

## FREQUENTLY ASKED QUESTIONS

### Agricultural Competitiveness Enhancement Fund (ACEF) Lending Program

#### 1. What is ACEF?

The Agricultural Competitiveness Enhancement (ACEF) Lending Program is a credit facility created under RA 8178 (Agricultural Tarrification Act), and amended by RA 10848 (ACEF Extension Act), which aims to increase the agricultural productivity of farmers and fishermen, as well as their cooperatives and associations, and micro and small enterprises, with financial assistance.

Under RA 10848, eighty percent (80%) of the total ACEF funds will be allocated annually until 2022, to provide needed assistance by lending to target beneficiaries.

#### 2. What provinces are covered under the Program?

All provinces are covered by ACEF, including those under BARMM.

#### 3. Who can borrow from ACEF?

- a) Individual farmers and fishers
- b) Micro and small enterprises
- c) Farmers and fishers cooperatives and associations

#### 4. What are the criteria to be able to avail of credit from ACEF?

##### **Individual farmers**

- a) Actually tilling not more than 5 has. of farm land, or engaged as small poultry/livestock raisers, defined as those raising not more than: 1,000 poultry layers or 5,000 broilers (Poultry); 10 sow level or 20 fatteners (swine); 10 fatteners or 5 breeders (cattle); 10 milking cows (dairy); and 50 heads (goats)
- b) With viable project;
- c) No outstanding loan from LANDBANK and formal lending institutions for the same project being applied for; and
- d) With marketable surplus of the project or other confirmed sources of repayment.

##### **Individual fishers**

- a) Actually engaged in agricultural production, fishing, agribusiness, and similar activities including those who are: operating fishing vessels of not more than three tons capacity; operating fishponds of less than five (5) hectares or fish cages of less than 400 square meters; up to five (5) hectares for seaweeds production and the likes; and other individuals who are engaged in small scale fish production, processing and distribution
- b) With viable project;
- c) No outstanding loan from LANDBANK and formal lending institutions for the same project being applied for; and
- d) With marketable surplus of the project or other confirmed sources of repayment.

##### **Micro at Small Enterprises**

- a) Engaged in agricultural production, farming, fisheries, agribusiness and similar activities whether single proprietorship, partnership or corporation, the total assets of which,

inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories: Micro Enterprise (not more than ₱3.0 Million); Small Enterprise (more than ₱3.0 Million to ₱15.0 Million)

- b) Duly registered with the DTI/ SEC;

- c) No adverse findings on the borrower;
- d) With viable project; and
- e) No outstanding loans from LANDBANK other financial institutions, for the same project being applied for.

**Farmers and fishers cooperatives and associations**

- a) Duly registered with the CDA/ SEC;
- b) Operational for at least 6 months;
- c) No adverse findings on the borrower;
- d) With core management team composed of manager, cashier/ treasurer, and bookkeeper or equivalent positions; and
- e) With proven track record (experience, training and preparation of officers and members to implement the proposed project to be financed).

**7. How much is the maximum loanable amount?**

Loanable amount is up to ninety percent (90%) of the total project cost, but not to exceed the ff:

- ₱1 Million per individual farmer/fisherfolk; and
- ₱5 Million per project loan per farmers' and fisherfolk cooperative and association, and MSE.

**8. How much is the interest rate?**

- Direct Lending - 2% per annum (p.a.)
- On Lending – 0% p.a., provided that, effective pass-on rate to end-users is not more than 6% p.a.

**9. What are the requirements to apply for a loan?**

**a) For Individual Farmers and Fishers**

- 1) Loan Application
- 2) Business Plan or Farm Plan and Budget, as applicable;
- 3) Sworn affidavit of no outstanding loans from any lending institution for the same project; and
- 4) Barangay Clearance
- 5) Proof of loan land ownership/tenancy

**b) For Micro and Small Enterprises**

- 1) Loan Application
- 2) DTI/SEC Registration Certificate and current year Business Permit;
- 3) Articles of Partnership/incorporation, if applicable;
- 4) Bio-Data of owner and/or partner;
- 5) Business Plan or Farm Plan and Budget, as applicable
- 6) Sworn affidavit of no outstanding loans from any lending institution for the same project; and
- 7) Barangay Clearance

**c) For Cooperatives/ Associations**

- 1) Loan application
- 2) General Information Sheet;

- 3) Photocopy of Certificate of Registration from CDA or SEC
- 4) Bio-data of incumbent Officers and Board of Directors with ID;
- 5) Board Resolution authorizing the Coop/Association to borrow and designating authorized signatories;
- 6) Audited Financial Statement for the last year; or, latest interim financial statement for start-up companies;
- 7) Business Plan/Consolidated Farm Plan and Budget; and
- 8) Current year Business Permit

**10. Are we required to open a deposit account?**

An ATM Savings or Passbook Savings Account is required since this is where the loan proceeds will be credited.

**11. What are the requirements to open an ATM savings account?**

- a) At least one (1) valid ID
- b) Two (2) 1x1 ID picture
- c) BIR Tax Identification Number (if employed)
- d) P100 initial deposit

**14. What collaterals may be required?**

**a) Individual Farmers and Fisherfolk**

1. Production

Combination of the following:

- PCIC insurance and/or AGFP guarantee coverage, if applicable; and
- Assignment of expected produce

2. Acquisition of fixed assets

Any or combination of the following:

- Chattel mortgage on object of financing
- Assignment of expected produce
- PCIC Insurance proceeds, if applicable

**b) Farmers and Fisherfolk Cooperatives and Associations, and MSEs**

Any or combination of the following:

- Chattel mortgage on object of financing;
- Insurance/guarantee proceeds such as PCIC and AGFP, if applicable.

**16. What should I do to register in the RSBSA to avail of free insurance premium?**

You may fill-up an RSBSA Registration Form which you can get from the MAO or the nearest LANDBANK Lending Center. Have the form certified by the MAO/CAO, MAFC/RAFC, and Barangay Official with the stub numbered and certified as proof of eligibility and listing in the RSBSA which will now qualify you to avail of ACEF.

**17. What is the maturity period of the loan?**

- Production: The term of the loan shall depend on the gestation period of the commodity to be financed. For acquisition of fixed asset/s, the term of the loan shall depend on the projected cash flow but no longer than the economic useful life of the fixed asset/s.
- Acquisition of fixed asset/s: based on the projected cash flow but no longer than the economic useful life of the fixed asset/s