



Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City

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MEMORANDUM CIRCULAR

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SUBJECT : AMENDED IMPLEMENTING GUIDELINES FOR THE YOUNG FARMERS CHALLENGE FUND: *Kabataang Agribiz Competitive Grant Assistance Program*

In the Philippines, the average age of our farmers as of 2018 is 57 years old and majority of the youth are no longer interested in agriculture¹. The predominant notion of an ordinary youth is that agriculture will not get them out of poverty. This is because they have seen their grandparents and parents struggle but still remain under the poverty line. The younger generation of farmers witnessed their parents grow old and remain poor and thus perceive farming not as a lucrative career. Further, the number of farm workers has been declining over the past years of around 1.5% per year since 2007. Those employed in agriculture declined from 11.84 million in 2015 to 9.8 million in 2020.

Section 1. Program Objectives

This program seeks to encourage the youth to engage in agriculture and agri-fishery enterprises. Specifically, it aims to:

- a. Provide the youth access to resources and opportunities that would enable them to venture into profitable agri-fishery based enterprises; and
- b. Promote agri-fishery enterprise business models to the youth to showcase the viability potential of agri-based enterprises as sustainable ventures alternative to urban-based job employment.

Section 2. Program Description

The **Young Farmers Challenge Fund (YFCF)** is a competitive financial grant assistance program for the youth who will engage in agri-fishery based enterprises. The Program will be open to all interested youth with proposed business ventures with profitability potential. The grants shall serve as start-up capital for the planned innovative agri-based micro-enterprise operated by an individual youth or as joint venture between two or more individual youth.

The Program shall also provide business development services that include business planning, product development, market linkage assistance, among others.

The young agripreneurs will also be encouraged to form into agripreneurship clubs at the provincial and regional level. The provincial and regional clubs will be encouraged to meet regularly for sharing of experiences, and to be able to establish business collaboration and networking among themselves.

Under the GAA 2021, the amount of Php100 Million was allocated for the implementation of this program. It states that, *"The amount of Php100 Million appropriated herein for the Young Farmers Challenge Fund shall be used to encourage and support the youth in staying or returning to agriculture, to engage them in food production, processing of agricultural products and other farm-based enterprises, and to provide them the opportunity to own, lease, develop and cultivate the land for agricultural purposes."*

¹ Castillo, J.V. (2018): Really, they hate farming? Challenging the dominants or orthodoxies on Filipino youth perceptions on rice farming.

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2.1 Levels of Competition

The “Search for Outstanding Kabataang Agribiz Business Models” competition is a nation-wide call for “Youth Agri-Business Models” (“YBM”) and open to all youth that meet the qualifications set in this guideline.

Applicants shall be required to submit their Business Model Canvas (BMCs)² which will be evaluated by a panel of judges. The panel of judges shall be drawn from the DA and its partner agencies, academe (e.g. SUCs) and private sector representatives (from the agribusiness industry).

The competition will be in three (3) stages. The first stage is the selection of the best BMCs at the provincial level (including NCR). The awardee (grant recipient) at this level shall be the individual youth who will either operate solely the proposed enterprise or as a member of the proposed group-managed enterprise, who shall receive PhP50,000.00 each. From among the provincial awardees, the provincial panel of judges shall select those who will compete at the regional level. The second stage of competition is the regional level competition wherein three (3) awardees per region will be selected by the regional panel of judges. Each regional awardee shall be considered an enterprise to be awarded an additional financial grant of PhP150,000.00. Awardees at this stage will be qualified to compete at the national level. The last stage of competition is the national level competition. Among the forty-eight (48) nominees, the top twelve (12) to fifteen (15) finalists will be selected by the national panel of coaches. Each coach may mentor two (2) to three (3) finalists of their choice in improving their business models which shall be presented to the final stage of competition. The national panel of judges shall then select from among the finalists the six (6) national awardees. Each national awardee shall be awarded an additional financial grant of PhP300,000.00. National level awardees will be declared as “Outstanding Youth Agri-Business Models”.

2.2 Competition Theme

The Youth Agri-Business Models shall focus on agribusiness ideas that are micro to small scale, innovative and that have potential to generate incomes comparable to incomes of salaried workers in urban areas. This is to encourage the youth to venture in innovative high income potential businesses that are agriculture/fishery based. By innovative, it means the business model can provide new solution to an identified problem (e.g. production, process, marketing etc.). By viability potential, the model must have clear target market and marketing strategy and can generate good revenue stream that can show potential of being scaled up in the future.

Section 3. Definition of Terms

As used in this Guideline, the following terms shall be construed as:

- a. **Business Model Canvas** is a simplified template for visualizing business concept in a straightforward way. It may then be transformed into a detailed business plan.
- b. **Enterprise** refers to an agri-based micro-enterprise operated by an individual youth or by a group of two (2) or more individual youth, and is not necessarily registered as a legal entity. An enterprise-beneficiary (enterprise-awardee) means that the recipient of the award is the enterprise recognized as one business unit which is operated either solely by an individual youth beneficiary or by a group of individual youth beneficiaries. Each member of a group managed enterprise must pass the eligibility criteria of the individual youth beneficiary.

² A Business Model Canvas is a simplified template for visualizing a business concept in a straightforward way. It is then transformed into the detailed business plan.





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- c. **Financial Grant** is a financial award to be given to the declared awardees/ beneficiaries of this program which shall serve as start-up capital for their planned innovative agri-based micro-enterprise.
- d. **Youth beneficiary** is an individual youth who will engage in agri-fishery based enterprise and who is found to be eligible based on the eligibility criteria set under this implementation guidelines, and are selected and declared as awardees by the panel of judges.

Section 4. Creation of National, Regional and Provincial Panels of Judges

A Special Order shall be issued by the Secretary of the Department of Agriculture for the creation of the National Panel of Judges and its Secretariat. The Panel shall formulate the standard criteria for judging the awardees which will then be relayed to the regional and provincial panels of judges. The Secretariat staff shall be drawn from the AMAS.

Special Orders shall be issued by the DA Regional Executive Directors for the creation of regional and provincial panels and their secretariats. The secretariat staff shall be drawn from the AMADs.

Since the program involves agribusiness promotion as well as agriprenurship capability building, AMAS-AMAD shall be the lead DA implementing unit with ATI (through its National and Regional Offices) as co-implementing agency.

The composition of the panel of judges shall be representatives from the DA, other partner government agencies (e.g. LGUs), academe (e.g. state universities and colleges), and private sector representatives (from agribusiness industry). The composition of the panel shall be five members including its designated Chairperson.

Section 5. Competition Guidelines

5.1 Eligibility Criteria

5.1.1 Applicants

To participate in the competition, an individual applicant must pass the following criteria:

- a. Age is 18 to 30 years old³;
- b. Natural born Filipino citizen;
- c. Graduates, In school or out-of-school youth;
- d. Preferably with agriculture and fishery experience or related training (formal or non-formal education)⁴; and
- e. Must be ready to venture/engage in agriculture and fishery business enterprise.

In case of groups or organizations, all members must pass the above eligibility criteria.

The following are not eligible to participate in the competition:

- a. Employees of the DA, its Regional Field Offices, bureaus, attached agencies and corporations, including their relatives up to the fourth civil degree of consanguinity or affinity; and

³ Section 2, Republic Act No. 8044 (Youth in Nation-Building Act of 1994) defines youth as aged 15-30 yrs old. However, the legal age is defined as 18 yrs. old as per Republic Act No. 6809.

⁴ This is in support to the provision of Section 4.6 of the Republic Act 11321 or the Sagip Saka Act, wherein agriculture and fisheries graduates are to be provided with working capital to enable them to engage in agriculture and fisheries related economic activities

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- b. Recipients of assistance or awards either in cash or in kind amounting to Php50,000.00 and above from the DA, its Regional Field Offices, bureaus, attached agencies and corporations.

5.2 Application Procedures and Requirements

5.2.1 Application Procedure

- a. Only applicants with complete requirements shall be processed for screening. Late and/or incomplete submission of requirements will automatically be disqualified.
- b. Interested applicants may submit their application and all requirements to the DA-AMAS (in case of NCR applicants) or to the DA Regional Field Offices (in case of other regions). Applicants are encouraged to submit on-line through the concerned offices designated email accounts and/or online platforms created for the purpose⁵.

5.2.2 Application Requirements

- a. Business Model Canvas (BMC) as prescribed by the Program;
- b. 2 x 2 Photo and scanned or clear copy of at least one (1) valid ID; and
- c. Copy of the proof documents that he/she has agriculture and fishery experience or related training/education.

All documents submitted for this program shall become the property of the Department of Agriculture.

Note: If applicants intend to form a partnership, corporation, cooperative or association for the business venture, they shall submit a declaration of intent amongst them that they commit to form such entity. If already a partnership, corporation, cooperative or association, they must submit a certified true copy of the registration certificate.

5.3 Evaluation Criteria

Selection criteria for the “Search for Outstanding Kabataang Agribiz Business Models” shall be as follows:

- a. **Entrepreneurial attributes.** Entrepreneurial attributes or traits are the typical characteristics, abilities and thought patterns associated with successful entrepreneurs. The applicant must exhibit basic entrepreneurial attitudinal attributes such as: integrity (proof that he/she can be trustworthy), risk-taking (willingness to take calculated risks), passion (exhibits strong motivation to pursue agribusiness), good communication and marketing skills (as evidenced by his/her sales pitch), and leadership qualities (with vision and drive to excel).
- b. **Innovativeness of the business proposal.** Innovativeness means new ways of addressing a problem (e.g. market need, value chain problem or production system weakness). This can be an introduction of new or modern technologies and/or enhancement of existing techniques and processes in producing goods and services, and/or marketing agricultural products.

⁵ If requirements will be sent via e-mail, it must be submitted in PDF format





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- c. **Revenue stream of the business proposal.** The proposed business must show clear potential of generating revenue stream. The proposal can show clear plans on achieving business transactions and how the business will be able to expand its market over time.
- d. **Value Addition.** Value Adding is the enhancement of a product or services that provides additional economic value of an agri-fishery commodity/ product to attract more customers and consequently increase revenue/profit.

The National Panel shall determine the weight and scoring system for judging. This shall be cascaded to all regional and provincial panels for uniformity of criteria and scoring system for the judging at all levels (provincial, regional, national),

5.4 Evaluation Process and Procedures

The evaluation process begins at the Provincial level and ends at the National Level. The following is the evaluation procedure for each level of the competition:

5.4.1 Eligibility Screening

- a. The Secretariat of the concerned offices (DA Central, RFOs) shall receive all applications;
- b. The Secretariat shall conduct initial screening based on eligibility criteria (age, relevant training/experience, proof of readiness to engage in agri-enterprise) and compliance to application requirements (ID, digital photos, supporting documents);
- c. Once assessed as eligible, the Secretariat will issue a certification of eligibility; and
- d. The eligible applicant shall submit his/her BMC to the Panel.

5.4.2. Judging and awarding of provincial awardees

- a. The Provincial Panel sets the final deadlines of submission and announces the dates of judging;
- b. The Panel may institute more than one stage of judging depending upon the number of applicants, e.g. semi-finals leading to finals;
- c. The Panel shall provide equal opportunities to those who passed the initial stage of judging by allowing them to present their business model ideas to the Panel. Online meetings will be encouraged instead of face to face meetings due to the pandemic.
- d. The Panel will certify the provincial awardees and shall also endorse the candidates for the regional level awards.

5.4.3. Judging of regional and national awardees

- a. The Regional Panel and National Panel shall set the deadlines for submission of the candidates for the regional and national awards;
- b. The Regional Panel and National Panel shall give the candidates equal opportunities to present the implementation of their business models. On-line presentation meetings are encouraged instead of face to face meetings due to the pandemic;
- c. The Regional Panel shall certify as to who are the declared regional awardees and as to who are the candidates for the National awards;
- d. The National Panel shall certify as to who the declared national awardees are.

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5.5 Number of Awardees and Amount of Financial Grants

The number of provincial awardees shall depend on the allocated budgets per region. The RFOs, as approved by the respective Regional Executive Directors shall allocate the budget for the awards and number of awardees on the provinces within their area coverage.

The amounts of financial grant and total number of awardees shall be as follows:

Stages	Number of Awardees	Financial Grant
Provincial Level	1300 youth awardees (including NCR)	Php 50,000.00 per youth awardee
Regional Level	3 enterprise awardees per region (15 regions and NCR)	Php 150,000.00 per enterprise awardee
National Level	6 enterprise awardees	Php 300,000.00 per enterprise awardee

Section 6. Duties and Responsibilities of the Awardees

The recipients of the awards shall have the following duties and responsibilities:

- a. Open a new bank account preferably with Land Bank of the Philippines (LBP) or use an existing bank account under his/her name upon the receipt of the Notification of Awardees. For group awardees, each may open an individual account or a joint account, whichever is applicable in the locality. The said bank account shall strictly be used for the implementation of the agribusiness venture.
- b. The amount received shall be used strictly for the implementation of the planned agribusiness project;
- c. Submit updates/reports to the DA concerned offices (AMAS/AMADs) based on the following timelines:
 - i. Status report on the initial implementation of the project to be submitted one (1) month after the release of financial grant;
 - ii. Quarterly progress report;
 - iii. Terminal report one (1) year after the receipt of financial grant (report should attach evidences of progress of venture, e.g. pictures);
- d. Notify concerned offices (AMAS, AMADs) in case of any changes, delay, or any concern affecting the implementation of the agribusiness venture; and
- e. Ensure availability of documents and other information relevant for the monitoring and evaluation of the project.

Section 7. Release of Funds (Financial Grants)

A Certificate of Award shall be issued by the DA Secretary for the NCR Awardees and National Awardees, and by the respective Regional Executive Directors for Provincial and Regional Awardees. The Certificate shall be co-signed by the Chair/Co-Chair of the Panel of Judges.

The fund release to the Awardees shall be supported by the following documents:

- a. Certificate of Award as declared awardee by the panel of judges;
- b. Business Model Canvas with attached Activity and Financial Plan;
- c. Photocopy of the bank account to which the award will be deposited. For Regional and National Level Awardees with group members with individual bank accounts, the group shall indicate in the Sworn Statement that they have agreed whose bank account to use for the purpose of receiving the financial grant;
- d. Notarized Sworn Statement; and
- e. Photocopy of one (1) valid ID of the awardee.





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Section 8. Documentation and Promotion of Success Stories

Success stories and best business models shall be documented and published in DA websites and various media platforms. These promotion strategies are aimed at encouraging other youth to venture into agribusiness.

Section 9. Funding Source

All expenses incurred in the conduct of the Program including the provision of financial grant to awardees, honoraria and/or token of Panel of Judges, Panel of Coaches, and Resource Persons shall be charged against the Young Farmers Challenge Fund under the FY 2021 General Appropriations Act (RA 11518) subject to existing government accounting and auditing rules and regulations."

Section 10. Supplementary Guideline

The Regional Executive Directors (REDs) are hereby authorized to issue a supplementary guideline as it deemed necessary to facilitate the orderly implementation of the program in their respective regions. However, supplementary guidelines shall be consistent to the provisions of this implementation guidelines.

Section 11. Effectivity

This Guidelines shall take effect immediately upon signing hereof and other issuances inconsistent herewith are deemed superseded.

Done this 18th day of NOVEMBER, 2021.

Approved:


WILLIAM D. DAR, Ph.D.
Secretary

DEPARTMENT OF AGRICULTURE

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