

FREQUENTLY ASKED QUESTIONS

Poultry and Livestock Value Chain (PLVC) Lending Program

What is PLVC Lending Program?

PLVC Lending Program are financing initiatives aimed at supporting the entire value chain of poultry, swine (hog), and related livestock sectors. The objectives of the program aims to help secure the country's food security particularly on the supply of poultry, livestock and dairy products via comprehensive lending support in terms of production, processing, packaging, transport, storage and marketing activities of the sector, contribute to the overall efforts of increasing farm productivity, generating employment and increased rural household income, and expand the portfolio of the Bank in the poultry and livestock sector

Who can avail of the program?

The following are the eligible borrowers under the program:

- Farmers' Cooperatives and Associations (FCAs) and their Federation Micro, Small and Medium Enterprises (MSMEs), i.e., Sole Proprietorship, Partnership, and Corporation
- Large Agri-business Enterprises and Corporations
- Non-Governmental Organization with legal personality to borrow
- Countryside Financial Institutions i.e., Rural Banks, Cooperative Banks and Thrift Banks
- Veterinary/Animal Husbandry Graduates or graduates of any related course

What are the eligibility requirements for borrowers?

- For all type of Borrowers, they must pass the Bank's established Risk Asset Acceptance Criteria (RAAC) for each type of borrower. RAAC for Cooperatives shall be adopted for Farmers' Associations
- For poultry and swine, with a farm site suitable for the project as inspected and cleared by an integrator or validated by Lending Unit (LU) with the following standard features:
 - Minimum of one (1) hectare
 - Must be within an agricultural/agro-industrial zone
 - At least one (1) km away from residential area and any nearest poultry/hog farms and related operation
 - With access to dressing plant and/or slaughterhouse operated/contracted by the Integrator, LGU and other private operators
 - With reliable source of electricity and adequate potable water
 - With all-weather roads that can accommodate 10-wheeler trucks for feed deliveries and hauling of harvests
- Duly registered with the Department of Trade and Industry, Securities and Exchange Commission or the Cooperative Development Authority, as applicable
- Borrower should have an identified buyer or ready market
- For start-up, borrower must be tied-up with an Integrator with contract duration preferably not less than the term of the loan. If no Integrator is operating within the locality, proponent must have experience and/or training relevant to the project.
- For FCAs, at least 20% of their members must be registered with Registry System for Basic Sectors in Agriculture (RSBSA), and member-borrowers (or backyard raisers participating in the clustered poultry/piggery/cattle farm) should be those RSBSA-listed.

What loan purposes can be funded under the program?

- Land acquisition as project site
- Site development to include construction of perimeter fence and road network inside the farm, pasture/ranging area, canals with cross drain, wastewater treatment
- Building construction/retrofitting to include:
 - Poultry/Piggery/Cattle production buildings (sheds/stalls, climate controlled/conventional) and other related structures/ facilities (Farm Office, Staff



- House, Guard House, Warehouse, Storage Room, Biosecurity Building/Room and utilities
- Structures for feed mill, hatchery, dressing plant, processing plants, cold chain facilities, etc.
- Biogas system and Lagoon
- Other building/facility construction purposes related to poultry and livestock business
- Purchase and installation of machineries and equipment to include:
 - Poultry: tunnel ventilation system, plastic slats, automated/manual feeding & drinking equipment, brooder, breeders' nests, laying cages, egg sorting machine, egg trays & crates, and generator set.
 - **Swine:** Ventilation/heating system, slats, feed delivery system, drinking equipment, gestation/farrowing equipment, generator with automatic transfer switch
 - Cattle: feeding and drinking equipment, guards, crates, chutes, etc.
 - Dairy: Milk processing equipment
 - Cold chain equipment, refrigerated delivery vehicle
 - Equipment needed for feed mill, hatchery, dressing/processing plant and other allied businesses
- Long-term lease of production facility (applicable to veterinary/animal husbandry graduates and to those with government-sponsored training)
- Forage/Silage Production
- Purchase of production inputs (except as provided for by the Integrator/Contract Buyer if under Contract Growing Agreement), including acquisition/importation of livestock, dairy herd, semen, breeding animals, hatching eggs, etc.
- Construction of Wholesale Markets/Bagsakan Centers
- Working Capital/Permanent Working Capital
- Relending/Rediscounting
- Receivables Financing
- Technology Adoption

How much is the interest rate?

- The interest rate is based on LANBANK prevailing lending rate at the time of availment

How much can be availed under the program?

- For Production: Up to 80% of the total project cost
- For Working Capital: within computed working capital requirement
- For Fixed Assets - not more than 80% of the validated acquisition/construction cost
- For land acquisition, up to 80% of the appraised value of land
- Rediscounting: up to 90% of current outstanding balance of the sub PN being rediscounted.

For how long will the loan be paid?

- STLL - one (1) year line available via up to 360 days Promissory Note (PN) depending on cash cycle
- Term Loan
 - Permanent Working Capital - maximum of five (5) years
 - Fixed Assets Acquisition/Construction - based on project cash flow/payback period but not more than the economic useful life of fixed assets or remaining useful life for second-hand/refurbished machines/ equipment

What are the requirements to apply for a loan?

Pre-processing requirements:

For all types of borrowers

1. Project Proposal/Business Plan (including Financial Projections, Source of Equity, List of Suppliers/Markets or Buyers and Contact Numbers)
2. Mayor's Permit
3. Water Permit from the National Water Resources Board
4. For projects tied-up with Integrators:



- a) Pre-processing: Commitment Letter/Notice of Approval from Integrator with specific capacity indicated thereon
- b) Post-release to be submitted within 1 year after initial release of loan or upon completion of facilities subject of financing, whichever comes first
 - Contract Growing/Breeding Agreement or Lease Agreement
 - Written Notice to Integrator on the assignment of borrower's receivables to LBP duly received/acknowledged by the Integrator, if applicable
5. For Production Loan:
 - Farm Plan and Budget
 - Certification or any similar document that borrower has undergone training on poultry, swine, livestock breeding/rearing/biosecurity/dairy production
6. For SWINE (Repopulation)
 - BAI Certification attesting that the proposed area where the farm will be constructed have no recorded cases of ASF for more than 90 days

Note: Applicable only for areas classified under Red Zone (per BAI ASF Control Task Force zoning status of regions and provinces).

 - Certification from LGU Veterinarian (City/Municipal/Provincial) for at least Level I Biosecurity classification of Hog Farm
7. For land acquisition
 - a) Title
 - b) Tax Declaration
 - c) RETR and Clearance
 - d) Location Map/Vicinity Map
8. For Construction/Repairs and Renovation: Cost Estimates/Building Plan and Specification/Bill of Materials and Work Program/Building Permit
9. For Acquisition of Machinery/Equipment: Price Quotation with specifications of Machinery/Equipment to be acquired
10. For Existing Business
 - a) BIR-filed Audited Financial Statement for the past three (3) years
 - b) Latest Interim Financial Statements
11. Loan Collateral
 - a) Real Estate Mortgage Photocopy of the following:
 1. Title
 2. Tax Declaration
 3. Real Estate Tax Receipt and Clearance
 4. Location Map/Vicinity Map
 5. Building Plans/Architectural Design, Bill of Materials of land development & building improvements
 - b) Chattel Mortgage: Evidence/Affidavit of Ownership of Existing Machineries/Equipment (e.g., OR/CR of vehicle)
 - c)

Additional requirements for the following types of borrowers:

12. Single Proprietorship: Certificate of Registration with the Department of Trade and Industry (DTI)
13. Cooperatives/Association/Corporation
 - a) Certificate of Registration with Cooperative Development Authority (CDA)/Securities and Exchange Commission (SEC)
 - b) Articles of Cooperation/Incorporation and By-laws
 - c) Certified list of Board of Directors and Key Officers (Manager or President, Treasurer/Cashier and Bookkeeper) together with their Biodata and Tax Identification Number (TIN)
 - d) Board Resolution authorizing the cooperative/association/corporation to borrow, mortgage properties including the object of financing and designating at least 2 officers to negotiate and sign loan document

For Cooperatives



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- a) CDA Certificate of Compliance (COC)
- b) BIR Certificate of Tax Exemption (CTE), if any
- c) List of members with corresponding address, farm location and paid-up share capital duly certified by its secretary and attested by the chairperson (coop & association)
- d) Partnership
- e) SEC Registration
- f) Articles of Partnership
- g) Name, citizenship, address, birthday and TIN of the partners
- h) Capital contribution of the partners