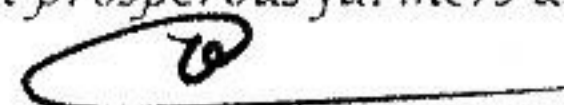


SECTION IV. FINANCIAL ASSISTANCE

1. **Insurance Pre-Payout Cash Assistance.** Eligible beneficiaries shall be those as defined in Section 3 and who have delivered livestock/animals to the DA through the Regional Field Office (DA-RFO). The mechanics shall be as follows:
 - a. The livestock owner shall deliver the animal to the DA-RFO and executes a custodianship agreement with the DA-RFO. The DA-RFO shall then endorse to ACPC the master list of eligible beneficiaries, i.e., those that have delivered the animals, indicating therein the animals delivered and corresponding valuation.
 - b. The amount of cash assistance shall be equivalent to the valuation indicated in the Master List certified by the DA-RFO. The valuation shall be based on the approved "Valuation Matrix" (hereto attached as Annex A). Such valuation may be revised as recommended by the DA-RFO and approved by the DA Secretary.
 - c. If the animal owner is interested to avail of the insurance pre-payout cash assistance, he fills up SURE-Aid Taal application form and the Philippine Crop Insurance Corporation (PCIC) insurance coverage application. The SURE-Aid filled-up application form and copy of the custodianship agreement will then be forwarded by the DA-RFO to ACPC. The insurance coverage shall be assigned by the PCIC to ACPC.
 - d. ACPC shall then instruct its Agent Bank/Conduit to effect the release of the corresponding amount of cash assistance directly to the eligible beneficiaries.
 - e. In case of death or loss of the animal under custodianship of the DA-RFO, the animal owner is extinguished of any liability of the amount of cash assistance received. The DA-RFO immediately informs PCIC for the insurance claim. PCIC shall then pay the insurance claim directly to ACPC. Any excess of PCIC claim payment over the cash assistance shall be returned to the animal owner. ACPC shall provide data to its Agent Bank/conduit for the proper recording.
 - f. Should the animal owner opt to redeem the animal, the owner shall then execute a Promissory Note in the amount equivalent to the balance of the cash assistance received. The loan shall be payable in 8 years at zero interest with grace period of one year.
 - g. Should the animal owner opt not to redeem the animal, the animal shall then be treated as acquired asset of ACPC, thereby extinguishing his liability.
2. **Emergency Loan Assistance.** Eligible beneficiaries are small small farmers and fisherfolk as defined in Section 3. The mechanics and terms of the loan assistance shall be as follows:
 - a. **Loan terms:** Loan proceeds shall be up to P25,000.00 per borrower payable in 8 years with one year grace period. The loan shall be at zero interest. However, the ACPC Agent Bank/Conduit may charge service fee to cover loan processing costs but to exceed 3% of the loan amount.

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b. Mechanics

- 1) The DA-RFO shall provide the ACPC the masterlist of eligible small farmers/fisherfolk certified by the DA-RFO.
- 2) The Agent Bank/Conduit, ACPC and DA-RFO staff shall assist the LGU staff in facilitating the filling up of Loan Application Forms by the eligible beneficiaries and in encoding data in the "Validated List of Qualified SURE Taal borrowers".
- 3) The Validated List shall be certified by the authorized signatories designated by the DA-RFO. The DA-RFO shall transmit the validated list to the ACPC together with the filled up application forms for its transmittal to the concerned Agent Bank/Conduit.
- 4) ACPC shall then notify its Agent Bank/Conduit to proceed (via a "Letter of Notice to Proceed") with the loan processing and loan releases to the eligible borrowers in the validated list.
- 5) After loan releases, the Agent Bank/Conduit shall submit to ACPC the loan disbursement report indicating the names of borrowers and corresponding loan amounts.

Those beneficiaries who availed of the Insurance Pre-Payout Cash Assistance mode may also avail of the Emergency Loan Assistance, provided that the total amount including the pre-payout cash assistance shall not be more than P25,000.00.

3. Rehabilitation Loan Assistance

a. Loan terms and conditions

Loan Purpose	:	To finance the requirements to re-start their farming or fishing activities.
Loan Amount	:	The loan amount shall be based on the actual financing needs net of the subsidies provided by the government (e.g. seeds, fertilizers, fingerlings, etc.). Maximum loan amount however shall be P150,000.00.
Finance Charge	:	Zero percent (0%) interest. The ACPC Agent Bank/conduit may charge up to 3% service fee.
Term of Loan and mode of payment	:	Eight (8) years with one-year grace period

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- b. Mechanics.** Eligibility and mechanics shall be the same as in Section IV.2.b.. Those that availed the emergency cash assistance may also avail of the rehabilitation loan assistance provided total loan receivables shall not more than P150,000.00 and provided they submit loan utilization for the earlier assistance availed.

SECTION V. AGENT BANKS/CONDUITS

1. **Responsibilities of Agent Bank/Conduit.** The Agent Bank/Conduit, acting on behalf of DA-ACPC, shall be responsible for the processing, loan documentation, disbursement and collection of loans from the eligible borrowers. The agent bank/conduit shall not bear credit risk.
2. **Eligible Agent Bank/conduit.** The eligible agent banks/conduits are GFIs, cooperative banks, rural banks, non-government financial institutions and viable NGOs with juridical personality, operate in the affected areas at least for at least three years and willing to act as agent banks/conduits.

SECTION VI. FUNDING

An initial amount of P500 Million shall be allocated for the Program to be sourced from the ACPC approved capital (loan) outlay under the FY 2020 General Appropriations Act (GAA) and from the AMCFP Fund and other source/s. The amount of P200.00 Million already released by Department of Budget and Finance (DBM) to ACPC shall be set aside for the immediate implementation of the emergency assistance (Insurance Pre-Payout Cash Assistance and Emergency Loan Assistance). Additional funds shall be made available as soon as the small farmers/fisherfolk are ready to re-start with their farming/fishing activities.

SECTION VII. APPROVAL AUTHORITIES

The ACPC Executive Director or DA Secretary shall be the signing and approving authority for the Agreements, obligation requests, disbursement vouchers and fund transfers as per levels of authority in accordance with the DA General Memorandum Order No.3 Series of 2016.

SECTION VIII. EFFECTIVITY

This Memorandum Order shall take immediately upon approval.


WILLIAM D. DAR, PhD.
Secretary

DEPARTMENT OF AGRICULTURE
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