

Implementation of the Palay Procurement Program of National Food Authority in Sorsogon

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ABSTRACT

This study assesses the implementation of the palay procurement program of the NFA in Sorsogon for the fiscal year 2019-2023. Specifically determines the status of the implementation in classification and net weight, qualifications of legitimate farmers, volume of palay, payment, and buying stations. Also, this includes the practices and satisfaction of the farmers in the implementation. This uses a qualitative method. The method uses the documents from the NFA Sorsogon and an interview guide for the informants of the study. There were 30 farmer participants who joined the FGD from the different municipalities of the province of Sorsogon and 10 personnel participants of the NFA Sorsogon designated as the palay procurement team. The status of the implementation described the process of the classification and net weight, qualification of legitimate farmers, the volume of palay, payment, and buying stations. Practices showed processes that are evolving and flowing in the systems of implementation known to the procurement team and the farmers. 18 farmers felt satisfied with the general process flow in the system offered by the NFA. However, the same group expressed dissatisfaction on classifying and weighing their delivered palay in the designated buying station. It was concluded that processes are described according to the experience of the farmers in classification and net weight, qualifications of legitimate farmers, the volume of palay, payment, and buying stations as well as recommended that the implementation of the palay procurement program must be the result of a cycle of processes such as planning, budgeting, monitoring, and evaluation locally, and policy brief needs to be implemented.

Keywords: Palay, National Food Authority, Implementation

I. INTRODUCTION

The procurement of paddy internationally is a multifaceted process that is impacted by a wide range of variables, including trade regulations, market dynamics, environmental concerns, and government initiatives. Thorough examination of these variables is necessary for effective procurement strategies in order to guarantee market accessibility, food security, and sustainable farming methods.

Approximately 87% of the rice produced worldwide comes from eleven Asian nations. These nations consist of Bangladesh, Myanmar, the Philippines, Japan, South Korea, Indonesia, Thailand, Vietnam, India, China, and the Philippines. Bandumula (2018)

In Vietnam, the government had implemented an agricultural restructuring policy that significantly altered the rice structure, modified rice cultivation practices, and placed a greater emphasis on improving rice quality than on raising production. This is one of the reasons for the rise in Vietnam's rice prices mentioned in the Research Report on Vietnam's Rice Industry 2022-2031. VNA (2022).

Every agency or institution understand their social responsibility to share with the United Nation's Sustainable Goal achieved which is to create a world free of hunger by 2030. This has been carried on since there were the manifestations of the alarming issue of hunger and food insecurity around the world starting in 2015. However, according to the report of global efforts in 2022, there were an estimated 45 million children under the age of 5 suffered from wasting, 148 million had stunted growth and 37 million were overweight (Sustainable Development Goals, 2023). Whereas the Philippines ranked 66th out of 125 countries with sufficient data to calculate the 2023 GHI scores. With a score of 14.8, the Philippines has a level of hunger that is moderate (Global Hunger Index, 2023).

The present administration emphasized the importance of The Philippine Development Plan 2023-2028, which serves as the country's overall blueprint for development planning for the next six years. All these are expected to align with the present Government's policies, strategies, programs, and legislative priorities in support of President Ferdinand R. Marcos, Jr's Socioeconomic Agenda. This Plan is geared toward the attainment of the

country's long-term vision, the AmBisyon Natin 2040, where all Filipinos are envisioned to enjoy strongly rooted, comfortable, and secure lives.

In accordance with Ambisyon Natin 2040 advocacy on freeing hunger and poverty, the NFA and other linked agencies initialized and instituted the palay procurement program that involves the practical execution of initiatives aimed at and supporting rice farmers by purchasing their harvest at fair prices. This includes activities such as identifying eligible farmers setting up collection points, establishing fair pricing mechanisms, ensuring quality control, arranging transportation logistics, and facilitating payment processes. The goal is to provide farmers with a reliable market for their produce, improve their income stability, and contribute to overall food security.

This is in accordance with RA 11203 or the Rice Tariffication Law in 2019 that highly emphasized the National Food Authority's role as a regulator and trader of rice to primarily focus on the mandate given to them as a buffer stocking agency. The primary responsibilities of the agency are as follows: buffer stock maintenance, market monitoring, and price stabilization. Thus, NFA carried this out by starting with the implementation of palay procurement.

In line with this, NFA has set the new Equitable Net Weight Factor (ENWF) table for palay, as they assess palay with its classification and net weight, legitimate farmer-provider, the volume of palay, payment, and the buying station which corresponds to the reference for the pricing scheme based on the moisture content (MC), purity, and damaged and discolored grains parameters in the classification of palay (Rodriguez,2023). The effective buying price of palay per province shall be adjusted and approved on a weekly basis based on the prevailing ex-farm palay prices and other considerations as per Approved Implementing Guidelines on Price Range Scheme (PRICERS) for the NFA's Palay Procurement Activity coded AO-2024-04-057 dated April 18, 2024. (nfa.gov.ph)

The Institutionalized Palay Procurement Program (IPP) is implemented in areas where the Farmer Group Marketing Councils (FGMCs) exist in the areas identified by NFA Regional Office as well as determined the farmer groups to be organized are active. However, farmer groups with legal/ juridical identity, and registered by the Department of Agriculture (DA), while Cooperative Development Authority (CDA), Securities and Exchange Commission (SEC), or other supervising agencies empowered to register cooperatives/ associations are entitled to participate in the IPP. Furthermore, all participating farmer groups need to be accredited by NFA before participation in the IPP.

To maintain sufficient rice buffer stocks, the NFA Bicol has allocated PHP26.5 million for the region's palay procurement program. NFA increased the buying price for dry palay from PHP19 to PHP23 and wet palay from PHP16 to PHP19. The municipalities of Barcelona and Pilar in Sorsogon with a memorandum of agreement (MOA) with NFA under the Palay Marketing Assistance Program for Legislators and Local Government Units (PALLGU) program and will get additional increase aside from the PHP23 and PHP19 buying price of palay per kilo (PNA, 2023).

Along with this, the NFA Sorsogon underwent and observed many processes such as buying palay from individual farmers/ farmer organizations at the Government's support price. This program ensures and establishes manageable buffer stock in line with the agency's function in maintaining an optimal level of rice inventory that needs to be kept at a given time for emergency purposes and to sustain and support the disaster relief programs of the government during natural or man-made calamities. The preceding paragraph was stipulated in the Standard Operating Procedures on Palay Procurement, the Institutionalized Procurement Program as support to the procurement activity of NFA. (PPP-Primer-n-en.jpg, 2023).

There are bottlenecks in the implementation of the palay procurement program in Sorsogon. The competitive offer of buying price of palay of private traders resulted to the decrease in the volume of palay procured. Some of the implementing guidelines or procedures such as the determination of the buying stations and non-availability of permanent buying station near the harvest area reduces the procurement that caused the not achieving the targets. On this basis, the researcher was prompted to conduct the study on the status of the implementation of the palay procurement program.

II. OBJECTIVES OF THE STUDY

This study assesses the implementation of the Palay Procurement Program of the NFA in Sorsogon for the year 2019 to 2023. Specifically, it aims to determine the following: 1. the status of the palay procurement program of NFA Sorsogon in terms of Classification and net weight; Qualification of the Legitimate farmers; Volume of palay; Payment; and Buying Stations; 2. practices of the NFA on implementing the palay procurement program as perceived by the respondents along the identified variables; and 3. satisfaction of the farmers in implementing the palay procurement program.

III. METHODS OF THE STUDY

The research design used in this study is a mixed method. A qualitative method is used to describe the responses of the participants who participated in the focus group discussion (FGD) on how they assess the implementation of the Palay Procurement Program based on the practices of the NFA Sorsogon along classification and net weight, qualifications of legitimate farmers, volume of palay, payment, and buying stations as well as to determine the satisfaction of the farmers in the implementation of the program and the recorded data provided by the NFA in Sorsogon. Data on classification and net weight from FY 2019-2023 were analyzed with the use of Equitable Net Weight Factor table (ENWF) and frequency during the implementation years of the Palay Procurement Program. The participants of the study were 30 farmers classified as individual farmers, walk-ins, and members of cooperatives and associations as well as 10 NFA personnel as members of the Procurement Team or committee. A total of 40 informants.

The main instrument used in this study is the interview guide on the practices of the NFA in the implementation of the Palay Procurement Program along classification and net weight, qualification of legitimate farmers, the volume of palay, payment, and buying stations. This was formulated by the researcher with the guidance of the research adviser and the approval of the panel members as well as to determine the satisfaction of the farmers who are directly involved in the implementation of the palay procurement program. These were carried out through focus group discussions (FGD) with the farmer and NFA personnel participants. The guide questions underwent a dry run on some groups of employees who were not directly involved in the Palay Procurement Program and farmers of corn to simply determine the direction and purpose of the questions. After analyzing the responses from the dry run, those were reflected in the revision done due to the question on the inconsistency of words used in the guide questions. The approved guide questions were used to conduct the FGD.

The data-gathering procedures followed step-by-step methods. First, the researcher formulated a letter request to the Head of the Office of NFA, Sorsogon to access the data on the Palay Procurement. Another letter of permission to farmer and personnel participants for the FGD. These were approved and supervised by the adviser and Dean of the School of Graduate Studies to ensure the inclusion of informed consent form for the participants. The conduct of Focus Group Discussion (FGD) was done three times: the first batch of farmers on February 16, 2024. The second batch of farmers on February 22, 2024, and on February 28, 2024. After the conduct of the FGD, the data were transcribed, translated, and analyzed based on the practices of NFA and the satisfaction of the participants in the implementation of the Palay Procurement Program. The data gathered from the record of the NFA Office along classification and net weight, qualification of legitimate farmers, volume of palay, payment, and buying stations as well as the data practices and satisfaction were analyzed.

IV. RESULTS

Based on the analysis and interpretation of the data, the following findings were revealed:

1. The status of the palay procurement program of NFA Sorsogon in terms of classification and net weight described the daily routine of assessing palay through its moisture content, purity, discoloration, and damage of the palay delivered by the farmers. On the qualifications of legitimate farmers, there were 41 farmers' organizations, 143 individual farmers, and 253 walk-in farmers recorded in 2019; whereas 476 walk-in farmers, 177 individual farmers, and 24 farmers' organizations in 2020, while in 2021, there were 497 walk-in farmers, 91 individual farmers, and 12 farmers' organizations, 570 individual farmers and 5 farmers' organizations in 2022 were noted, while 283 individual farmers and 1 farmer's organization in 2023. It is noted that in 2020 got the highest volume of palay procured covering the five (5) years implementation of the program with 103, 327 bags of 50 kg; in 2019 got 81, 466; in 2021 got 40, 043; in 2022 got 37, 615 while in 2023 got 13,023 as the low volume of palay procured in bags of 50 kg. In terms of payment, NFA in Sorsogon subscribed to the National Government the mode of payment as follows: cash up to Php 300,000; a combination of cash amounting to Php 3000,00 and check 500,000; or a check of Php 500,000 as the full value of palay sold by the farmers to NFA. The buying stations that were designated by National Food Authority (NFA) within Sorsogon, warehouses in Cabid-an, Sorsogon City as the official buying station for five (5) years from 2019-2023; while in 2021-2023, NFA provided additional buying stations which are located in both districts of Sorsogon from the 1st District to the 2nd District.
2. Practices of the NFA in implementing the Palay procurement program showed processes that are evolving and flowing in the systems of implementation and are known to the procurement team and the farmers. These processes help them understand how the implementation is done which leads to NFA's target which is to get quality grains. In other words, these are prerequisites to follow under classification and net weight. The NFA sets guidelines to qualify farmers wherein they require farmers to present any proof of land ownership or tenancy to establish their legitimacy such as land titles, lease agreements, or documents demonstrating legal access to agricultural land for individual farmers while for farmer's organizations or cooperatives it obliges

farmers to register and be members of any of the following cooperatives, associations, or farmers' organizations, NFA Sorsogon subscribed to the National Government the mode of payment as follows: cash up to Php 300,000; a combination of cash amounting to Php 300,000 and check 500,000; or a check of Php 500,000 as the full value of palay sold by the farmers to NFA, and the buying station, NFA Sorsogon subscribed to the National Government the mode of payment as follows: cash up to Php 300,000; a combination of cash amounting to Php 300,000.00 and check 500,000.00; or a check of Php 500,000.00 and above as the full value of palay sold by the farmers to NFA and NFA exercises its responsibility through different mechanisms in times of the Palay Procurement Program, the first is the identification of the strategic place for the establishment of the buying stations. The second is to ensure that the place is advantageous to the farmers in every locality. Also, it can be considered a centralized location where farmers can sell their palay directly to the NFA or authorized buyers.

- 18 farmers responded during the FGD felt satisfied with the general process flow in the system offered by the NFA. However, there were processes conducted by NFA that these farmers expressed their dissatisfaction such as classifying and weighing their delivered palay in the designated buying station in their locality such as looking at the discoloration and damage as well as too many questions on the quality of palay like the degree of cleanness and degree of damage. On the other hand, they also have their dissatisfaction with the places where buying stations are situated. All the 30 selected employees and farmer-participants expressed their satisfaction in terms of qualification of legitimate farmers because every farmer is required to present a proof of registry or registered in the Registry System for Basic Sectors in Agriculture or RSBSA of the Department of Agriculture.

V. CONCLUSIONS AND RECOMMENDATIONS

Based on the findings, the following conclusions are drawn: 1. There were identified processes in the implementation of Palay programs such as classification and net weight, and identification of the legitimate farmers, the volume of palay, payment, and buying station. 2. Practices of the NFA in the implementation of the Palay procurement program showed the processes that are evolving, and flowing in the system of NFA, Sorsogon and are known to the procurement team and the farmers. On the other hand, processes help them understand how the implementation is done which leads to NFA's target which is to get quality grains. 3. There were selected employees and farmer informants who are satisfied with the general process flow shown in the system of services offered by the NFA as well as in identifying the membership. However, farmer informants were dissatisfied with classifying and weighing their delivered palay in the designated buying station in their locality such as looking at the discoloration and damage as well as too many questions on the quality of palay like the degree of cleanness and degree of damage. 4. The Policy Brief hereby proposed can be adopted for implementation. 5. The farmer informants and personnel informants were satisfied with the general process flow shown in the system of services offered by the NFA as well as in identifying the membership. However, there are farmer informants who were dissatisfied with classifying and weighing their delivered palay in the designated buying stations in their locality such as looking at the discoloration and damage as well as too many questions on the quality of palay like the degree of cleanness and degree of damage.

The following recommendations are hereby proposed: 1. The implementation of the Palay Procurement program must be the result of a cycle of processes such as planning, budgeting, monitoring, and evaluation locally. 2. The programs under classification and net weight, identification of the legitimate farmers, the volume of palay, payment, and buying station must be monitored and evaluated regularly and periodically by NFA. 3. The programs on classification and net weight, legitimate farmers, the volume of palay, and buying stations must be reflected in the Process Flow which is to be posted in the conspicuous places of every NFA office in every locality of the farmers. 4. Education on the programs under classification and net weight, legitimate farmers, the volume of palay, payment, and buying stations need to be provided extensively to the selected employees and farmers respectively for a deeper understanding of the implementation. 5. NFA must increase the number of trained procurement teams to be deployed in the designated buying stations. 6. Provide additional trucks for mobile buying stations so that it is accessible whenever there is harvest. 7. Availability of adequate post-harvest facilities like mechanical dryers and rice mills must be considered. 8. Future researchers may be encouraged to conduct a similar study on the implementation of the Palay Procurement Program for validation.

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