



Agripreneurship – Capacity Building Program

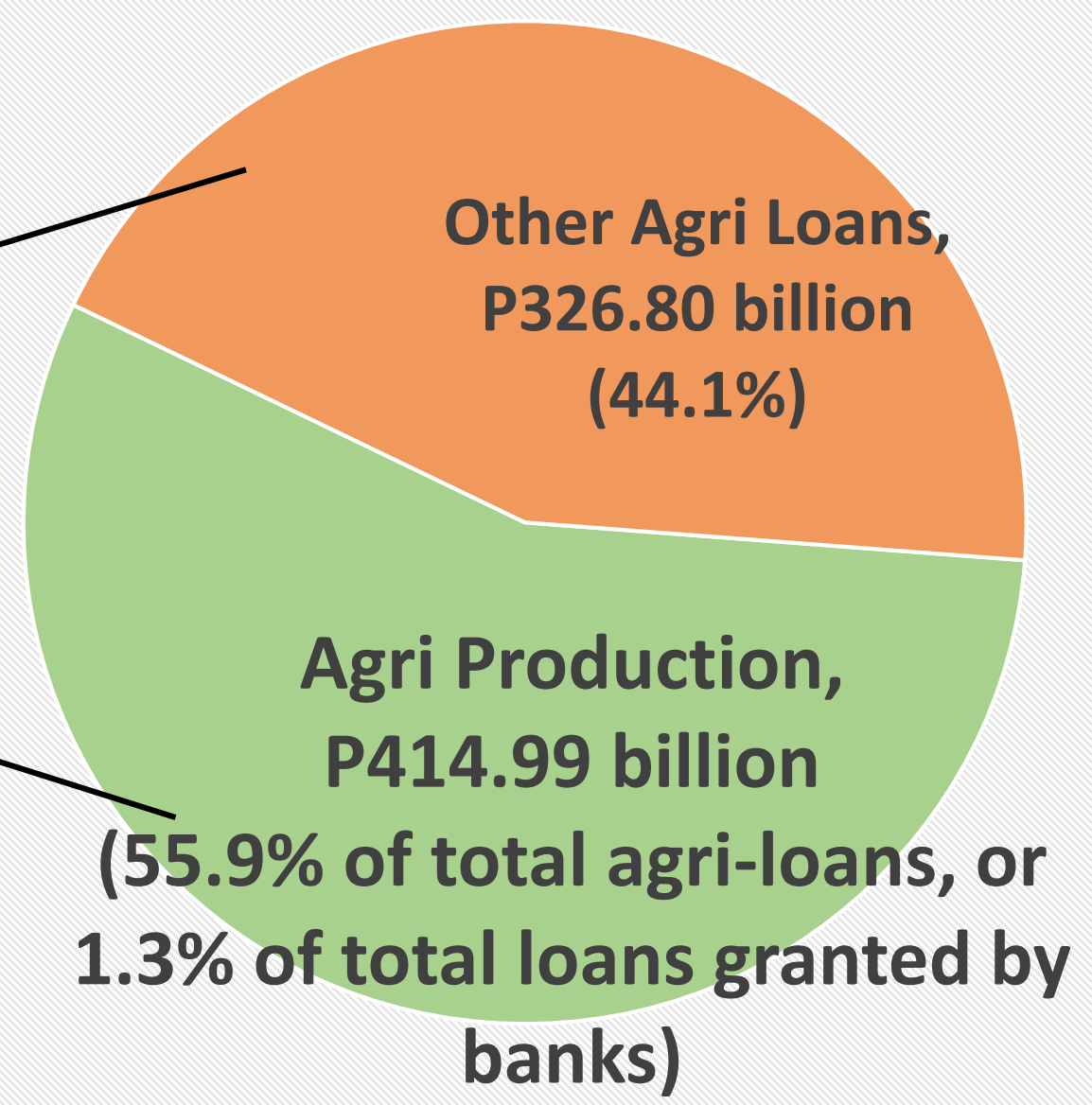
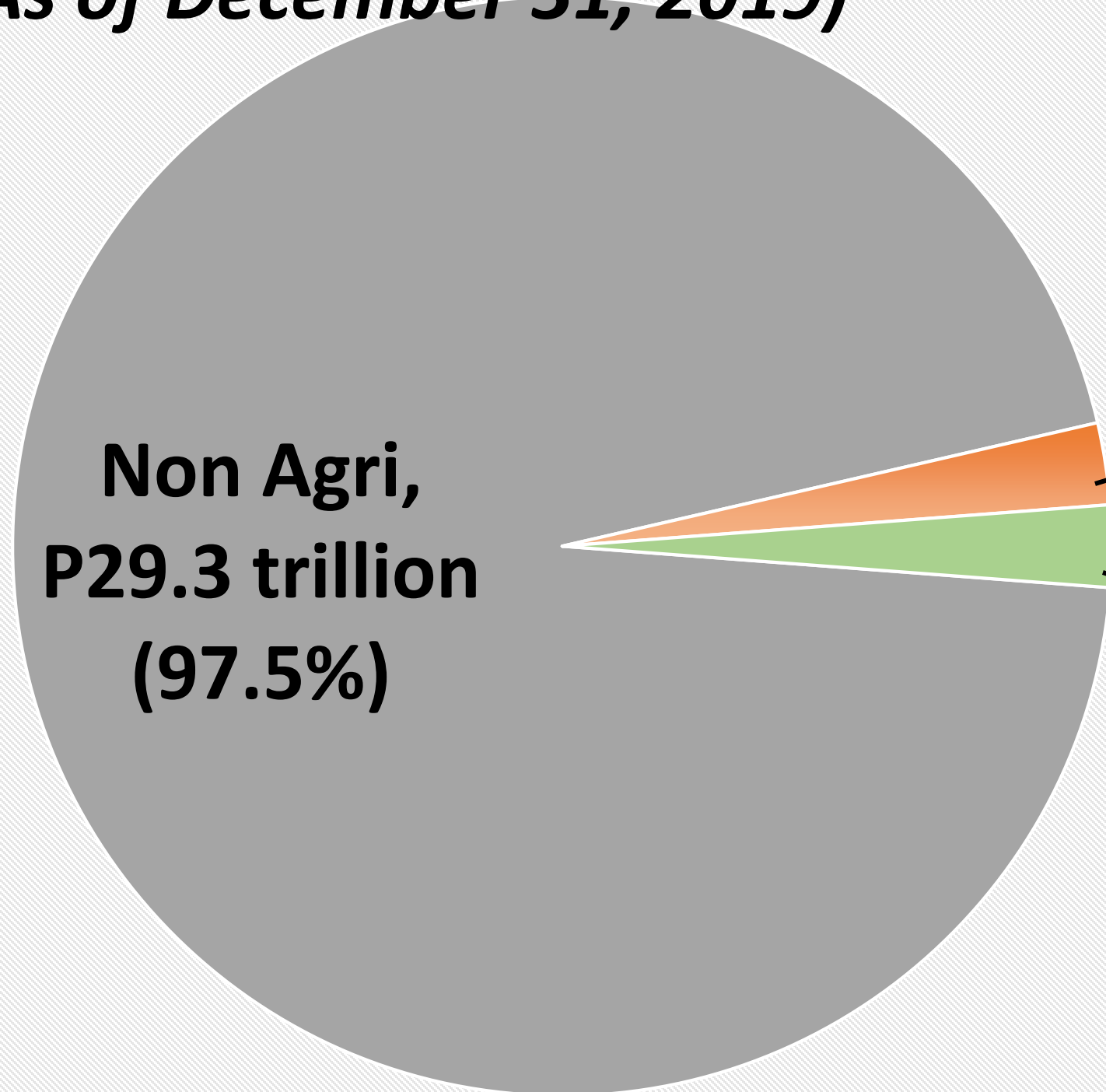
Executive Director Jocelyn Alma Badiola
Agricultural Credit Policy Council



Agri-Fishery Credit Situation: Insignificant Loans for Agri

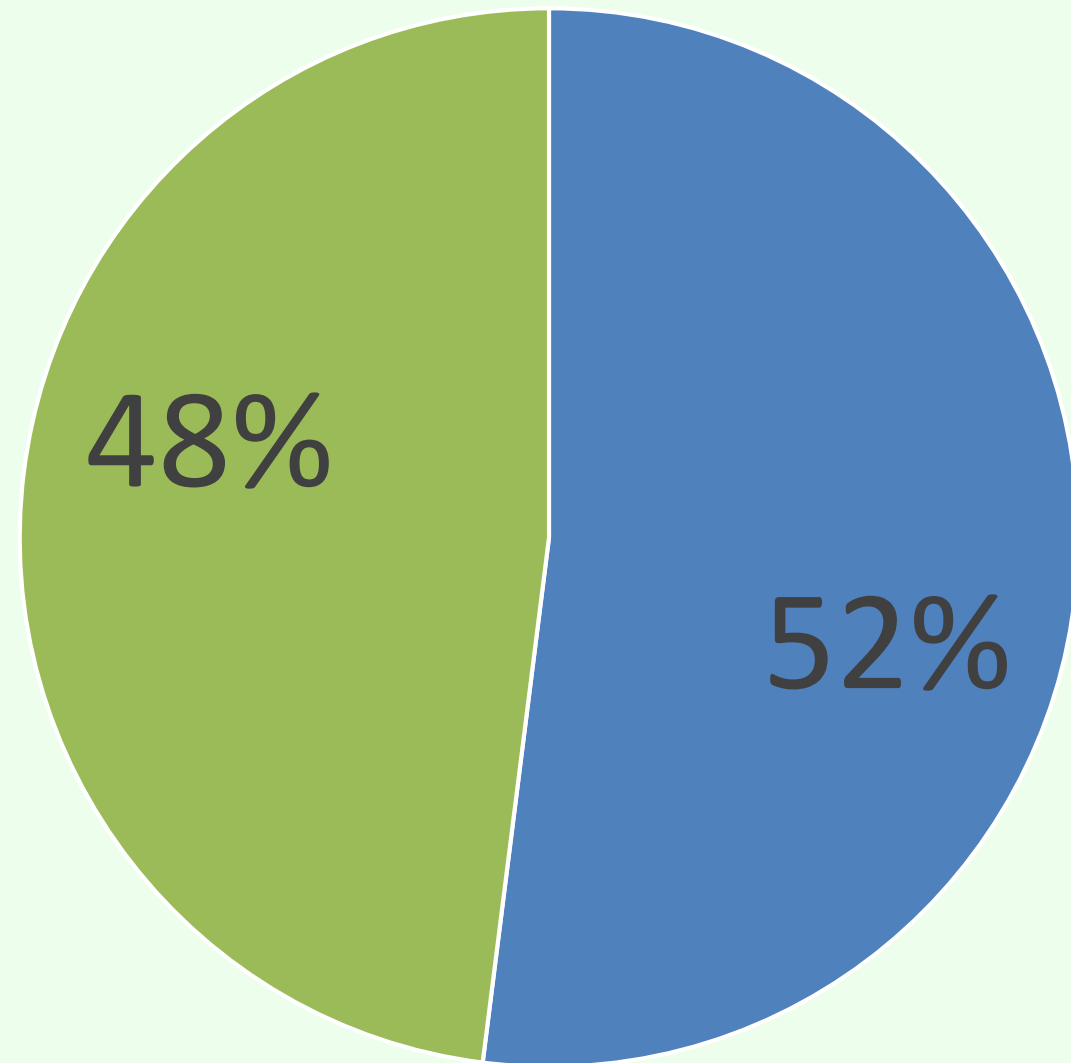
**Loans Granted by Banks
(As of December 31, 2019)**

**Agri, P741.79 billion
(2.5%)**



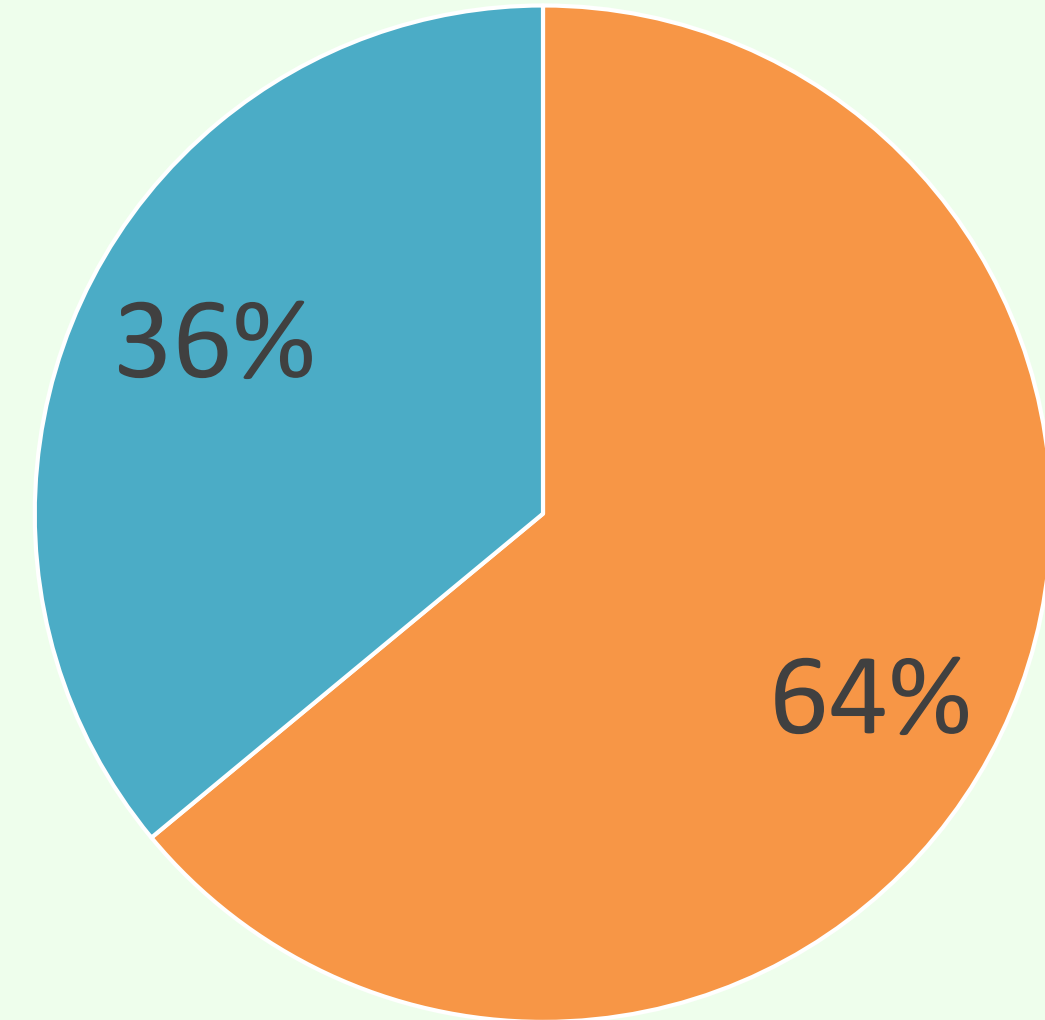
Borrowing among Small Farmers and Fishers

Borrowing Incidence among SFF



- Borrowing SFF
- Non-borrowing SFF

Formal/Informal Sources of Borrowing SFF

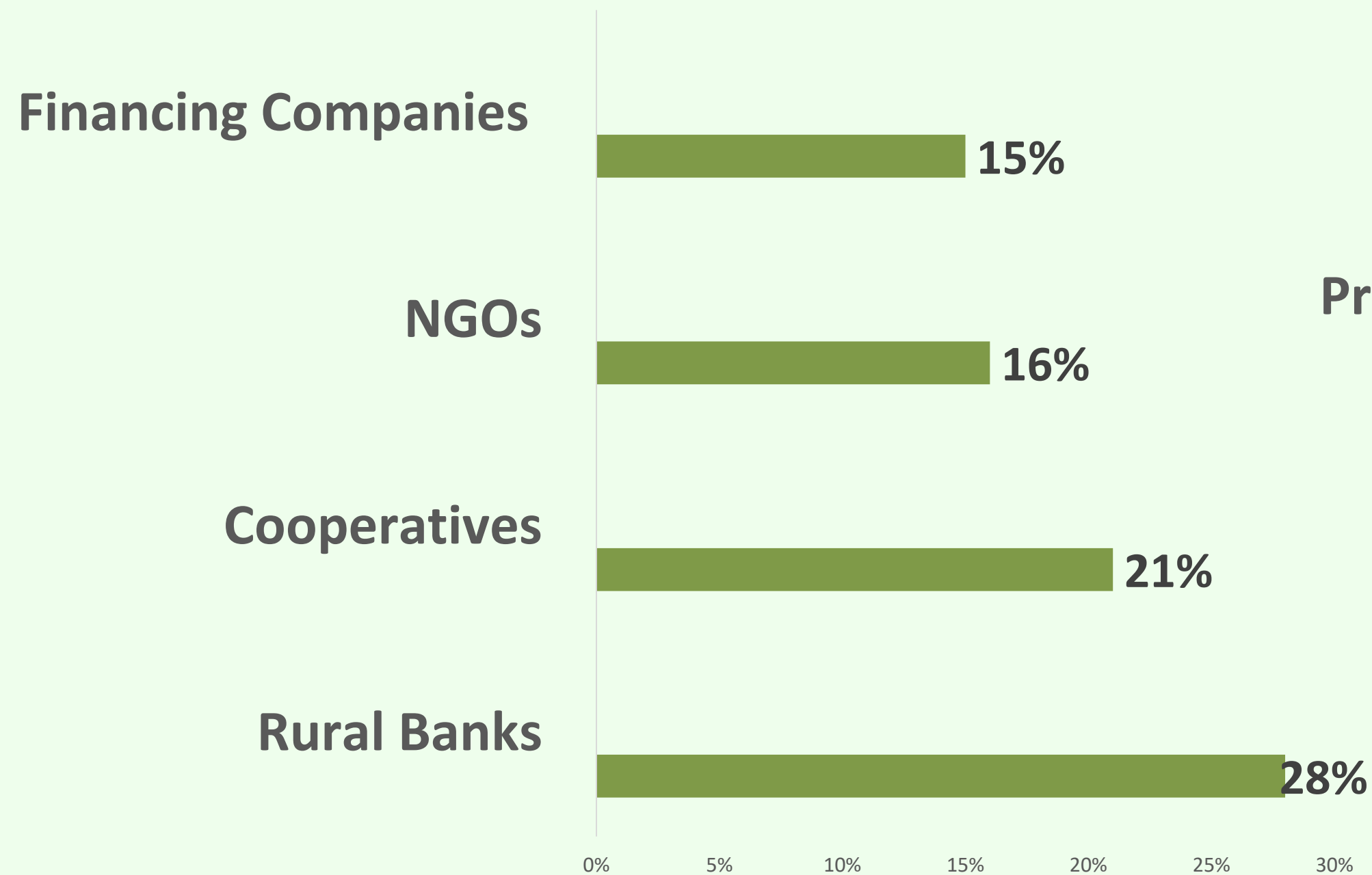


- SFF Borrowing from Formal Sources
- SFF Borrowing from Informal Sources

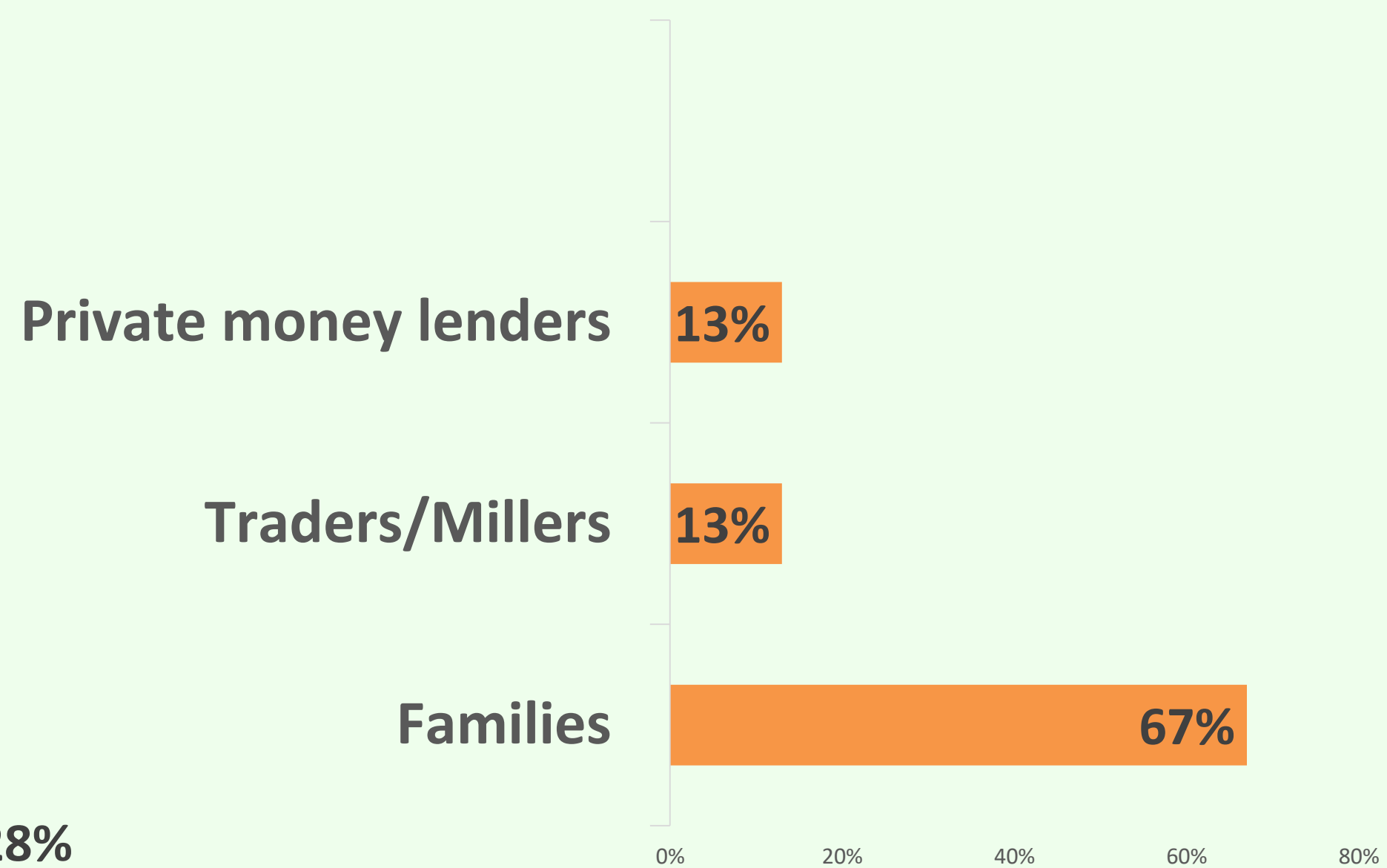
Source: ACPC

Top Loan Sources

Top Loan Sources under Formal Sources



Top Loan Sources under Informal Sources



Source: ACPC

Credit Gap/Requirement

P524.9 B

CREDIT DEMAND (2014)

P158.3 B

SUPPLIED BY BANKS

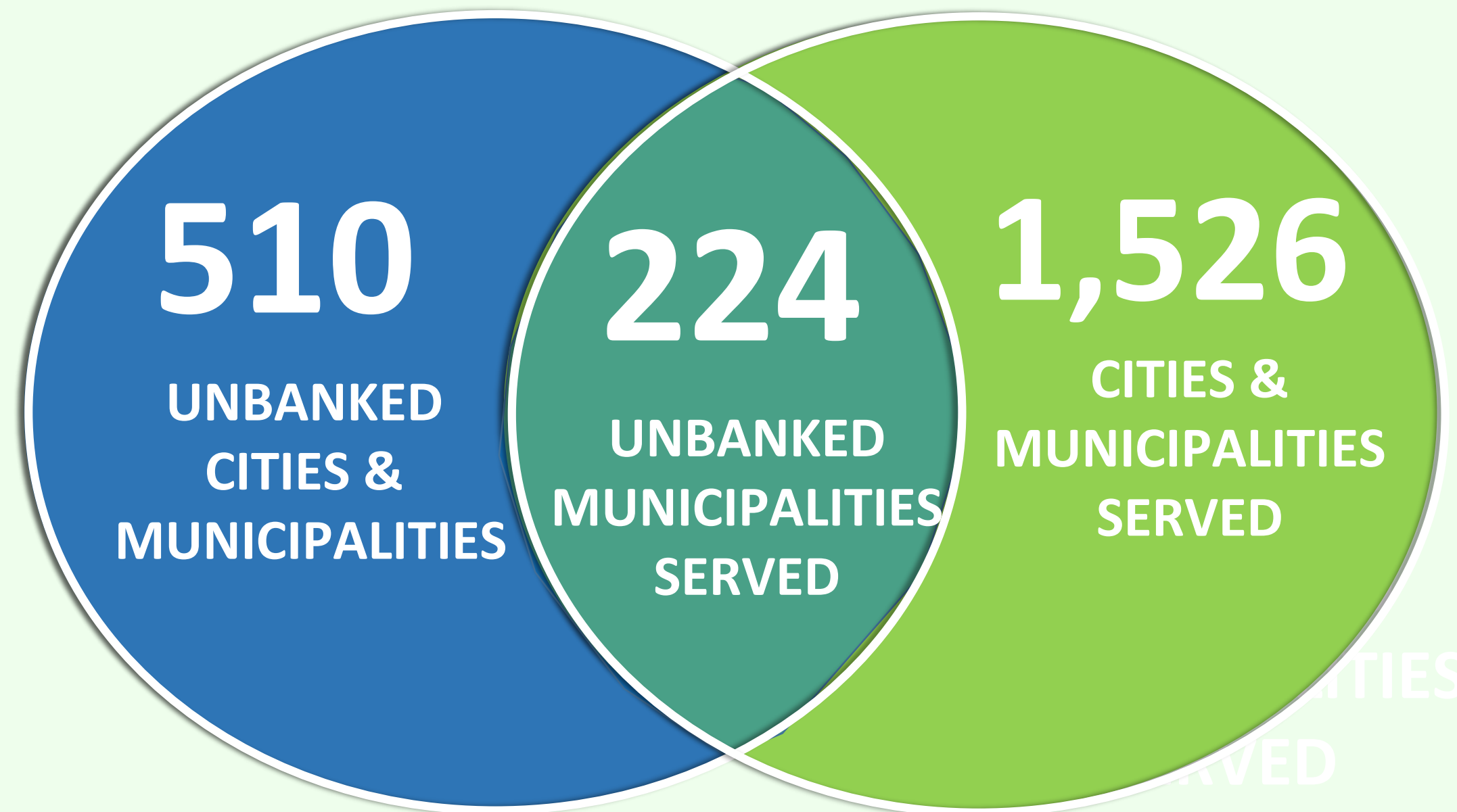
P366.6 B

CREDIT GAP

P75.8 B

**TOTAL CREDIT REQUIREMENT OF SFF
IN UNSERVED/UNBANKED AREAS**

ACPC Program Outreach to the Unbanked



Unbanked Municipalities	
Amount of Loans Granted	P942,199,496
Total Number of Borrowers	38,217

Data as of Oct. 18, 2020

Supply Side



- ◆ Limited physical network of financial institutions, i.e. banks, in rural areas
- ◆ Limited number of strong cooperatives
- ◆ High transaction cost [small loans, far from bank offices]
- ◆ Lack of data on small farmer- and fisher-borrowers
- ◆ Lack of understanding on agriculture markets
- ◆ Limited skills and understanding on:
 - Risk management products
 - Evaluation of agriculture proposals
 - Product design aligned with needs of farmers and fishers

Credit Access: Issues and Challenges

Demand Side

- ◆ High cost of borrowing [e.g. distance of borrower to bank, documentary requirements]
- ◆ Lack of products/services aligned with needs
- ◆ Lack of understanding of:
 - Financial products and services
 - Agriculture market trends; diversification opportunities
 - Risk management products, i.e. insurance



- ◆ Limited physical presence of formal financial institutions (i.e. banks)
- ◆ Inability to comply with financing conditions
 - Lack of knowledge on preparation of business/project proposals
 - Cumbersome documentation requirements
 - Lack of properties to use as collateral

SURE COVID-19

To ensure food adequacy during the pandemic

SSF Facility

- ✓ For emergency and production requirements
- ✓ Uncollateralized loan worth P25,000
- ✓ 0% interest
- ✓ Payable up to 10 years

MSE Facility

- ✓ For working capital requirement
- ✓ Up to P10 million loanable amount
- ✓ 0% interest
- ✓ Payable up to 5 years

DA-ACPC Programs

KAYA

For Young Agripreneurs aged
18-30 yrs. old



For capital requirements of
start-up or existing projects



Up to P500,000 loanable
amount



0% interest



Payable up to 5 years

ANYO

For individuals, farmer and fisherfolk
organizations/associations, OFWs and micro and
small enterprises (MSEs)



For capital requirements of
start-up or existing projects



Up to P15 million loanable
amount



0% interest



Payable up to 5 years

ACPC's Partner Lending Conduits

As of Sept. 30, 2020

Type of Organization	No. of PLCs
Cooperative	181
Farmers/Irrigators' Association/Organization	12
Bank/Cooperative Bank	15
Rural Bank	23
NGO/MFI	9
Total	240

Eligibility Requirements for PLCs

Rural Banks

- a. Satisfactory credit standing with creditors, if any;
- b. CAMELS rating of at least 3;
- c. Past due ratio of not more than twenty-five percent (25%);
- d. At least two-year track record in lending;
- e. Capital adequacy ratio of at least ten-percent (10%);
- f. Adequate reserve requirement;
- g. Profitable on the year preceding the application and as of the time of application for credit fund

ACPC Partnerships with Rural Bank Lending Conduits for Capacity Building

1. Training of rural bank officers and staff to enhance their knowledge and skills in evaluating loan applications of smallholder farmers and fisherfolk (SFFs) and start-up or existing agri-micro and small enterprises (MSEs)

- Project Appraisal
- Project Evaluation
- Project Monitoring
- Financial Analysis
- Agri-entrepreneurship



Conduct of Adult Learning Principles Training with
Rural Bank of Solano
August 27, 2020

ACPC Partnerships with Rural Bank Lending Conduits for Capacity Building

2. Rural bank as partner training arms of ACPC in conducting capacity building training activities for borrowers (SFF/MSE) to enhance their entrepreneurial capabilities, financial management and technical skills.

- Training of trainers (TOT) for bank officers and staff in financial literacy, credit worthiness, agri-entrepreneurship ,accounting and bookkeeping etc.



Conduct of Financial Literacy Training with
Rural Bank of Solano
Sept. 1, 2020

ACPC Partnerships with Rural Bank Lending Conduits for Capacity Building

3. Conduct of Business Planning Workshop by rural bank training partners for potential borrowers with no access to internet or have poor communication facilities

- Conduct of training of trainers (TOT) for bank officers and staff who, in turn, shall conduct business planning workshop to guide and mentor the targeted borrowers in crystalizing their business ideas into a worth-funding-business plans.



Initial Meeting for the Training of Trainers with
Mount Carmel Rural Bank
Oct 5, 2020



How to become a training partner of ACPC

1

ACPC Lending Conduit submits a letter request to ACPC.

2

ACPC Advocacy Division evaluates if Lending Conduit is qualified to be a Training Partner

3

If PLC is qualified, ACPC conducts orientation

4

Lending conduit partner prepares and submits required documents

5

ACPC approves proposal and budget

Contact Us

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Mabuhay!

