

Mina, Christian D.; Reyes, Celia M.; Gloria, Reneli Ann B.

Working Paper

Targeting the Agricultural Poor: The Case of PCIC's Special Programs

PIDS Discussion Paper Series, No. 2015-08

Provided in Cooperation with:

Philippine Institute for Development Studies (PIDS), Philippines

Suggested Citation: Mina, Christian D.; Reyes, Celia M.; Gloria, Reneli Ann B. (2015) : Targeting the Agricultural Poor: The Case of PCIC's Special Programs, PIDS Discussion Paper Series, No. 2015-08, Philippine Institute for Development Studies (PIDS), Makati City

This Version is available at:

<https://hdl.handle.net/10419/127031>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



Philippine Institute for Development Studies
Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas

Targeting the Agricultural Poor: The Case of PCIC's Special Programs

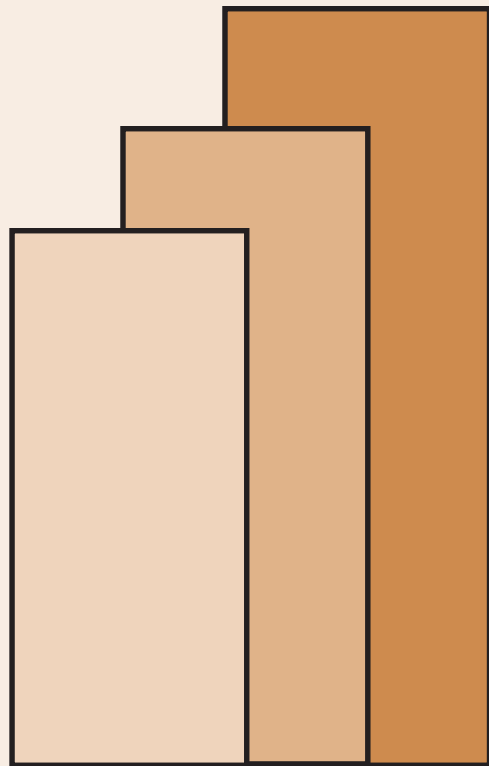
*Celia M. Reyes, Reneli Ann B. Gloria
and Christian D. Mina*

DISCUSSION PAPER SERIES NO. 2015-08

The *PIDS Discussion Paper Series* constitutes studies that are preliminary and subject to further revisions. They are being circulated in a limited number of copies only for purposes of soliciting comments and suggestions for further refinements. The studies under the *Series* are unedited and unreviewed.

The views and opinions expressed are those of the author(s) and do not necessarily reflect those of the Institute.

Not for quotation without permission from the author(s) and the Institute.



January 2015

For comments, suggestions or further inquiries please contact:

The Research Information Staff, Philippine Institute for Development Studies

5th Floor, NEDA sa Makati Building, 106 Amorsolo Street, Legaspi Village, Makati City, Philippines

Tel Nos: (63-2) 8942584 and 8935705; Fax No: (63-2) 8939589; E-mail: publications@pids.gov.ph

Or visit our website at <http://www.pids.gov.ph>

Draft/01/13/2015

TARGETING THE AGRICULTURAL POOR: THE CASE OF PCIC'S SPECIAL PROGRAMS

Dr. Celia M. Reyes, Reneli Ann B. Gloria and Christian D. Mina¹

Abstract

Under the Aquino administration, premium subsidies on agricultural insurance have significantly increased, mostly due to the special programs being implemented by the Philippine Crop Insurance Corporation. This paper attempts to describe the various fully-subsidized agricultural insurance programs of the Philippine Crop Insurance Corporation, the rationale of each, the beneficiary selection procedures that they undertake, and highlight the implementation issues and concerns that might have policy and welfare implications crucial to their success. The paper finds that the lack of predictability or continuity in implementing these programs, coupled with difficulties in interagency coordination has posed operational challenges in implementing these. There is also a need for an overarching policy to guide the administration of government subsidies in agricultural insurance, as well as guidelines on prioritization of beneficiaries, to help PCIC offer continued services to the identified beneficiaries and determine who to prioritize.

Keywords: agricultural insurance, agricultural credit, Philippine Crop Insurance Corporation, government premium subsidy, DAR ARB-AIP, Registry System for Basic Sectors in Agriculture (RSBSA), DA-Sikat Saka, WARA, NIA Third Cropping Rice Program

¹ Senior Research Fellow and Supervising Research Specialists, respectively, of the Philippine Institute of Development Studies. The authors gratefully acknowledge the research assistance of Sarah Joy P. Mercado, Ma. Blesila D. Mondez and Ronina D. Asis, and the patience of the officers and technical staff of the PCIC, the Department of Agrarian Reform, and the Department of Agriculture in the conduct of interviews and provision of data. Special mention goes to the various farmers and fisherfolk, and the officers and staff of financial institutions interviewed who shared their time and insights on their experience regarding agricultural insurance.



“Please Sir, can I have some more?”
--Oliver Twist, by Charles Dickens

I. Introduction

Poverty has always been an agricultural phenomenon in the Philippines. In the most recent poverty study by Reyes et al. (2012), it is estimated that in the Philippines, out of every four poor individuals, three of them come from agricultural households. Further disaggregating the picture of poverty into chronic and transient poverty², about 71% of chronically poor households are in the agriculture sector, while 59% are transient poor.

Using the matched sample of FIES data from 2003, 2006, and 2009, chronic and transient poverty in agriculture was also explored by the Reyes study by type of agricultural group and by type of crop. Almost half of households engaged in forestry and fishing (49.9%) are chronically (24.8%) and transient poor (25.1%). This is closely followed by those involved in agriculture and animal husbandry services (44%) and crop farming (43.5%). Interestingly, it is corn farmers that have the highest incidence of chronic poverty (34.2%), although as a proportion to total poverty incidence, it is rice farmers that contribute the most. Thus, we find that government programs reducing poverty targeting rural households, with mostly rice farmers as beneficiaries, as well-deserved.

As underscored by the Rural Poverty Report (2011) of the International Fund for Agricultural Development, shocks are the major factor contributing to impoverishment and remaining in poverty³. Thus, avoiding and managing risk is crucial for the poor to get out of poverty. Given the risks faced by the poor agricultural households today, such as natural resource degradation, climate change, greater volatility of food prices,

² Reyes, Celia M et al., “Poverty and Agriculture in the Philippines: Trends in Income Poverty and Distribution”, PIDS Discussion Paper Series No. 2012-09 (2012). Chronic poor is defined as those consistently income poor during the whole period under study (2003,2006 and 2009 FIES), transient poor is defined as those classified poor at one point in time but were previously non-poor for at least one period during the study.

³ The report further argues that agriculture is likely to remain the primary engine of pro-poor growth in the developing world, p. 42, **IFAD, Rural Poverty Report: New Realities, New Challenges: New Opportunities for Tomorrow’s Generation.**

ill-health, breakdown of social and community safety nets due to increased resource scarcity, and insecurity of land access, among others, innovative programs and policies are needed to address these risks.

Agricultural credit and insurance, specifically agricultural insurance, is one institutional response designed to address these shocks, and for the Philippines, is usually intertwined. This paper, then, will attempt to describe the special programs of the Philippine Crop Insurance Corporation, the only government parastatal offering agricultural insurance in the country, the way that these special programs target their intended beneficiaries, and highlight the experiences in implementing these special programs.

II. Agricultural Credit, Land Reform and the PCIC

In order to understand how the Philippine Crop Insurance Corporation came about, and its ties with the history of the provision of agricultural credit, a short background on agrarian reform is quite necessary. The first landmark legislation providing for a mechanism to extend credit and similar assistance to agriculture, including marketing and technical services, was related to the institution of land reform in the Philippines. Republic Act 3844, signed into law by President Diosdado Macapagal on August 8, 1963, also provided for an institution to finance the acquisition and distribution of agricultural land, thereby creating the Land Bank of the Philippines.

In order to accelerate the implementation of RA 3844, President Ferdinand Marcos signed Republic Act 6390 into law on September 10, 1971, created an Agrarian Reform Special Account amounting to P50 million. Utilization of the P50 million, as mandated by the law, is as follows: P20 million for additional credit for agricultural lending, P20 million used as the government's capital contribution to Land Bank, and the remaining P10 million for land development and resettlement. This law also created the *Agriculture Guarantee Fund* which will shoulder 70% of losses to rural banks due to loans extended under the supervised agricultural credit program⁴. P20 million from the funds accruing from the Agrarian Reform Special Account after June 1972 was earmarked for the use of the Agriculture Guarantee Fund.

Despite the funds allocated for Land Bank of the Philippines, the only financial institution established for agrarian reform, it was found to be deficient in supporting the implementation of land reform, so Presidential Decree No. 251, issued on July 21, 1973, increased the capital stock of the Bank to P3 billion, required government agencies to make Land Bank the official depository, and expanded the mandate of Land Bank to include granting of loans to farmers' cooperatives/ associations for agricultural production purposes.

As further support to agrarian reform credit, Presidential Decree No. 717 was enacted on May 29, 1975, requiring government and private lending institutions to allocate 25% of their loanable funds to agricultural credit in general, of which at least 10% shall be allocated to agrarian reform credit.

The Philippine Crop Insurance Corporation, created by virtue of Presidential Decree No. 1467 on June 11, 1978, was financed via the *Agriculture Guarantee Fund*, which was transferred to the new Corporation as

⁴ As a requirement for rural banks to avail of the Agriculture Guarantee Fund, they should extend loans under the ff. conditions: a) the farmer must agree in writing that s/he will apply approved farm practices under a supervised credit program; b) farm plan and budget shall be the basis of the loan, c) farmer-borrower shall not be tilling more than six hectares, d) priority must be given to cooperatives, farmers with leasehold contracts, or a member of a cooperative or an ARB, e) acceptable collateral is any or a combination of real estate if available, chattel mortgage on standing crops/livestock, stored crops in bonded warehouses, or two co-makers acceptable to the bank

part of the government's contribution to the capital of PCIC. This Agriculture Guarantee Fund was previously administered by Land Bank of the Philippines and used to guarantee the rice production loans under the supervised credit program of the Bank. As provided for in Section 7 of PD 1467, it was up to the Board of Directors of the new Corporation if they wanted to continue the guarantee operations commenced using the Agriculture Guarantee Fund⁵.

Thus, the real provenance of PCIC came from funds earmarked for agrarian reform credit, making PCIC an institutional progeny of land reform. The Land Bank of the Philippines, another offspring of land reform, spearheaded the study on the feasibility of implementing crop insurance, and initially envisioned crop insurance as part of their supervised credit programs.

Presidential Decree No. 1733, proclaimed on October 21, 1980, made crop insurance compulsory for all lending institutions granting production loans for palay under the supervised credit programs⁶ of the government, and the same shall act as underwriters for PCIC. Any person or institution implementing a government supervised credit program without requiring crop insurance will be fined P10,000.

The PCIC was also mandated by President Marcos, via Letter of Instruction No. 1242 to administer a Trust Fund⁷ amounting to P450 million (to be given in tranches for a period of 3 years) as payment for claims of the Philippine National Bank and the rural banks that participated in the Masagana 99 credit program⁸, to the extent of 85% of past due loans under the said program. The purpose of the guarantee fund was to restore the good credit standing of these banks with the Bangko Sentral ng Pilipinas and enable them to be capable of offering financial services to the rural communities under the supervised credit program. Thus, historically, crop or agricultural insurance of the PCIC was utilized by the government mainly as an agricultural support mechanism to expand agricultural credit, where agricultural credit as the main risk management tool used by farmers in case of shocks.

IV. Fully-Subsidized Special Agricultural Insurance Programs of PCIC

As emphasized in the 2011-2016 Philippine Development Plan⁹, food security exists when “all people, at all times, have physical and economic access to sufficient, safe and nutritious food that

⁵ This was implemented during the days of Masagana 99 and the directed credit programs, but stopped after the AFMA directive.

⁶ Supervised credit program, as used in the Decree, is defined as a production credit program wherein the farmer agrees in writing to apply proven farm practices and abide by the farm plan and budget prepared by him and the accredited supervised credit technician.

⁷ Also known as the Special Revolving Trust Fund (SRTF). Based on the 2013 Annual Audit Report for the PCIC by the Commission on Audit, about P301.979 million is unutilized as of 31 December 2013, and is currently placed in a High Yield Savings Account at the Land Bank of the Philippines.

⁸ Farm credit on a non-collateral basis, fertilizer subsidy and extension services are the main components of the Masagana 99 program. It was conceived and launched on May 21, 1973 out of the need to massively increase rice production, after a series of farm crop failures in 1971-73, given the country's heavy dependence on rice imports and a world grain crisis during that time. For a good description of the program, see Diosile Galliot Arida's "A Study of the Masagana 99 Credit Delivery System in the Philippines", a Master's Thesis submitted in partial fulfillment for the degree Master of Science in Agricultural Economics, Kansas State University (1982).

meets their dietary needs and food preferences for an active and healthy life”. In view of this, a competitive and sustainable agriculture and fisheries sector is planned to be achieved via three goals, (1) improved food security and increase in incomes, (2) increase in sector resilience to climate change risks, and (3) enhancement of governance and policy environment.

Agricultural insurance as a policy instrument is not quite evident; but it is mentioned as an intervention strategy under Goal 1, “in raising productivity ---defined as productivity in land, labor, and capital---and incomes of agriculture and fishery-based households and enterprises”¹⁰ via improving the sector’s credit access through intensifying information dissemination of credit, guarantee, and insurance programs. Its use as an intervention is more succinctly stated under Goal 2, where one of the objectives is to strengthen agricultural and fishery insurance as a risk-reducing or risk-transfer mechanism, and thus encourage more banks and other lending conduits to lend to the agriculture and fisheries sector.

With this premise in the Philippine Development Plan, various fully-subsidized agricultural insurance programs were launched in 2012, 2013 and 2014. The Department of Agriculture’s Sikat-Saka Program and NIA-Third Cropping were operationalized in 2012, while the Weather Adverse Rice Areas Program was implemented in 2013. All three programs target rice farmers only and are still extant. About P200 million, P98.91 million, and P167.235 million was set aside to finance these programs. The DAR Agrarian Reform Beneficiaries Agricultural Insurance program was implemented in 2013 only, with a P1billion budget, covering rice, corn, HVCC, livestock and ADS for ARB beneficiaries. The DAR program subsidy on agricultural insurance was designed to complement the existing credit programs of the Department¹¹. The latest of these fully subsidized programs is the Registry System for Basic Sectors in Agriculture (RSBSA) of the Department of Budget and Management, which provides fully subsidized agricultural insurance in rice, corn, livestock, HVCC, non-crop agricultural assets, and fishery for farmers and fisher folk listed in the registry. This was operationalized last year, with a budget of P1.184 billion. The following sections will discuss these various programs in turn.

A. Fully Subsidized Agricultural Insurance Programs with the Department of Agrarian Reform

In 2013, the Department of Agrarian Reform and the Philippine Crop Insurance Corporation has joined forces to provide agriculture and term life insurance protection for agrarian reform beneficiaries, under the *DAR- Agrarian Reform Beneficiaries Agricultural Insurance Program (DAR ARB AIP)*. The budget for the P1 billion premium subsidy came from the General Appropriations Act. It was proposed by DAR and put under the budget of PCIC. Of this amount, P533.78 Million will be allocated for rice farmers, P385.82 Million for corn farmers, P79.09 Million for high value crop farmers, and P1.31 Million for

¹⁰ By raising incomes, the strategy is thus assumed to reduce rural poverty.

¹¹ Note that the role of ARBs are explicitly stated in the 2011-2016 PDP, under Goal 1 of improved food security and increased incomes, which is “transform agrarian reform beneficiaries into viable entrepreneurs” and one of the interventions is increased credit access.

livestock. The premium cost for the individual farmer's life and limb coverage amounting to P5.43 Million will come from the interest earnings of the P1 Billion. Each beneficiary shall be provided protection cover for up to three hectares (maximum farm size under the Comprehensive Agrarian Reform Program) and up to three types of insurance coverage only (crop, livestock and accidental death and dismemberment). The insurance protection is good for two cropping seasons.¹²

Joint DAR- DA PCIC Memorandum Circular No. 1, Series of 2013 articulated the rationale of this program, which is enhanced credit access for agrarian reform beneficiaries (ARBs) by lessening the cost of borrowing via agricultural insurance premium subsidy, and protect them from losses against extreme weather events and pests and diseases. The ARB-AIP is designed as a complementary program to DAR's various credit and agricultural production enhancement programs, thus, the eligible beneficiaries are those ARB participants of key DAR programs, such as ARCESS (Agrarian Reform Community Connectivity and Economic Support Services), APCP (Agrarian Production Credit Program), CAP-PBD (Credit Assistance Program for Program Beneficiaries Development) and the Microfinance Capacity Development in Agrarian Reform Areas (operationalized via the Micro Agri Loan Product Development, DAR-CARD and DAR-NATCCO MICOOP). ARBs that are member of Agrarian Reform Beneficiary Organizations (ARBOs) but still do not have access to credit are also eligible, including new agrarian reform beneficiaries covered by CARPER law.

Annex A lays out the current credit and agricultural production enhancement programs that DAR is implementing, that are the priority programs tied up to the DAR ARB-AI Program.

DAR ARB-AIP Program Management

The program is implemented via four levels of management; the Program Management Committee (PMC), the Technical Working Group (TWG), the Program Secretariat (PS), and the Regional Coordinating Teams (RCTs). Table 1 details the composition and responsibilities of each.

Table 1. DAR ARB-AIP Agency Composition and Responsibilities

Committee	Composition	Responsibilities
Program Management Committee	Chair: PCIC Chairman Co-Chair: DAR Undersecretary for Support Services Members: - President, PCIC - Undersecretary for Operations, DAR - Senior Vice President- Risk Management Group, PCIC - Bureau of Agrarian Reform Beneficiary Development (BARBD) Director, DAR	- Provide direction and formulate policies for the Program - Monitor program performance - Act on issues and concerns relative to program implementation - Conduct regular monthly meetings and special meetings, as needed
Technical Working Group	Chair: Department Manager, ARPVD, PCIC Co-Chair: BARBD Asst. Director, DAR Members: - 3 representatives from PCIC - 3 representatives from DAR	- Provide technical support to the PMC - Ensure that policies, operational systems and procedures and guidelines approved by the PMC are implemented - Install and maintain a monitoring and evaluation system for the program

¹² Accessed from <http://www.gov.ph/2013/01/15/dar-da-pcic-provide-p17b-insurance-protection-to-agrarian-reform-beneficiaries>

Committee	Composition	Responsibilities
		<ul style="list-style-type: none"> - Facilitate the necessary support to field implementers - Conduct regular monthly meetings and special meetings, as needed
Program Secretariat	Head: Designated representative from PCIC Members: <ul style="list-style-type: none"> - One (1) representative from DAR - One (1) representative from PCIC 	<ul style="list-style-type: none"> - Provide administrative support to the TWG and PMC - Safekeep reports and other program related documents - Prepare minutes of meetings of TWG and PMC meetings
Regional Coordinating Team (RCT)	Chairman: Regional Manager, PCIC Co-Chairman: Regional Director, DAR Members: COD of Marketing and Sales Division, PCIC COD of Claims and Adjustment Division, PCIC COD of Finance Division, PCIC Chief of Support Services Division, PCIC Chief of Operations Division, PCIC	<ul style="list-style-type: none"> - Coordinate the overall implementation of ARB-AIP in the region - Resolve operational and site-specific issues and concerns in the implementation of the ARB-AIP - Monitor regional performance - Conduct regular monthly meetings and special meetings, as needed, and - Submit observations and recommendations to PMC through the TWG, as needed.

Beneficiary Selection Procedure

The DAR Provincial Offices (DARPO) are the ones in charge of creating a priority list of eligible ARBOs and FOs, from an inventory of those covered under the programs enumerated in Table 2. From this initial list of eligible ARBOs/ FOs, the Municipal Agrarian Reform Officer (MARO) prepares the list of eligible farmers from the member roster, based on the criteria below:

Table 2. Eligibility Criteria for Farmers and Farm Coverage

<ul style="list-style-type: none"> • Must be an ARB or ARB HH member cultivating or managing his/her respective farms. • Must be a member of an ARBO or FO. • Farm area per farmer must not exceed 3 hectares, and in case of group or collective farming, the average area per farmer must not exceed 3 hectares. • For livestock, maximum of 3 animals per farmer for large ruminants (cattle, carabao), while 10 for small ruminants and swine • Maximum of three crop insurance cover per annum for multiple cropping is allowed. • Coverage is for rice and corn, high value crops such as coconut, coffee, cacao, sugarcane, mango, banana, pineapple, oil palm, abaca, tobacco, cassava, rubber, and other crops. Livestock such as cattle, carabao, goat, swine (breeder) and poultry is also covered.
--

The DARPO and the MARO provides the selected ARBO/ FO the list of qualified farmers eligible for the premium subsidy. They also provide information to the selected organizations on the various ways of availing the free premium subsidy. They also conduct orientations on ARB AIP guidelines in coordination with PCIC, for large groups of farmers. The DAR Regional Offices (DARRO), meanwhile, consolidates the list of qualified ARBOs/ FOs and the indicative number of farmer-beneficiaries under each, and submits the same to the concerned PCIC Regional Office.

Enrollment Procedure

Table 3 summarizes the enrollment procedure in rice and corn, while Table 4 summarizes the procedure for livestock and HVCC. Note that for rice and corn, it is explicitly stated that for the borrowing farmer, it is the accredited lending institution that usually determines the coverage and premium amounts, based on their approved loan amount of the farmer. It is also the lending institution that determines the loan amount, as they have the “right” to approve, increase or decrease the amount of loan of the farmer-borrower.

Table 3. DAR ARB-AIP Enrollment Procedure in Rice and Corn

Step	Agency	Task	Documentary Requirements
1	Eligible Farmer	Complies with the requirements for enrollment and submits to ARBO/ FO where a member	Application for Crop Insurance (ACI) Location and Sketch Plan (LSP) Standard Farm Plan and Budget (SFPB)
	ARBO/FO	Summarizes the farmer list of beneficiaries in alphabetical order, and requests DAR certification from MARO	List of Beneficiaries (LOB) Note: for contiguous areas, a single LSP can be prepared
	MARO	Certifies LOB that beneficiaries are ARBs and issues DAR certificate to ARBO/ FO	List of Beneficiaries Issues DAR Certificate
2	ARBO/FO	-(If borrowing from a PCIC accredited lending institution): Submits requirements of farmer-member, LOB and DAR certificate to lending institution as part of loan requirements -(If self-financed or borrowing from a non-accredited lending institution) Submits requirements of farmer-member, LOB and DAR certificate to accredited PCIC underwriter or directly to PCIC Regional Office If needed, can also submit a deed of assignment of their agricultural insurance cover in favor of their creditor, and submit the same to the DA-PCIC office	ACI, LSP, SFPB, LOB, DAR Certificate Deed of Assignment (of agricultural insurance)
	Accredited Financing Institution (if borrowing from a PCIC accredited lending institution)/ Accredited PCIC Underwriter/Regional PCIC Office (if borrowing from a non-accredited lending institution)	Reviews LOB and support documents, and determine the coverage, premium amounts, * based on the provisions of the Program and PCIC’s regional guidelines for rice and corn Issue the Certificate of Cover (CIC) to the ARBO/FO Forwards the CIC to the PCIC Regional Office, net of 10% service fee	ACI, LSP, SFPB, LOB, DAR Certificate Issues Certificate of Cover
3	PCIC	Receives the CICs/ approves Deed of Assignment	CICs, Deed of Assignment

Source: DAR-DA PCIC Joint Memorandum Circular No. 1, Series of 2013

Table 4. DAR ARB-AIP Enrollment Procedure for Livestock and HVCC

Step	Agency	Task	Documentary Requirements
1	Eligible Farmer	Complies with the requirements for enrollment and submits to ARBO/ FO where a member	Application for High Value Crop Insurance or Livestock Mortality Insurance LSP or Parcellary Map

Step	Agency	Task	Documentary Requirements
			Farm Plan and Budget Veterinary Health Certificate for Livestock (if required)
	ARBO/FO	Summarizes the farmer list of beneficiaries, in alphabetical order and submits all documents to nearest PCIC Regional Office	List of Beneficiaries (LOB)
2	PCIC Regional Office	Reviews LOB and support documents, and conducts pre-production inspection to determine the coverage, premium amounts, and farmer's share of the premium based on the provisions of the Program and PCIC's regional guidelines for high value crops and livestock	Application for High Value Crop Insurance or Livestock Mortality Insurance LSP or Parcellary map Farm Plan and Budget Veterinary Health Certificate for Livestock LOB
3	PCIC Regional Office	Issue the corresponding insurance policies to the ARBO/FO	Insurance policies
4	ARBO/FO	Receives the insurance policies and distributes to members	Insurance Policies

Source: DAR-DA PCIC Joint Memorandum Circular No. 1, Series of 2013

Amount of Cover, Premium Rates, Type of Cover and Risks Covered

Table 5 shows the covered risks, amount of cover and premium rates of the DAR ARB-AI Program.

Table 5. DAR ARB-AIP Amount of Cover, Premium Rates and Covered Risks

Commodity	Amount of Cover Per Ha./Tree/Animal	Premium Rate (%)	Covered Risks
<i>Crops:</i>			
Rice	Inbred Variety: Irrigated/ Rainfed = P39,000 Seed Production =P50,000 Hybrid Variety: Commercial Production (F1)= P42,000 Seed Production (AxR)= P65,000		Multi-Risk Cover: This is a comprehensive coverage against crop loss caused by natural disasters like typhoon, flood, drought, earthquake, and volcanic eruption, as well as pest infestation and plant diseases Natural Disaster Cover: This is a limited coverage against crop loss caused by natural disasters
Corn	Hybrid Variety= P40,000 Open-Pollinated Variety= P28,000		Multi-Risk Cover: This is a comprehensive coverage against crop loss caused by natural disasters like typhoon, flood, drought, earthquake, and volcanic eruption, as well as pest infestation and plant diseases Natural Disaster Cover: This is a limited coverage against crop loss caused by natural disasters
Vegetables	P54,000 (average)	2-7%	Natural calamities (typhoon, flood, drought, earthquake and volcanic eruption)
Coconut	P36,900	2-7%	-do-
Coffee	P50,000	2-7%	-do-
Cacao	P32,250	2-7%	-do-
Sugarcane	P54,500	2-7%	Natural calamities and accidental fire
Mango	P3,000/ tree	2-7%	Natural calamities
Banana	P100,000	2-7%	-do-
Pineapple	P60,000	2-7%	-do-

Commodity	Amount of Cover Per Ha./Tree/Animal	Premium Rate (%)	Covered Risks
Oil Palm	P24,000	2-7%	Natural calamities and accidental fire
Abaca	P50,700	2-7%	Natural calamities
Tobacco	P14,000	2-7%	-do-
Cassava	P58,000	2-7%	-do-
Livestock			
Cattle and Carabao	Noncommercial Cover: P7,000-P15,000 Commercial Cover: P10,000-P15,000 P15,001-P20,000 P20,001-P25,000 P25,001-P30,000 P30,001-P50,000	5-7.50% 5-7% 6-8% 7-9% 8-10% Above 10% or as agreed upon	Noncommercial Cover: 1. Diseases like liver fluke 2. Verminous bronchitis, all other parasitic diseases, leptospirosis, swine enzootic pneumonia, colibacillosis, streptococcosis, tetanus, aflacoxitosis, cancerous diseases, footrot, rabies, poisoning, heat stroke, heart attack and all other diseases except those appearing in the exclusions in the policy; 3. Accidental drowning, strangulation, snakebites and other events of accidental nature except those caused by vehicular accidents 4. Fire and/or lightning 5. Dog bites (for goat and sheep only) and 6. Accidents arising from the transport of animals to and from the farm and place of treatment Commercial Cover: 1. All diseases covered in noncommercial cover 2. All accidents covered in noncommercial cover except for fire and lightning 3. Accidents arising from the transport of animals to and from the farm and place of treatment.
Horse	>P9,000 to P15,000	5-7.25%	
Goat	Fattener: P1,000 Breeder: P20,000	10% 12%	
Swine	Fattener: P3,000-P7,000 Breeder: P5,000-P7,000 P7,000-P10,000	0.5%/mo 3-6% 4-8%	
Poultry	Per prevailing market price as agreed upon	Pullets/ Layers 3.5-4% Broilers 1.75%	1. Catastrophic losses arising from the death of birds due to accidents and/or diseases 2. Typhoon and flood
ADSS	P50,000	0.07%	Death or dismemberment due to accident
Notes: 1. The premium rates for rice and corn crops varies by region, by risk classification and by season 2. The amount of insurance for high value commercial crops covers the cost of farm investments/ cost of production inputs as agreed upon by PCIC and the assured, including a portion of the value of the expected yield (at the option of the farmer) but not to exceed 120% of the cost of production inputs 3. The insurance premium for high value commercial crops shall be market-rated. The premium rate shall be on a per project basis and shall depend on the result of the pre-coverage evaluation of the type and number of risks sought for coverage, as well as other factors such as location specific agro-climatic conditions, type of soil, terrain, farm management practices and production and loss records			

Source: DAR-DA PCIC Joint Memorandum Circular No. 1, Series of 2013

Claims Procedure, Other Relevant Policies

The procedure for claims is the same as the claims process outlined in the PCIC manual of operations¹³. Farmers of rice, corn and high value crops have a no-claim benefit of 10% if they have not filed any claims for three successive cropping seasons. As a rider to the ADSS benefit of the insured farmer, their families will receive P10,000 as burial benefits, provided that the farmer is not more than 75 years of age at the date of insurance enrollment.

¹³ See Reyes, et al “Assessment of the Agricultural Insurance Programs of the Philippine Crop Insurance Corporation” PIDS Discussion Paper 2014.

*Program Implementation: Experiences, Issues and Concerns*¹⁴

The DAR ARB-AI Program formally started on January 15, 2013, but because of coordination and organizing activities, actual implementation started during the month of May 2013. Initially, when the program was first conceptualized, farmers were supposed to shoulder 10% of the premium, but because there were few takers, the PMC decided to make the program fully subsidized. The eligibility requirement that the farmer must be a member of an ARBO or FO was removed. The initial target was 218,000 ARBs to be enrolled in the Program, or about 10% of the total ARBs in the country¹⁵.

Before the program started, DAR did informal interviews with their partner ARBOs and ARB Cooperatives as to why they were not availing of PCIC insurance. Feedback came in the form of alleged complaints, with ARBOs saying that they find the claims procedure is too long, there are damages that are not covered and they do not understand the technicalities as to why is it so. Thus, they decided to have 100% free premiums, and both DAR and PCIC embarked on a full-blown social marketing program about agricultural insurance, sometimes reaching up to the barangay level. DAR also requested that PCIC install an online computer system for enrollment and claims, since it is very difficult to convince a farmer to buy agricultural insurance or even avail of it for free if service is very slow.

One positive byproduct of the Program was that the ARBOs were trained in claims adjustment. Because it is impractical for a farmer to wait for ten days before an adjuster came to check on the damages, ARBOs were trained as claims adjusters. Thus, what happened was the designated claims adjuster that is an ARBO member will just report to DAR the extent of the damages, and DAR will report it to PCIC.

The Annual Report of the Commission on Audit for PCIC CY 2013 highlighted beneficiary selection as one overarching issue regarding the implementation of the DAR ARB-AI Program, which has also been corroborated during the focus group discussions¹⁶ done when the research team visited various regional offices and areas of operations of PCIC. Table 6 details a summary of the said findings:

¹⁴ DAR feedback on program implementation came from interviews with Bureau of Agrarian Reform Beneficiaries Development officers, 11 September 2013, one of which is doing an assessment of the DAR ARB AI Program as part of her Master's Degree requirements at the Development Academy of the Philippines, and one of the key DAR personnel involved in the program.

¹⁵ Under RA 6657 or the Comprehensive Agrarian Reform Act (1987-June 2009), DAR covered/ distributed a total of 4,049,018 ha. or equivalent to 2,396,857 ARBs installed. Congruently, under RA 9007 (July 2009-December 2012), DAR distributed a total of 405,187 ha to 210,586 ARBs. Thus, the total ARBs as of December 2012 is 2,607,443. Data from the DAR website discussing its major final outputs, <http://www.dar.gov.ph/major-final-outputs-mfos/lti>

¹⁶ Focus group discussions with rice and corn PCIC insured farmers, HVCC insured farmers, non-insured rice farmers, non-insured HVCC farmers, Term Insurance Package farmers, DAR, Sikat Saka, and WARA subsidized farmers were done in Regions II (Cagayan), VII (Cebu), XI (Davao del Norte), and VI (Negros Occidental).

Table 6. Comparison of COA Audit Report Findings (2013) For the DAR ARB-AI Program and Focus Group Discussions Conducted (2014)

COA Audit Major Findings	COA Audit Specific Findings	Focus Group Discussion Observations
There was no assurance that only eligible beneficiaries were allowed to avail of the premium subsidy due to noncompliance with the eligibility and documentary requirements in proper identification of intended beneficiaries	<ul style="list-style-type: none"> - Region X (out of 82 underwriting documents, 75 lacked ACIC, 71 lacked Farm Plan and Budget, and 29 lacked Certification from the MARO - Region II, III, and III-A, said documents were not submitted or not fully complied with. - In most cases, the only document submitted by DAR is the LOB, which also serves as the application for insurance coverage. LOB contains very little information on the identity of the farmer, and as per interviews with Regions II, II and III-A, there were no actual validations conducted to determine the validity of the LOB - Signatures affixed to some LOB and masterlist of members appear to be of the same stroke - In Region II, the Consolidated List of Eligible ARBOs/FOs were not endorsed by DARRO, while in Regions III and III-A, the DARRO did not submit the document to PCIC. The list is used as reference in identifying eligible beneficiaries. 	<ul style="list-style-type: none"> - In Region XI, in focus group discussions with a group of insured banana farmers only 1 out of the 13 participants was aware that they were insured. That one person was aware because she was the Coop Secretary, and heard of the program during transactions with the MARO. - In Region XI, in focus group discussions with another set of 5 banana farmers, they pointed out that it took them 6-7 months to be enrolled in the DAR program, because the requirements were not told to them clearly. Thus, papers were forwarded back and forth to the MARO, the PCIC and them. - In Region VII, in focus group discussions with a group of insured vegetable and livestock farmers, they pointed out that there was no feedback as to the status of their enrollment to PCIC insurance
	<ul style="list-style-type: none"> - Livestock insurance coverage exceeded the maximum number of animals - A cooperative submitted an LOB with only one farmer listed for insurance coverage of 250 heads of native piglets amounting to P1.750 million with corresponding GPS of P35, 000. 	No feedback

It must be understood, however, from a more than fivefold increase in government premium subsidy and therefore a more than fivefold increase in underwriting transactions, given a limited implementation time period of eight months and limited PCIC manpower, problems such as this can arise. This Program can be thought of as a learning experience for PCIC in handling bigger subsidies, and in the capacity of the organization to be flexible and accommodate the increased transactions.

Based on the COA Report, a total of 389,056 ARB farmers benefited from the subsidy. Of this, only 18,384 filed claims during the calendar year 2013¹⁷. Of the P1.065 billion received as subsidy for 2013, only P241 million was paid out as claims in 2013, or about 22.6% of insurance premiums received. Table 7 details how the subsidy was utilized, by type of insurance line.

¹⁷ This does not include farmers that may have claimed for indemnity in 2014, since there are still CICs in effect until 2014.

Table 7. Report of Accomplishment/ Fund Utilization, DAR ARB-AI Program

Insurance Line	Insurance Coverage			Government Premium Subsidy	Claims Paid		
	No. of Farmers	No. of Area/ Head/ Policy	Amount of Cover (in millions)		No. of Farmers	No. of Area/ Head/ Policy	Amount of Cover (in millions)
Rice	107,341	140,374	4,336.139	547.292	13,315	20,830	124.059
Corn	27,714	39,336	1,083.528	220.313	4,128	6,432	52.789
HVCC	28,561	52,369	3,929.395	265.297	887	1,324	32.739
Livestock	11,934	20,845	311.048	24.5	30	35	0.283
TIP-ADSS	213,506	11,208	10,701.055	7.978	24	23	31.340
TOTAL	389,056	264,132	20,361	1,065	18,384	28,644	241

Source: 2013 Report on PCIC by COA, Claims paid as of December 2013

The DAR ARB-AI Program was implemented for only one year, but for the year 2014, farmer-ARBs under the ACPC and the CAP-PBD credit programs of DAR/ Land Bank can still enjoy full premium subsidies. A budget of P134 million was set aside by the PCIC for this. The subsidy will cover rice, corn, high value crops, livestock, non-crop agricultural assets (for acquisition of fixed assets), and Term Insurance- Loan Repayment Plan (for working capital loans)¹⁸.

Table 8 details the number of unique farmers by product line enrolled in all the DAR fully subsidized agricultural insurance programs for 2013 and for the first half of 2014, by region.

Table 8. Total No. of Unique Farmers Enrolled in DAR Programs by Product Line, 2013 and 2014

Region	Share to Total DAR Programs	# of Farmers, DAR ARB AIP 2013						# of Farmers, APCP 2014							
		Rice	Corn	HVCC	Livestock	TIP	Total	Rice	Corn	HVCC	Livestock	Fishery	TIP	Total	
CAR	2.54%	1,651	1,090	1,368	274	5,339	9,722	19	96	-	-	-	-	-	115
Region I	9.34%	16,106	1,495	426	805	17,288	36,120	-	-	-	-	-	-	-	-
Region II	17.06%	14,787	12,235	1,616	93	36,895	65,626	201	136	-	-	-	-	-	337
Region III	9.73%	15,726	812	1,760	263	18,197	36,758	672	14	167	-	-	-	-	853
Region IVA	7.85%	2,875	89	9,728	1,406	16,166	30,264	44	-	53	-	-	-	-	97
Region IVB	4.58%	5,763	11	2,494	843	8,557	17,668	52	-	-	-	-	-	-	52
Region V	2.73%	1,959	115	1,308	689	6,217	10,288	233	-	47	-	-	-	-	280
Region VI	10.27%	7,176	186	6,788	197	24,676	39,023	498	204	-	-	-	-	-	702
Region VII	10.62%	4,007	2,216	2,828	1,429	30,433	40,913	11	29	123	-	-	-	-	163
Region VIII	2.43%	2,982	0	842	164	5,423	9,411	-	-	-	-	-	-	-	-
Region IX	6.83%	3,651	3,230	6,816	990	11,601	26,288	133	-	-	-	-	1	-	134
Region X	3.57%	2,421	1,281	2,708	928	6,451	13,789	-	-	-	-	-	-	-	-
Region XI	4.91%	1,112	73	10,142	66	7,535	18,928	73	-	-	-	-	-	-	73
Region XII	3.72%	2,273	1,713	4,006	482	5,868	14,342	40	-	-	-	-	-	-	40
Region XIII	3.07%	2,908	40	2,016	440	6,169	11,573	295	-	-	-	-	-	-	295
ARMM	0.73%	10	0	826	2	1,999	2,837	-	-	-	-	-	-	-	-
TOTAL	100.00%	85,407	24,586	55,672	9,071	208,814	383,550	2,271	479	390	-	-	1	-	3,141

Source: data from PCIC, authors' calculations

¹⁸ Information from DAR Bureau of Agrarian Reform Beneficiaries Development.

Note that for the purpose of this paper, note that “unique” per product line means that the farmer is counted as once if s/he enrolls two parcels of land, or in two cropping seasons a year, under one insurance line, for example. The farmer is counted twice if s/he enrolled under two different insurance lines, e.g, one rice insurance and one term insurance package, or HVCC during the first cropping season, then rice next. “Unique” by type of program means that the farmer is counted as a participant once in the program, regardless if s/he enrolled in both rice and term insurance under DAR ARB AIP, for example, in one year. The farmer is counted as twice if s/he enrolls in a DAR rice insurance program, for example, in one cropping season, and enrolled under the Sikat-Saka rice insurance program in the next cropping season, even if the parcel of land being insured is the same.

In terms of who benefited the most from the DAR programs, Region II got the highest share or 17.06% of the total farmers that enrolled in the DAR programs for 2013 and 2014, followed by Regions VII (10.62%) and Regions VI (10.27%)¹⁹.

B. Fully Subsidized Agricultural Insurance Programs under the Department of Agriculture

Food sufficiency, or food security, has always been a prickly topic in any government administration. Politicians want food security irrespective of ideology, agriculture and food related office administrators have always tried to make their food sufficiency policies work, and researchers have debated the ways and means of achieving food sufficiency, but all agree at one point, the dire consequences of food insecurity. The issue, then, is not finding policy justifications for ensuring food sufficiency, but rather finding appropriate policy instruments and institutions to address it. One such market policy instrument is credit and insurance.

Under the Philippine Development Plan (PDP) 2011-2016, food security and raising incomes are the primary goals of the agriculture sector. With this in mind, the Department of Agriculture has launched the Food Staples Sufficiency Program (FSSP). The FSSP in turn, is anchored in improving farm productivity and making the Filipino farmer globally competitive. The Program has a three-pronged strategy with various interventions, and crop insurance as one of them. Currently, the Department of Agriculture has three fully subsidized crop insurance programs, the Sikat Saka Program, the NIA Third Cropping, and the DA-Weather Adverse Rice Areas. Table 9 shows FSSP strategies and interventions and the role of crop insurance therein.

Table 9. Food Staples Self Sufficiency Roadmap Strategies and Interventions

Strategies	Interventions
Increase and sustain gains in production	<ul style="list-style-type: none"> • Development and maintenance of irrigation systems • Increase farmers’ access to high quality seeds • R&D and promotion of appropriate technologies • Development of upland rice-based farming systems • Extension and farmers’ education • Enabling mechanisms to stimulate production response from farmers such as increased procurement of domestic palay, CCT

¹⁹ Data on the number of ARBs and total area covered is still being requested from DAR. This will be compared to the total number of beneficiaries enrolled and total area covered by the DAR programs, to compute for the penetration rates.

	in lieu of a direct consumer price subsidy, phased increase in selling price of rice, increase in credit guarantee fund, greater coverage of crop insurance and safeguard irrigated farmland from land conversion
Farm mechanization and reduction of post-harvest losses	<ul style="list-style-type: none"> • Improve the mechanization level of rice production in the country • Modernization of rice mills • Provision of multipurpose drying pavements, and flatbed dryers to farmers associations
Manage consumption by maintaining a per capita rice consumption of 120kg/year	<ul style="list-style-type: none"> • Promote consumption of brown or unpolished rice • Reduction of table wastes • Diversifying of staples by increasing production of non-staples such as white corn, sweet potato, cassava and plantain

Source: <http://www.gov.ph/2011/04/12/briefer-on-the-food-staples-self-sufficiency-roadmap-2011-2016/>

DA-Land Bank Sikat-Saka Program

The Sikat Saka Program is a lending program developed in support of the Food Staples Sufficiency Program of the Department of Agriculture. Launched in 2012, it aims to provide direct access to credit to small farmers via their irrigator's associations, targeting the twenty-five major rice producing provinces of the country²⁰.

The program aims to assist palay farmers in financing their palay production requirements in a timely manner and at an affordable cost, improve the viability of palay production by ensuring availability of irrigation and extension services and markets, and to expand credit outreach and increase palay production for food self-sufficiency. The Land Bank and the Department of Agriculture provided the loan funds, at P200 million each for a total of P400 million. Table 10 shows the participating agencies and roles of each. The Department of Agriculture, through its attached agencies, is the overall lead in the program.

Table 10. Participating Agencies and Roles in the Sikat Saka Program

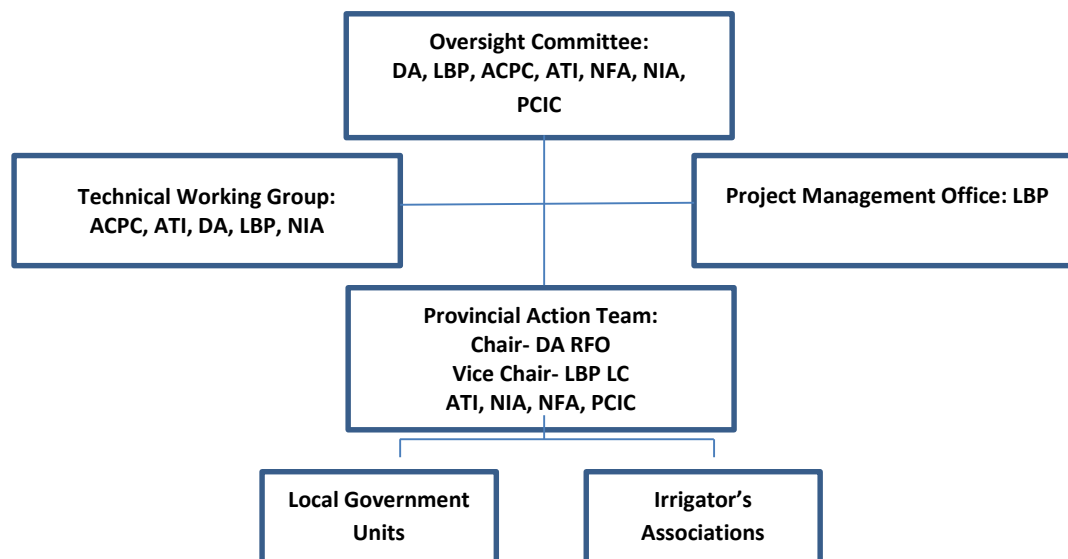
Agency	Role
Agricultural Credit Policy Council (ACPC)	Provides support funds and conducts the evaluation
National Food Authority (NFA)	Serves as market for farmer's produce
National Irrigation Administration (NIA)	Identifies, mobilizes and guides Irrigators Associations to become credit consolidators or conduits
Agricultural Training Institute (ATI)	Provides extension and training services on organizational strengthening, including financial management
Philippine Crop Insurance Corporation (PCIC)	Provides insurance coverage for loans under the program
Land Bank of the Philippines (LBP)	Provides the loan funds, credit assistance and manpower complements, and manages/ monitors the credit program
Irrigators' Associations	Identifies and endorses qualified small palay farmers to Landbank and provides administrative support

Source: DA Rice Program Secretariat

²⁰ These are Ilocos Norte, Pangasinan, Isabela, Cagayan, Pampanga, Nueva Ecija, Tarlac, Bulacan, Nueva Viscaya, Occidental Mindoro, Oriental Mindoro, Palawan, Camarines Sur, Negros Occidental, Iloilo (pilot), Capiz, Antique, Leyte, Bohol, Zamboanga del Sur, Bukidnon, Sultan Kudarat, South Cotabato, Maguindanao, North Cotabato

Figure 1 shows the program structure and implementation of the Sikat Saka Program.

Figure 1 Program Structure, Sikat Saka Program



Source: DA Rice Program Secretariat

Beneficiary selection largely lies in the hands of NIA and the Irrigator's Associations (IAS). Beneficiaries are individual farmers, but the farmers must be members of NIA-accredited IAs. Table 11 details the eligibility criteria for the program.

Table 11. Eligibility Criteria for the Sikat Saka Program

<p><i>Irrigator's Association</i></p> <ul style="list-style-type: none"> • IA Functionality Rating for the last two years should be at least very satisfactory • Membership is at least 80% of total farmers benefiting from the irrigation system • Annual cropping intensity of at least 150% • Irrigation Service Collection of at least 80% <p><i>Eligible IA Member</i></p> <ul style="list-style-type: none"> • Up-to-date in the payment of irrigation service fees • Pays the required IA membership fees and dues • Participates in IA activities like canal clearing, campaign for payment of ISF collection <p><i>LBP Criteria</i></p> <ul style="list-style-type: none"> • For small palay farmers • Owns or tills at least one half (1/2) hectare of irrigated land but not to exceed 5 hectares. • Be a member in good standing of an Irrigator's Association, and has no loan for palay production purposes with LBP and other financing institutions for the past six months at the time of loan application. • Have a purchase order or market contract with NFA, or other reliable buyers. • Attend a seminar on financial education to be conducted by ATI

Source: NIA Institutional Development Division, DA Rice Program Secretariat

Eligible palay farmers can get up to P41, 000 per hectare for inbred seeds and P50, 000 per hectare for hybrid seeds, based on the farm plan and budget. Farmer-borrowers can enjoy a lower interest rate of 15% per annum for the first two cycles. Then, for the succeeding cycles, the rate will go down by one

percent per cycle. Reduced interest rates shall also be given for those who will fully pay their production loans on time. At the same time, the program also introduces the use of automated teller machines (ATMs) in releasing program loans to farmers. Repayment is also made easier, with bullet payment of principal and interest at harvest time or upon loan maturity. Selection of eligible palay farmers are done by the Irrigators' Associations and endorsed to Land Bank.²¹

Loans shall be secured by assignment of produce and receivables, and as much as possible, agricultural land titles (Original Certificate of Title, Transfer Certificate of Title, Certificate of Land Ownership Award, and Emancipation Patents) or any proof of ownership of other properties/ assets shall be submitted by the borrower and safekept by Land Bank. Additional loan securities are the Agriculture Guarantee Fund Pool (AGFP) and the crop insurance program of PCIC. The 2% guarantee fee of the AGFP is already included in the 15% interest per annum, while the PCIC insurance premium is paid via deductions to the loan proceeds. Insurance cover is 120% of the principal loan amount, so that in case of total damage, the farmer can also receive a sum of money and not just Land Bank. As of June 2014, total loans outstanding under the Sikat Saka Program was P301, 940,163.40, and an outreach of 5,820 farmers.²²

The policies and procedures underwent various revisions, because there were only a small number of initial borrowers, which was the reason why the allotted budget of P150 million for 2012 was not fully utilized, and one third of the budget was realigned for the DA-NIA Third Cropping. Collateral requirements was relaxed (Land Bank accepted OR-CR of vehicles as collateral, when initially clean land titles were required)²³. Table 12 details the fund utilization of the crop insurance component of the Sikat Saka Program.

²¹Osorio, Ma. Elisa P. "DA, Landbank, launch Agri Loan Program", accessed in <http://www.philstar.com/business/773414/da-landbank-launch-agri-loan-program>

²² Information on guarantee fee, insurance premiums and loans outstanding from interview with DA Rice Program staff, on September 11, 2014 .

²³ Information on policy changes from interview with Actuarial Research and Product Valuation Department of PCIC and Technical Working Group of the Program.

Table 12. Fund Utilization of Government Premium Subsidy from DA-Sikat Saka, July 2012-July 2014

Regional Office	July to December 2012				January to December 2013				January to July 2014			
	Number of Farmers	Number of Hectares	Amount of Insurance Cover (PhP M)	Govt Premium Subsidy from DA	Number of Farmers	Number of Hectares	Amount of Insurance Cover (PhP M)	Govt Premium Subsidy from DA	Number of Farmers	Number of Hectares	Amount of Insurance Cover (PhP M)	Govt Premium Subsidy from DA
I	-	-	-	-	229	124.06	3.542	0.491	157	120.22	3.697	0.495
II	36	58.30	1.92	0.138	1,336	2059.85	69.067	6.159	1,116	1,786.75	68.151	6.881
III	-	-	-	-	86	201.1	7.811	1.292	412	921.60	37.963	6.279
IIIA	17	37.95	1.477	0.244	791	1588.34	77.856	11.699	2,007	4,206.78	207.429	20.759
IV	-	-	-	-	130	309.6	12.485	1.496	397	903.02	37.002	3.414
V	-	-	-	-	4	2.54	0.07	0.011	21	30.45	1.236	0.212
VI	137	250.48	9.105	1.049	382	627.46	21.608	2.862	284	468.46	17.359	2.372
VII	-	-	-	-	-	-	-	-	339	357.26	17.089	2.104
VIII	-	-	-	-	-	-	-	-	-	-	-	-
IX	-	-	-	-	24	48	1.68	0.271	23	51.00	1.555	0.232
X	-	-	-	-	27	49	2.009	0.327	62	115.30	4.727	0.707
XI	-	-	-	-	6	8.61	0.248	0.026	16	27.61	0.907	0.094
XII	81	164.67	7.062	0.85	1,278	1863.95	71.56	9.47	1,458	2,263.22	85.469	12.121
TOTAL	271	511.40	19.57	2.282	4,293	6,882.51	267.936	34.104	6,292	11,251.67	482.584	55.67

Note: Breakdown is by regional office of PCIC. Source of data is from PCIC.

Table 13. Total No. of Unique Farmers Enrolled in the Sikat-Saka Program, 2013-2014

Region	Share to Total	# of Rice Farmers, 2013	# of Rice Farmers, 2014
CAR	0.06%	1	3
Region I	3.65%	97	129
Region II	20.24%	379	875
Region III	30.72%	457	1,447
Region IVA	0.00%	-	-
Region IVB	8.39%	120	400
Region V	0.39%	1	23
Region VI	7.26%	160	290
Region VII	2.49%	-	154
Region VIII	0.32%	-	20
Region IX	0.50%	6	25
Region X	1.16%	18	54
Region XI	0.00%	-	-
Region XII	22.74%	554	855
Region XIII	0.00%	-	-
ARMM	2.08%	31	98
TOTAL	100.00%	1,824	4,373

Source: Data from PCIC, authors' calculations

Region III (30.72%), followed by Regions XII (22.74%) and II (20.24%) garnered the highest share of total beneficiaries in the Sikat-Saka Program²⁴.

²⁴ The total number of IA members or the total service area of each IA will be

NIA Third Cropping Rice Program

The DA-NIA Third Cropping Program was launched in 2012, and was aimed to encourage farmers to engage in third cropping and plant from August to September 2012 (to veer away from the typhoon prone months) in line with the DA's rice self-sufficiency target at the end of 2013. Farmer-irrigators who will agree to engage in third cropping and plant during the said months will be given free crop insurance coverage of P10,000 per hectare by the PCIC. A total of P98.91 million in subsidies, amounting to a total insurance cover of P914.95 million, covering 91,495 hectares of irrigated riceland is the program's target outreach²⁵. The free insurance subsidy was included as an incentive for farmers to plant for the third cropping.

As shown in Table 14, even with the subsidy, there were not many takers when the program started in 2012; since most farmers think that the extra income to be had by planting a third crop will not offset the negative effects in soil quality of their farms. An added disincentive is the risk that rats and other pests will converge in their rice farms, since in general, only a few farmers engage in third cropping, and with no other crops to be had, pests would naturally go to those farms²⁶. In any case, the NIA Third Cropping Program is still being implemented.

Table 14. Fund Utilization of Government Premium Subsidy from DA-NIA Third Cropping Program

Regional Office	July to December 2012				January to December 2013				January to July 2014			
	Number of Farmers	Number of Hectares	Amount of Insurance Cover (PhP M)	Govt Premium Subsidy from DA	Number of Farmers	Number of Hectares	Amount of Insurance Cover (PhP M)	Govt Premium Subsidy from DA	Number of Farmers	Number of Hectares	Amount of Insurance Cover (PhP M)	Govt Premium Subsidy from DA
I	-	-	-	-	-	-	-	-	-	-	-	-
II	8,114	8,446.49	84.465	9.268	863	1,136	31.069	1.933	-	-	-	-
III	5,529	7,952.13	79.521	13.153	218	334	3.34	0.552	-	-	-	-
IIIA	121	248.02	2.48	0.41	1	5	0.246	0.013	-	-	-	-
IV	474	584.85	5.854	0.693	-	-	-	-	-	-	-	-
V	711	778.71	7.742	1.339	-	-	-	-	-	-	-	-
VI	5,242	4,536.45	45.364	5.226	1,362	1,334	13.335	1.536	-	-	-	-
VII	23	10.63	0.106	0.013	-	-	-	-	-	-	-	-
VIII	402	324.33	3.298	0.578	436	357	3.949	0.704	241	241.12	2.411	0.471
IX	3,219	1,633.13	16.331	2.24	-	-	-	-	-	-	-	-
X	3,494	3,530.60	35.306	5.741	-	-	-	-	-	-	-	-
XI	293	324.94	3.249	0.36	-	-	-	-	-	-	-	-
XII	8	15.10	0.151	0.016	-	-	-	-	-	-	-	-
TOTAL	27,630	28,385.38	283.87	39.037	2,880	3,166	52	5	241	241.12	2.411	0.471

Note: Breakdown in by regional office of PCIC. Source of data is from PCIC

Table 15 shows the share of each Region in the number of farmers enrolled in the Program

²⁵ Philippine Crop Insurance Corporation, "DA Allots P98 Million in Crop Insurance", accessed at <http://pcic.gov.ph/index.php/news/press-release/da-allots-p98m-in-crop-insurance/>

²⁶ Interviews with NIA Operations Department officials, January 12, 2015.

Table 15. Total No. of Unique Farmers Enrolled, NIA Third Cropping, 2013-2014

Region	Share to Total	# of Farmers, 2013			# of Farmers, 2014		
		Rice	Corn	Total	Rice	Corn	Total
CAR	0.59%	-	-	-	20	-	20
Region I	0.98%	-	-	-	26	7	33
Region II	47.62%	359	-	359	1,243	-	1,243
Region III	2.08%	70	-	70	-	-	-
Region IVA		-	-	-	-	-	-
Region IVB		-	-	-	-	-	-
Region V		-	-	-	-	-	-
Region VI	32.28%	1,086	-	1,086	-	-	-
Region VII		-	-	-	-	-	-
Region VIII	16.44%	386	-	386	167	-	167
Region IX		-	-	-	-	-	-
Region X		-	-	-	-	-	-
Region XI		-	-	-	-	-	-
Region XII		-	-	-	-	-	-
Region XIII		-	-	-	-	-	-
ARMM		-	-	-	-	-	-
TOTAL	100.00%	1,901	-	1,901	1,456	7	1,463

Source: Data from PCIC, authors' calculations

Region II (47.62%), followed by Region VI (32.28%), enrolled the most number of farmer-irrigators in the program that are willing to plant a third crop²⁷.

DA- Weather Adverse Rice Areas (WARA) Program

The WARA program aims to provide crop insurance subsidy to rice farmers in flood prone rice areas to mitigate the losses that may be incurred by farmers due to the effect of climate change in the various provinces/ regions all over the country. Thus, a Memorandum of Agreement was signed between the Department of Agriculture Regional Field Offices (DA-RFOs) and the respective PCIC Regional Managers to implement the project²⁷ Provision of Crop Insurance Assistance Wet Cropping Season 2013 (March 16-September 15 2013) thru Premium Subsidy²⁷.

The DA-RFOs are required to furnish a masterlist of farmers in flood prone areas endorsed and approved by the Provincial Agricultural Officer (PAO)/ Municipal Agricultural Officer (MAO) and the PCIC ROs will conduct a briefing to the identified beneficiaries which will also serve as a venue for the issuance of Application for Crop Insurance (ACI) and the documentary requirements (LSP, FPB, etc.). Eligible beneficiaries are entitled to a maximum of P10,000 coverage per hectare. Table 16 shows the actual enrollment to the WARA program of farmers for 2013 and 2014, versus the target farmer enrollment for the program.

²⁷ In order to get the penetration rate, the total number of programmed irrigated farmlands included in the NIA Third Cropping Program will be compared to the total area covered under PCIC insurance. This part will subsequently be updated as soon as the data is available for the year ending 2014.

Table 16. Total No. of Unique Farmers Enrolled, DA-WARA Program, 2013-2014 vs. Program Targets

Region	Actual Enrollment								Target		
	Share to Total	# of Farmers, 2013				# of Farmers, 2014				Share to Total	# of Farmers
		Rice	Corn	TIP	Total	Rice	Corn	TIP	Total		
CAR	2.63%	1,192	-	-	1,192	2,917	-	-	2,917	1.8%	1,881
Region I	2.36%	693	-	-	693	2,988	-	-	2,988	9.0%	9,316
Region II	16.44%	20,171	-	-	20,171	5,526	-	-	5,526	14.9%	15,418
Region III	26.71%	21,219	-	74	21,293	20,448	-	-	20,448	18.6%	19,150
Region IVA	1.26%	96	-	-	96	1,866	-	-	1,866	2.0%	2,107
Region IVB	3.24%	869	-	-	869	4,187	-	-	4,187	5.7%	5,861
Region V	8.35%	2,831	36	11	2,878	9,798	368	-	10,166	6.0%	6,167
Region VI	16.45%	17,390	-	-	17,390	8,321	-	-	8,321	13.5%	13,963
Region VII	1.61%	1,540	-	41	1,581	933	-	-	933	1.8%	1,883
Region VIII	0.01%	20	-	-	20	-	-	-	-	5.8%	5,989
Region IX	6.74%	8,894	-	-	8,894	1,631	-	-	1,631	3.1%	3,219
Region X	4.32%	6,288	-	-	6,288	470	-	-	470	3.5%	3,610
Region XI	0.00%	-	-	-	-	-	-	-	-	-	-
Region XII	7.16%	7,215	-	-	7,215	3,968	-	-	3,968	7.4%	7,673
Region XIII	2.73%	4,265	-	-	4,265	-	-	-	-	2.8%	2,847
ARMM	-	-	-	-	-	-	-	-	-	3.9%	4,053
TOTAL	100%	92,683	36	126	92,845	63,053	368	-	63,421	100%	103,137

Source: Data from PCIC, authors' calculations

Regions I, VIII and the ARMM have much lower share of enrollment to total as compared to their target enrollment to total, while Regions III and IX have much higher enrollment shares compared to their targets. In terms of absolute number of farmers enrolled, Regions IV-A, IV-B, V, Region VIII, and ARMM have the greatest number of enrollment shortfalls, with the latter not enrolling even one farmer. CAR, Region II, III, VI, IX, X, and XIII have larger number of enrolled farmers to the program, versus their targets.

Table 17 shows the allocation of the government premium subsidy in WARA by DA RFU. Once the PCIC Regional Offices receive the masterlist of rice farmers in the flood-prone areas, they will conduct a briefing with the identified beneficiaries. In the briefing, filling up and submission of underwriting requirements will be done, and once completed, PCIC issues the CIC. The pre-masterlist of approved farmers by the PAO/ MAO and the ACI/ List of Self-Financed Farmers- Group Crop Insurance Scheme are the documents needed to verify if the farmer is indeed the served beneficiary and has indeed applied for crop insurance, respectively.

Table 17. Government Premium Subsidy Allocation in WARA

Regional Field Unit (RFU)	No. of Farmers	No. of hectares	Government Premium Subsidy
CAR	1,881	2,821	3,050,000
I	9,316	13,974	15,105,000
II	15,418	23,127	25,000,000
III	19,150	28,725	31,052,000
IV-A	2,107	3,161	3,417,000
IV-B	5,861	8,791	9,503,000
V	6,167	9,251	10,000,000
VI	13,963	20,944	22,640,950
VII	1,883	2,824	3,052,500
VIII	5,989	8,983	9,711,000
IX	3,219	4,828	5,219,000
X	3,610	5,415	5,853,500
XI	-	-	-
XII	7,673	11,509	12,441,500
CARAGA	2,847	4,271	4,616,500
ARMM	4,053	6,080	6,572,000
TOTAL	103,137	154,704	167,234,950

Source: 2013 Audit Report on PCIC, Commission on Audit

The 2013 COA report says that based on their audit findings, some underwriting documents issued did not have the required documents that identified the farmer as an eligible beneficiary, such as the pre-masterlist of approved farmers and the ACI/LSFF-GCIS. In Regions III and III-A for example, instead of the pre-masterlist, only a List of Participants by barangay was submitted. There was no other document attached to support their enrollment as a valid beneficiary of the program. Note that Region III has the biggest subsidy allocation for the group.

C. Registry System for Basic Sectors in Agriculture

In 2012, President Benigno Aquino III released P1.28 billion to complete the Registry System for Basic Sectors in Agriculture (RSBSA²⁸). The registry will help identify target farmers and fishermen that should benefit from agriculture-related programs and services of the government, and the proceeds from the sale of the P71 billion coco levy funds²⁹. The creation of the registry is a joint effort of the Department of Budget and Management (DBM), National Statistics Office (NSO), Department of

²⁸ Department of Budget and Management, “Pnoy Ok’s Release of P1.3 billion for Farmer Registry System”, accessed at <http://www.dbm.gov.ph/?p=5229>

²⁹ As of December 10, 2014, the Supreme Court granted the government’s plea for an entry of judgement involving the 24% block of shares in San Miguel Corporation that were bought using the levy collected from the farmers. From “SC Clears the way for use of coco levy fund”, accessed at <http://www.sunstar.com.ph/breaking-news/2014/12/10/sc-clears-way-use-coco-levy-fund-381287>

Agriculture (DA), Department of Agrarian Reform (DAR), Department of Interior and Local Government (DILG), and the National Anti-Poverty Commission (NAPC).

The registry is a nationwide database of baseline information concerning farmers, farm laborers and fisherfolk, as well as geographical coordinates of agricultural and fishery worker households. According to the DBM, the data will be used as basis for developing programs and policies for the agriculture and fishery sectors, and will serve as a targeting mechanism for the identification of the rural poor, to ensure that only the poor will benefit from agricultural subsidy programs. For purposes of the RSBSA, the basic sectors in agriculture refer only to crop and animal production, aquaculture, and fishing. Activities related to hunting, forestry and logging, therefore, are not considered as basic sectors in the RSBSA.

Based on program documents sourced from the NSO, farmers, farm laborers/ farm workers, fishermen/fisherfolk registered in the RSBSA are defined in Table 18:

Table 18. RSBSA Definitions of Members of the Agriculture and Fishery Sector

Farmer- a natural person whose livelihood is the cultivation of land or the production of agricultural crops and/or livestock/ poultry, either by himself/ herself, or primarily with the assistance of his/her immediate farm HH, whether the land is owned by him/ her, or by another person under a leasehold or share tenancy agreement or arrangement with the owner thereof, and whether for sale or for home consumption. Generally, therefore, a farmer is one who is engaged in farming as a way of life, whether or not it is her/his primary livelihood.

Farm laborer- a natural person who renders service for value as an employee or laborer in an agricultural enterprise or farm, regardless of whether his/her compensation is paid daily, weekly, monthly or “pakyaw” basis. It includes a regular farm worker (one who is employed on a recurrent, periodic, or intermittent basis by an agricultural enterprise or farm, such as “dumaan”, “sacada” and the like (RA 6657- Comprehensive Agrarian Reform Law of 1988). It also includes an unpaid family member who is a farm laborer or a farm worker in own farm.

Fisherman/fisherfolk- a person directly or personally and physically engaged in taking and/or culturing fishery and/or aquatic resources, whether for sale or for home consumption

Excluded in the RSBSA are persons who own and provide the means or factors of production such as land, labor, capital and farm implements, but are not directly or personally and physically engaged in farming. Such persons are not considered as farmers. Similarly, persons who own and provide the means including land, labor, capital and fishing gears and vessels, but do not personally engage in fishery are not considered fishermen or fisherfolks.

Source: NSO

The final registry listing is still being fine-tuned by the NSO, while the custodianship of the registry database itself will be under the DBM. The Philippine Crop Insurance Corporation is one of the first (if not the first) government corporations to use the registry listing in the conduct of government business. For 2014, the government premium subsidy of PCIC coming from DBM (GAA of 2014) was increased by P1billion, amounting to a final of P1.183 billion. This will be used exclusively to fully subsidize the insurance premiums of farmers and fisherfolk listed in the RSBSA, for all insurance lines except the Term Insurance Package, provided that the former is not receiving any other subsidy from either national or local government programs.

Because of the various special programs being implemented in 2014, PCIC issued Memorandum Circular No. 2014-001 to define the conditions in which the premium subsidy will be utilized. Table 19 summarizes the conditions:

Table 19. Beneficiary Typologies That Can Avail of PCIC Full Subsidy under RSBSA

Condition	Subsidy Conditions
a. Farmers and fisherfolks registered in the RSBSA	Full subsidy
b. Farmers and fisherfolks registered in the RSBSA and not receiving any other subsidy	Full subsidy
c. Farmers and fisherfolk in the RSBSA and located in the 20 priority provinces identified by DBM: - Luzon: Abra, Apayao, Camarines Sur, Ifugao, Kalinga, Masbate, Mountain Province, and Romblon - Visayas: Eastern Samar, Northern Samar, Samar and Siquijor -Mindanao: Agusan del Sur, Davao Oriental, North Cotabato, Sarangani, Surigao del Norte, Surigao del Sur, Sultan Kudarat and Zamboanga del Norte	Full subsidy
d. Other subsistence farmers and fisherfolks located in the 20 priority provinces not listed in the RSBSA but duly certified by the MAO or MARO as subsistence farmers and fisherfolks, and not receiving any subsidy from the government	Full subsidy under the ff. conditions: - Rice, corn and high-value commercial crop: farmer must not be tilling more than seven hectares of farmland - Cattle, carabao, horse, swine, goat and sheep: cover must be noncommercial mortality insurance -Poultry: broiler, maximum of 5,000 heads per rearing period; pullets/layers, maximum of 1,000 heads per bird -Aquaculture Projects: inland fishpond, maximum of 500 sq meters; mariculture parks/offshore fishcage or pen, maximum of 100 sq. meters; seaweed farm- maximum of 500 sq meters - Noncrop Agricultural Asset: Fisheries, maximum of 3 units of fishing boat/equipment with maximum gross tonnage is 3 tons; Livestock, poultry house, piggery house/stable used for housing the maximum allowable number mentioned above; Farming, maximum of 3 agricultural equipment/machines

Source: PCIC Memorandum Circular No. 2014-001, January 2, 2014

The full subsidy program under the RSBSA was initially implemented in the 20 priority provinces in 2014; and as the number of finished batches of the RSBSA survey was done, and the registry was made available to PCIC by the DBM, the other provinces followed. Batch 1 was the 20 priority provinces, and was made available at the start of the year, while the survey for Batch 2 was done in June 2014³⁰. Implementation of the program, was therefore, not synchronized at the same time in all the PCIC branches.

³⁰ Data from PCIC shows that the RSBSA was done in three batches. See Annex B for the list of provinces and the number of farmers per province from PCIC. Data on further information on the program has already been requested from DBM but still not received as of January 13, 2015.

Table 20. Total Unique Farmers Enrolled in RSBSA by Product Line, as of June 2014

Region	Share to Total	# of Farmers by Product Line							
		Rice	Corn	HVCC	Livestock	Fisheries	Noncrop	TIP	Total
<i>CAR</i>	5.48%	5,228	3,627	529	438			-	9,822
<i>Region I</i>	2.90%	2,054	1,986	551	608		1	-	5,200
<i>Region II</i>	10.83%	15,565	3,748	84	9		-	-	19,406
<i>Region III</i>	14.56%	13,913	17	1,980	9,006	48	1,122	-	26,086
<i>Region IVA</i>	1.42%	1,645	140	286	464			-	2,535
<i>Region IVB</i>	1.87%	2,286	26	321	718		-	-	3,351
<i>Region V</i>	14.05%	11,067	2,833	7,389	3,261	54	570	-	25,174
<i>Region VI</i>	1.58%	2,723	60		44			-	2,827
<i>Region VII</i>	5.90%	1,327	3,265	1,747	4,041		191	-	10,571
<i>Region VIII</i>	4.21%	3,760	176	2,048	1,475		85	-	7,544
<i>Region IX</i>	10.97%	6,541	9,823	1,961	1,219		105	-	19,649
<i>Region X</i>	4.76%	1,447	4,453	682	1,932		7	-	8,521
<i>Region XI</i>	8.63%	403	7,081	4,747	3,219			-	15,450
<i>Region XII</i>	10.82%	9,664	6,407	1,586	1,714	13	6	-	19,390
<i>Region XIII</i>	2.01%	3,117	137	28	314			-	3,596
<i>ARMM</i>	0.00%	2	-	-	-			-	2
TOTAL	100%	80,742	43,779	23,939	28,462	115	2,087	-	179,124

Source: Data from PCIC, authors' calculations

Table 20 shows that share to total enrollments of those enrolled under the RSBSA. Majority come from Region III (14.56%) and Region V (14.05%), with others coming from Region II (10.83%), Region IX (10.97%), and Region XII (10.82%). It is interesting to note that despite implementing the RSBSA rather later in the year, (only Aurora and Zambales provinces are included in the second RSBSA batch), Region III managed to enroll the most number of beneficiaries.

III. Observations on and Comparisons within PCIC Special Programs

Special programs with PCIC started under the Aquino administration. The DA PCIC special programs were anchored under the rice self-sufficiency premise, while the DAR programs designed as support to their credit programs. The Philippine Development Plan (2011-2016)³¹ mentioned agricultural insurance as one of the interventions to be used to improve credit access of the agriculture and fishery sector, and thus raise productivity and incomes of agriculture and fishery-based households and enterprises. Strengthening the agricultural and fisheries insurance system as a risk *sharing* mechanism to encourage more banks and other

³¹ Page 115 of the Philippine Development Plan (2011-2016) puts intensification of information dissemination of credit, guarantee and insurance programs to improve credit access of the sector. Strategy 1.3, transforming ARBs into viable entrepreneurs, mentions liberalizing access to credit for them as one intervention, while under Strategy 2.3, Strengthening the Agriculture and Fisheries insurance system as an important risk sharing mechanism, mentions guarantee and insurance as a risk reducing mechanism for lending institutions to encourage them to lend to agriculture and fisheries sector. Accessed at <http://www.neda.gov.ph/wp-content/uploads/2013/09/CHAPTER-4.pdf>

lending conduits to lend to the agriculture and fishery sector was a strategy explicitly stated in PDP 2011-2016. Thus, it is observed that for the special programs, agricultural insurance is seen as more of a support mechanism for lending institutions giving out agricultural loans, rather than as a risk reduction mechanism for the farmers themselves in case of shocks. Perhaps it is the promise of access to credit, rather than the indemnity received from agricultural insurance, that serves as the risk reduction mechanism to the farmer.

Another observation is that there have been issues concerning beneficiary selection for the different programs. The 2013 COA report for PCIC and the various focus groups and key informant interviews the research team somewhat corroborates this.

Table 21. Comparison Matrix of PCIC Special Programs

Program/ Sponsor Agency	Funding	Objective	Coverage/ Maximum	Beneficiary Selection	Concerns
DAR Agrarian Reform Beneficiaries Agricultural Insurance Programs	P1 billion from the GAA under PCIC	Enhance credit access of ARBs, protect them from losses from extreme weather events	Up to 3 hectares for crops and HVCCs, up to 3 heads for livestock, with Term Insurance, full subsidy	ARBO list to be selected by DARPO, individual beneficiaries to be checked and validated by MARO	Documentation that certifies farmer as ARB lacking or not complied with in some CICs, beneficiaries are not aware that they are enrolled
DA Sikat Saka Program	P200 million from ACPC	Support to the rice self sufficiency lending program of the government, targets 25 top rice producing provinces in the country	Up to P41,000/ha for inbred palay seeds and P50,000/ha for hybrid	NIA to select Irrigators' Association, IA to select eligible farmer	None encountered yet
DA-NIA Third Cropping Program	P98 million from DA	Support to the rice self sufficiency program of the government, encourages farmers to plant an extra third cropping	P10,000 per hectare for rice only	NIA to select Irrigators' Association to partner with for third cropping based on the irrigation system where 3 rd cropping is implemented	Farmers are not quite enthusiastic about the general program (i.e. to participate in Third Cropping)
DA Weather Adverse Rice Areas Program	P167.234 million from DA	Mitigate losses of rice farmers in flood-prone areas of the country	P10,000 per hectare for rice only	DA RFUs created a masterlist of farmers in flood prone areas endorsed and approved by PAO and MAO	Documentation that certifies farmer or area as flood-prone lacking or not complied with in some CICs
Registry System for Basic Sectors in Agriculture	P1 billion from the GAA under PCIC	The registry rationalizes the targeting of beneficiaries for agricultural programs, first used by PCIC	See table 15	From census of farmers, fisherfolk and farm laborers conducted by the PSA	Possibility that the beneficiaries in the list are not agricultural workers

Table 22. Total No. of Policies by Type of Special Program, By Insurance Line, 2013

	Regular	Special						TOTAL
		Total	DAR ARB AIP	NIA Third Cropping	Sikat Saka	WARA	RSBSA	
Rice	106,720	261,356	137,078	2,879	4,302	117,093	4	368,076
Corn	24,114	33,622	33,585	-	-	37	-	57,736
HVCC	927	32,233	32,233	-	-	-	-	33,160
Livestock	8,594	12,002	12,002	-	-	-	-	20,596
TIP	142,260	223,730	221,931	74	4,302	1,725		365,990
TOTAL	282,615	562,943	436,829	2,953	8,604	118,855	4	845,558
% to Total	33.42%	66.58%	51.66%	0.35%	1.02%	14.06%	0.00%	

Source of basic data: PCIC, authors' calculations

Table 22 shows the total number of policies issued by special program for 2013. The DAR's ARB-AI Program accounts for the lion's share of the total policies issued for special programs in 2013, or about 51.66% of those issued under the various special programs in 2013. DA-WARA comes in as a far 2nd, with about 14.06% of all special program policies issued. The rice insurance line has the most number of policies issued, with term insurance coming as a very close second. Policies issued under the regular programs is proportionately smaller (33.42%) than that of the special programs (66.58%).

Table 23. Total No. of Policies by Type of Special Program, By Insurance Line, as of June 2014

	Regular	Special							TOTAL
		Total	DAR APCPC	NIA Third Cropping	Sikat Saka	WARA	RSBSA	Yolanda Affected	
Rice	326,491	239,223	2,806	2,271	9,303	84,005	108,543	32,295	368,076
Corn	23,215	61,921	537	16		443	46,161	14,764	85,136
HVCC	29,517	6,219	1,259				430	4,530	35,736
Livestock	8,413	43,280	-				35,805	7,475	51,693
TIP	154,589	32,903						32,903	187,492
TOTAL	542,225	383,546	4,602	2,287	9,303	84,448	190,939	91,967	728,133
% to Total	74.47%	52.68%	0.63%	0.31%	1.28%	11.60%	26.22%	12.63%	

Source of basic data: PCIC, authors' calculations

As of the middle of 2014, the RSBSA has the biggest number of policies issued under the special programs (26.22%), followed by those affected by the Yolanda hurricane (12.63%)³². Majority of the policies issued are under the regular programs (74.47%).

³² Based on PCIC Board Resolution No. 2014-013, which in turn is based on Malacañang Memo No. 59, series of 2013, a total of P80 million was allotted for those provinces affected by Typhoon Yolanda (Regions VI and VIII).

Table 24. Top 10 Provinces With Most Number of Unique Farmers Enrolled By Type of Special Program, 2013

	Province	2013							
		Regular	Special					Total	% to Total
			TOTAL	DAR	NIA Third Cropping	Sikat Saka	WARA		
1	Nueva Ecija	3,271	6,298	2,344	0	211	3,743	9,569	18.62%
2	Pampanga	368	4,197	943	5	4	3,245	4,565	8.88%
3	Tarlac	2,179	2,319	704	0	4	1,611	4,498	8.75%
4	Cagayan	1,321	2,988	1,315	0	0	1,673	4,309	8.39%
5	Pangasinan	1,195	1,546	1,538	0	0	8	2,741	5.33%
6	Isabela	1,297	929	786	5	7	131	2,226	4.33%
7	Bulacan	254	1,811	644	5	0	1,162	2,065	4.02%
8	Leyte	1,302	678	478	200	0	0	1,980	3.85%
9	Zamboanga del Sur	1,083	730	447	0	1	282	1,813	3.53%
10	Occidental Mindoro	1,253	317	285	0	29	3	1,570	3.06%
	All Others	9,054	6,995	4,116	41	143	2,695	16,049	31.23%
	TOTAL	22,577	28,808	13,600	256	399	14,553	51,385	

Source of basic data: PCIC, authors' computations

Tables 24 and 25 shows the number of unique farmers (based on name and address) that were enrolled in the different subsidized programs of the government for 2013, until the second half of 2014. When compared to the total number of policies insured, the results are surprising. In the DAR ARB AIP for example, it shows that every ARB farmer has a total of 32.12 policies under his/her name. This further implies that the target of 218,000 ARBs were not actually reached. Nueva Ecija garnered the largest number of farmer-beneficiaries overall, at 18.62% in 2013 and at 9.83% for the first half of 2014.

Table 25. Top 10 Provinces With the Most Number of Unique Farmers Enrolled By Type of Special Program, as of June 2014

	Province	June 2014									
		Regular	Special							Total	% to Total
			TOTAL	APCP (DAR)	NIA Third Cropping	Sikat Saka	WARA	RSBSA	Yolanda Affected		
1	Nueva Ecija	2,308	1,604	139	0	255	1058	152	0	3,912	9.83%
2	Tarlac	2,102	1,202	5	0	21	1175	1	0	3,304	8.30%
3	Pangasinan	1,770	499	0	3	1	367	128	0	2,269	5.70%
4	Pampanga	244	1,972	5	0	63	1728	176	0	2,216	5.57%
5	Cagayan	1,196	905	56	0	3	86	760	0	2,101	5.28%
6	Iloilo	521	1,248	19	0	75	608	16	530	1,769	4.45%
7	Camarines Sur	102	1,553	20	0	1	539	993	0	1,655	4.16%
8	Leyte	512	1,115	0	7	1	0	0	1,107	1,627	4.09%
9	Negros Occidental	1,096	516	48	0	6	461	0	1	1,612	4.05%
10	Zamboanga del Sur	1,435	96	0	0	8	29	59	0	1,531	3.85%
	All Others	9,329	8,470	225	6	407	2,207	4,692	933	17,799	44.73%
	TOTAL	20,615	19,180	517	16	841	8,258	6,977	2,571	39,795	

Source of basic data: PCIC, author's computations

Table 26. Total # of Farmers Enrolled in All Special Programs, 2013-2014

Region	# of Farmers		Share to Total	
	2013	2014	2013	2014
CAR	10,915	12,877	2.27%	5.12%
Region I	36,910	8,350	7.69%	3.32%
Region II	86,535	27,387	18.02%	10.89%
Region III	58,578	48,834	12.20%	19.42%
Region IVA	30,360	4,498	6.32%	1.79%
Region IVB	18,657	7,990	3.89%	3.18%
Region V	13,167	35,643	2.74%	14.17%
Region VI	57,659	12,140	12.01%	4.83%
Region VII	42,494	11,821	8.85%	4.70%
Region VIII	9,817	7,731	2.04%	3.07%
Region IX	35,188	21,439	7.33%	8.52%
Region X	20,095	9,045	4.19%	3.60%
Region XI	18,928	15,523	3.94%	6.17%
Region XII	22,111	24,253	4.61%	9.64%
Region XIII	15,838	3,891	3.30%	1.55%
ARMM	2,868	100	0.60%	0.04%
TOTAL	480,120	251,522	100.00%	100.00%

Source: Data from PCIC, authors' calculations

Table 26 shows the total farmer enrollment in all special programs of PCIC with DA, DAR and DBM. Regions II and II have the greatest share to total enrollments for 2013, while Regions III and V, top the 2014 rankings. ARMM consistently ranks the lowest in terms of share to total enrollments.

Figures 2-5 show the geographical distribution of rice, corn, HVCC, livestock and TIP insurance policies issued under the different programs for 2013.

Figure 2. Geographical Distribution of No. of Rice Insurance Policies by Type of Special Program, 2013

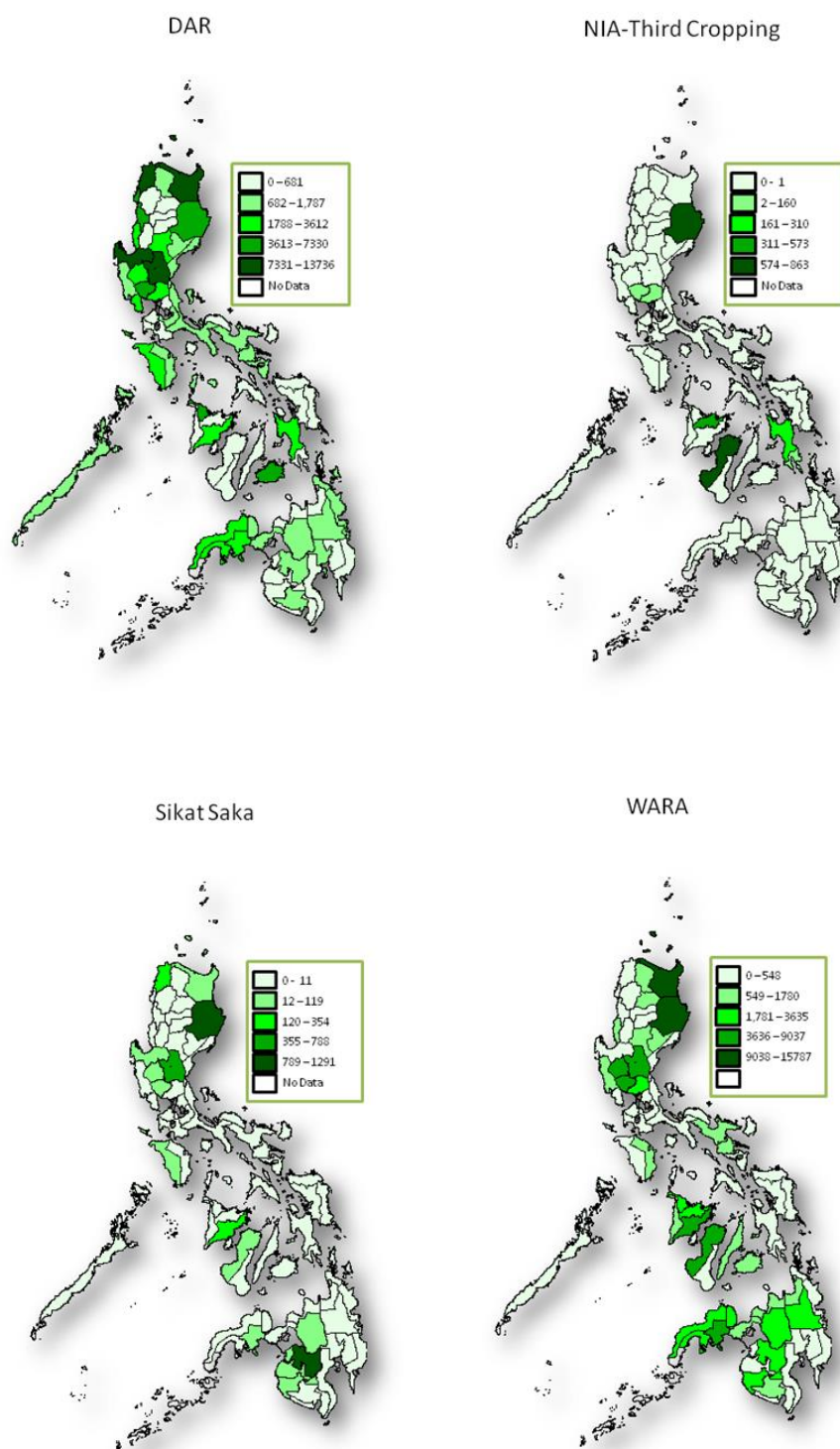


Figure 3. Geographical Distribution of No. of Corn Insurance Policies Issued By Type of Special Program, 2013

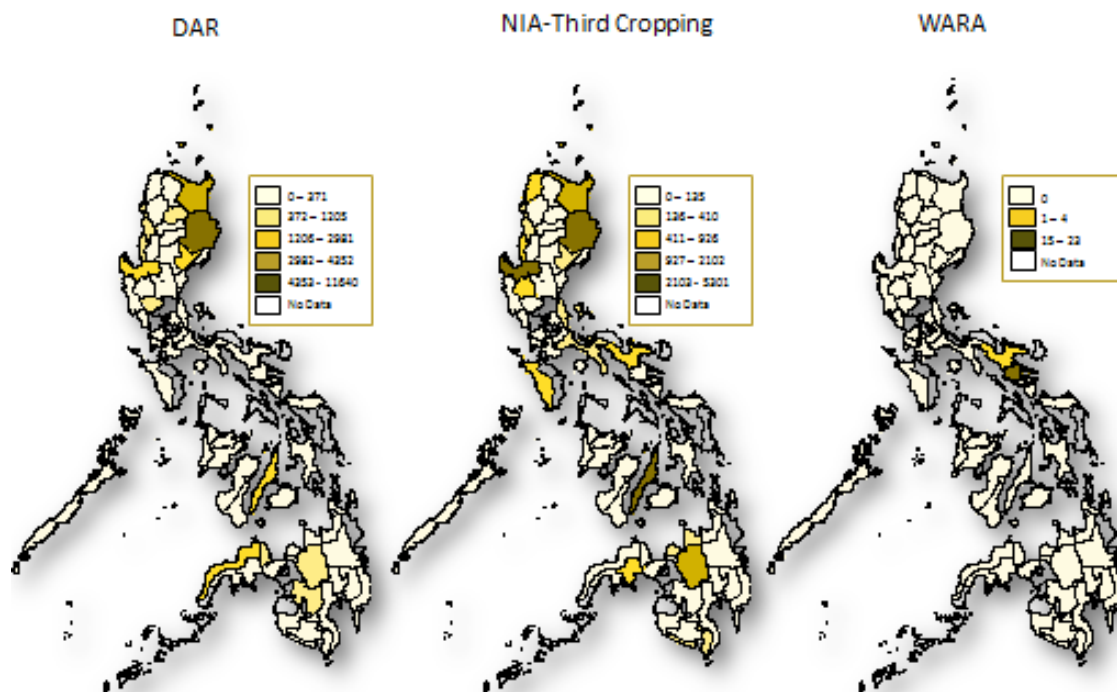


Figure 4. Geographical Distribution of No. of HVCC and Livestock Insurance Policies Issued, DAR ARB AIP, 2013

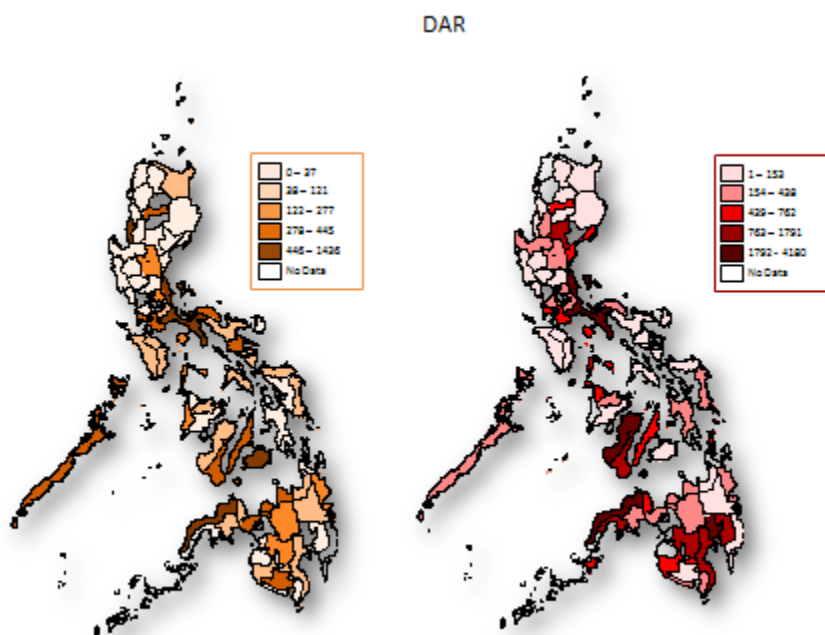
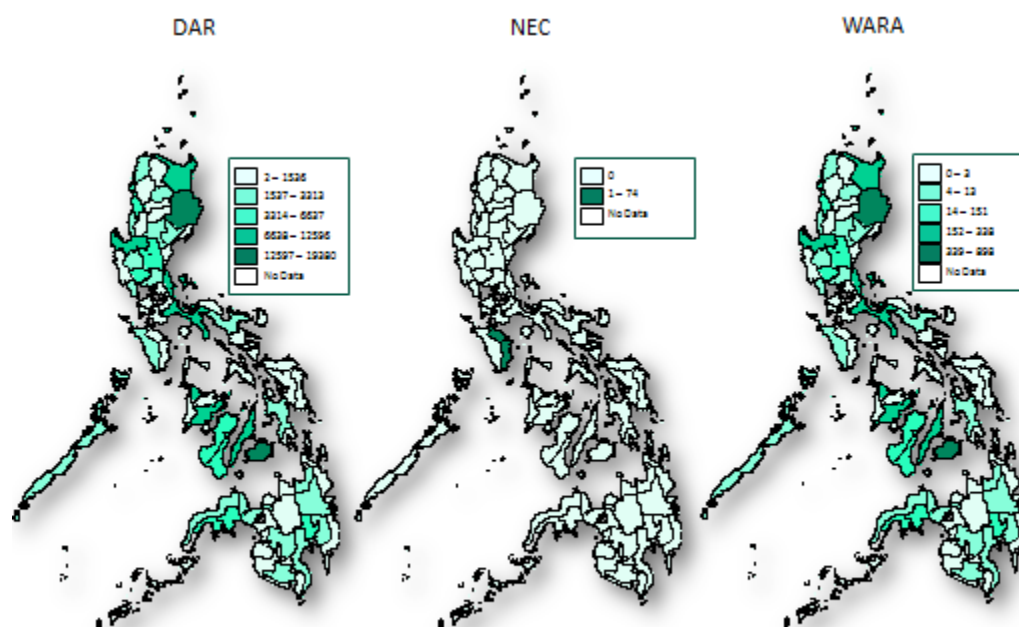


Figure 5. Geographical Distribution of No. of Term Insurance Package-ADSS Issued by Type of Special Program, 2013



Further evaluation and studies are needed to see how targeting mechanisms can be improved for fully subsidized programs of the PCIC, in order to ensure that the intended beneficiaries are reached. The exact causal connection between access to credit as a risk mitigating measure for farmers and agricultural insurance as a support to this dynamic should be further explored, as these has implications on the effectiveness of government subsidies on the latter.

IV. Concluding Remarks

For 2013 and 2014, the Philippine Government increased significantly the premium subsidy for agricultural insurance. From an annual appropriation of less that P200 million for the last five years, the government provided an additional fund of P1 billion yearly in 2013 and 2014. Furthermore, PCIC expects to receive about P3 billion in 2015. This increase in allocation, however, was not accompanied by a policy pronouncement of what the long-term strategy is with regards agricultural insurance. In fact, the P 1 billion allocation in 2013 was through the Department for Agrarian Reform for the agrarian reform beneficiaries. In 2014, the P 1 billion was allocated to provide premium subsidy for those in the Registry System for Basic Sectors in Agriculture (RSBSA). The lack of predictability or continuity in the special programs has posed challenges in the implementation of the program. With only one year to implement the program, PCIC had to exert extra efforts to use up all the funds. On the other hand, the P 1 billion allocation was not enough to provide subsidies to all the targeted beneficiaries, so it became a first come first served basis. In the end, PCIC could not do an all-out information campaign about the program because the funds was not enough for everyone. In these instances, guidelines on who to prioritize would help PCIC in determining who should be given priority in the free premium.

References:

Arida, Diosile Garrida (1982). *A Study of the Masagana 99 Credit Delivery System in the Philippines*, (a Master's Thesis submitted in partial fulfillment for the degree Master of Science in Agricultural Economics, Kansas State University).

Commission on Audit (2013). Annual Audit Report on the Philippine Crop Insurance Corporation.

Department of Agrarian Reform. Project Briefs on the ARCESS, APCP, CAP-PBD, Microfinance Capacity Development Programs.

_____. Major Final Outputs on Land Tenure Improvement as of December 2012. Accessed at <http://www.dar.gov.ph/major-final-outputs-mfos/lti>

Department of Agrarian Reform and DA-PCIC. Joint Memorandum Circular No. 1 Series of 2013 (IRR of the DAR ARB Agricultural Insurance Program)

Department of Agriculture. Project Brief on the Sikat Saka Program.

_____. *Food Staples Self-Sufficiency Program: Enhancing Agricultural Productivity and Global Competitiveness* (2011-2016)

Department of Budget and Management. "Pnoy Ok's Release of P1.3 Billion For Farmer Registry System", accessed at <http://www.dbm.gov.ph/?p=5229>

Geron, Ma. Piedad and Magdalena S. Casuga (2012). "Credit Subsidy in Philippine Agriculture", *PIDS Discussion Paper Series No. 2012-28*

Government of the Philippines. "DAR-DA-PCIC Provides P17B Insurance Protection to Agrarian Reform Beneficiaries", accessed at <http://www.gov.ph/2013/01/15/dar-da-pcic-provide-p17b-insurance-protection-to-agrarian-reform-beneficiaries>

International Fund for Agricultural Development (2011). *Rural Poverty Report. New Realities, New Challenges: New Opportunities for Tomorrow's Generation*, Rome, Italy

Letter of Instruction No. 1242 (May 21, 1982). *Providing a Measure to Facilitate Guarantee Payments Under the Masagana 99 Program*.

National Economic Development Authority. *Philippine Development Plan (2011-2016)*

Philippine Crop Insurance Corporation. Report on Fund Utilization of the DA Sikat Saka and Nia Third Cropping Programs, Farmer List of DAR ARB AIP Beneficiaries for 2013, Memorandum Circular 2014-001.

_____. "DA Allots P98 Million in Crop Insurance".
<http://pcic.gov.ph/index.php/news/press-release/da-allots-p98m-in-crop-insurance/>

Presidential Decree No. 251 (July 21, 1973). *Amending Certain Provisions of RA 3844, As Amended, Entitled "The Code of Agrarian Reform in the Philippines"*.

- Presidential Decree No. 717 (May 29, 1975). *Providing an Agrarian Reform Credit and Financing System for Agrarian Reform Beneficiaries Through Banking Institutions.*
- Presidential Decree No. 1467 (June 11, 1978). *Creating the “Philippine Crop Insurance Corporation” Prescribing Its Powers and Activities, Providing for its Capitalization and for the Required Government Premium Subsidy, and for Other Purposes.*
- Presidential Decree No. 1733 (October 21, 1980). *Amending Presidential Decree No. 1467 Creating the “Philippine Crop Insurance Corporation” by Adding Penal Sanctions Therein.*
- Republic Act 3844 (August 8, 1963). *An Act to Ordain the Agricultural Land Reform Code and to Institute Land Reforms in the Philippines, Including the Abolition of Tenancy and the Channeling of Capital into Industry, Provide for the Necessary Implementing Agencies, Appropriate Funds Therefore and for Other Purposes.*
- Republic Act 6390 (September 10, 1971). *An Act to Accelerate the Implementation of the Agrarian Reform Program by Creating an Agrarian Reform Special Account into the General Fund, Providing the Necessary Funds Therefore, and for Other Purposes.*
- Reyes, Celia M., Aubrey D. Tabuga, Ronina D. Asis and Ma. Blesila G. Datu (2012). “Poverty and Agriculture in the Philippines: Trends in Income Poverty and Distribution”, PIDS Discussion Paper Series No. 2012-09.
- Focus Group Discussions with insured and noninsured farmers/ fisherfolk in Cagayan, Cebu, Davao del Norte and Negros Occidental.
- Key Informant Interviews with PCIC Officers in Regions II, VI, VII, and IX.
- Key Informant Interviews with LGU officials (provincial and municipal) in Cebu, Davao del Norte and Negros Occidental.
- Interviews with Key Implementing Officers of the Department of Agrarian Reform Bureau of Agrarian Reform Beneficiaries Development, August- September 2014.
- Interviews with the Secretariat of the DA Rice Program, August-September 2014.
- Interviews with Key Implementing Officers of the National Irrigation Administration, January 2015.

Annex A:
Existing Agricultural Credit and Agricultural Support Service Programs
of the Department of Agrarian Reform

Name of Program/ Description	Components/ Implementation	Eligible Beneficiaries	No. of Beneficiaries
<p>1. Agrarian Reform Connectivity and Economic Support Services (ARCESS) -A support service delivery mechanism of DAR created to contribute to the overall goal of rural poverty reduction, particularly in agrarian reform areas.</p>			
<p>Aims to contribute to the achievement of DAR's OPIF, which are the ff:</p> <ul style="list-style-type: none"> - Increased HH incomes - Increased crop yield - Functional and Sustainable FO/ARBO - Enhanced socio economic conditions of the gender equitable ARB HH and community 	<p><i>Components:</i></p> <ul style="list-style-type: none"> - Deployment of professional services to ARBOs to assist them in implementing their agri-based enterprises - Provision of common service facilities (machineries, farm implements, etc.) - Linking ARBOs to credit and insurance - land tenure improvement (LTI) assistance with pending "second generation" cases - rural infrastructure (provision of farm to market roads) <p><i>Implementation:</i> ARBOs identifies projects that they need and prepares proposals with the help of DARMO/ DARPO. These are submitted to the National ARCESS Project Coordinating Office for assessment and evaluation. The proposals are validated via an Organization and Enterprise Needs Assessment and Design Assessment done by partner SUCs all over the country.</p>	<p>Beneficiaries are ARBOs.</p> <p>Eligibility:</p> <ul style="list-style-type: none"> - Groups where majority of active members are ARBs - Currently registered with SEC, CDA under RA 9520 or the Bureau of Workers with Special Concerns/DOLE - Have no unliquidated obligations with DAR or any overdue account with DAR partner agencies - Willing to be assisted in enterprise development via professional services or provision of CSF - Capacity to provide equity/ counterpart for CSF insurance, maintenance and incidental costs - With organizational maturity level of 3 to 5, based on ALDA assessment 	<p>As of October 24, 2014:</p> <p>Total of 649 projects being implemented, with 426,280 ARBs and 356,686 non ARBs benefitting from these projects.</p>
<p>2. Agrarian Production Credit Program -A joint DA-DAR-LBP five year credit and capacity development program designed to respond to the credit needs of ARBs on various economic projects such as agricultural crop production, agri-enterprise development and livelihood projects. An initial amount of P1billion was allocated in 2012, with an additional allocation of P1billion in 2014. The DA shall provide the funding and basic agricultural support through its attached agencies, DAR shall identify the participating ARBOs and endorse to Land Bank. Land Bank shall manage the funds and the lending program.</p>			
<p>Objectives:</p> <ul style="list-style-type: none"> -To provide credit assistance to the ARBs or ARB HH members through other conduits to support their individual or communal crop production project -To ensure sustainable production of crops and increase income of ARBs and their HH members by providing them other 	<p>Implementation Structure:</p> <p>A Program Management Committee (PMC) composed of DA, DAR, Land Bank, DOF, and Farmers Sector Representative will provide direction and formulate policies, monitor Program performance, act on issues and concerns relative to program implementation and conduct program evaluation.</p> <p>A Technical Working Group (TWG) composed of representatives of DA,</p>	<p>Eligible beneficiaries are ARBOs, Farmers Organizations, and other credit conduits (Cooperatives, NGOs, and Rural Banks) with ARBs or ARBOs as clients.</p> <p>Eligibility: For ARBOs- with legal personality (SEC, CDA or DOLE registered), at least six months in operation,</p>	<p>As of September 2014: Total Loans Released- P573.476 million Total ARBs with loans-10,684</p> <p>As of December 2013: Total Loans Released-</p>

Name of Program/ Description	Components/ Implementation	Eligible Beneficiaries	No. of Beneficiaries
support and services such as marketing, crop insurance and farm facilities -To strengthen the ARBOs via capability building assistance	DAR and Land Bank shall provide technical and secretarial support to the PMC, ensure that policies and operational procedures are implemented, install and maintain a monitoring system for the program and facilitate the necessary support to field implementers A Local Program Management Committee (LPMC) at the field level composed of representatives from DA, DAR, Land Bank and the Farmer's Sector shall monitor program implementation and resolve operational and site-specific issues	50%+1 of members are ARBs, lending systems and procedures already in place, presence of management team For FOs other than ARBOs with legal personality (SEC, CDA, DOLE registered), at least six months in operations, 50% and below are ARBs, lending systems and procedures in place, presence of management team. For other conduits- regular criteria of Land Bank applies	P204.450 million Total ARBs with loans-5,814 Note: Figures are cumulative
3. Credit Assistance Program for Program Beneficiaries Development -Funding source is from the interest earnings of DAR funds with Land Bank, program funds is about P225 million as of June 2014.			
Aims to: -Make available, credit assistance to non-bank eligible ARB cooperatives and farmer organizations, and graduate them into bank-eligible organizations -Provide technical assistance to ARB cooperatives and Farmers Associations in institutional development for organizational strengthening and governance, and enterprise development to ARB cooperatives	Components: -Institutional Development - Enterprise Development -Credit Assistance Outputs: -40,818 ARBs provided with credit -265 ARB cooperatives able to graduate from CAP-PBD Window III -633 ARB Coops provided with institutional development interventions -231 enterprises established and managed by 10,205 ARBs -4,617 ARBs and leaders provided with various institutional and enterprise development interventions	Selection of ARBOs is based on CAPer (Capacity Assessment and Performance Review) and OR (Operations Review)	As of December 2013: Total Loans Released- P121.729 million Total ARBs- 4,044 As of September 2014: Total Loans Released-P153.897 million Total ARBs-4,281 Note: Figures are cumulative
4. Micro-Agri Loan Product Development (MALP) - a multi-platform approach in microfinance delivery that aims to provide sustainable credit access by developing various micro-agri loan products (MALP) channeled through microfinance institutions, i.e. bank-assisted cooperatives, ARB organizations, rural financial institutions, or nongovernment organizations. It aims to engage partner MFIs/ strong ARB organizations as credit intermediaries through the provision of appropriate capacity development interventions or technical assistance			
<i>Program objectives:</i> -Promote and operationalize MALP credit services of partner MFIs/ ARBOs tailored to the needs of the target clientele -Link target clients to the partner MFIs for financial and nonfinancial services in relation to their livelihood and agri-based enterprises -Provide incentives to support partner MFIs/	<i>Program Components:</i> - Partnership building and engagement - Capacity development - Performance Review and Tracking <i>Targets:</i> - Program Outreach of 24,000 ARBs/ARB HHs - Loans Released of P30 million - Savings mobilized amounting to P18 million - Share capital generated amounting to P16 million	<i>Provinces covered by MALP:</i> Luzon- Bataan and Zambales Mindanao- Misamis Occidental, Surigao del Sur, Davao City Note: selection of beneficiaries are based on selection of partner microfinance institutions	

Name of Program/ Description	Components/ Implementation	Eligible Beneficiaries	No. of Beneficiaries
ARBOs MALP/ credit services sustainability	<ul style="list-style-type: none"> - Micro Agri Loan Product Manual per MFI - Linked to market at least 15 land-based enterprises 		
5. DAR- NATCCO Microfinance Cooperatives at Agrarian Reform Areas (MICOOP@ARAs) - development of ARBOs into cooperatives via a Microfinance Technology “franchise”			
<p>Program aims to:</p> <ul style="list-style-type: none"> - Develop ARB cooperatives capacities on sustainable provision of financial and nonfinancial services - Capacitate field implementers in providing mentoring and technical guidance to partner cooperatives - Develop and strengthen partner cooperatives with competencies on microfinance and business development services geared towards operational and financial self-sufficiency 	<p><i>Components:</i></p> <ul style="list-style-type: none"> - Capacity Building - Installation of E-Koop Banker System - Operationalization of Savings and Credit Services - Provision of Business Development Support and Risk Mitigating Measures - Monitoring and Evaluation - Process Documentation <p><i>Expected Outputs:</i></p> <ul style="list-style-type: none"> - 50 MFI ARB Cooperatives - P1.675 Billion in Loan Releases - 76,200 outreach - P121 M internal funds generated - 50 livelihood, agricultural enterprises linked to market 	<p><i>Project Areas:</i></p> <p>Luzon (24 areas)- Benguet, Ilocos Norte, Pangasinan, Isabela, Nueva Viscaya, Quirino, Pampanga, Tarlac, Aurora, Quezon, Batangas, Occidental Mindoro, Oriental Mindoro, Marinduque, Romblon, Palawan, Albay, Camarines Sur, Catanduanes, Masbate, Sorsogon</p> <p>Visayas (11 areas)- Capiz, Iloilo, Southern Negros Occidental, Bohol, Negros Oriental, Eastern Samar, Leyte, Northern Samar, Biliran</p> <p>Mindanao (15 areas)- Zamboanga del Norte, Zamboanga del Sur, Zamboanga Sibugay, South Bukidnon, Misamis Oriental, Davao del Norte, Davao del Sur, Davao Oriental, Compostela Valley, Noth Cotabato, Sultan Kudarat, Surigao del Norte, Surigao del Sur, Agusan del Sur</p>	
6. DAR- Center for Agriculture and Rural Development (CARD) -development of ARBO and ARBO cooperatives to become microfinance service providers			
<p>Program aims to:</p> <ul style="list-style-type: none"> - Provide sustained credit access to ARBs - Capacity building for ARB cooperative organizations to become MF service providers - Develop and/or strengthen cooperatives on microfinance and business development services related product development, policies/ systems installation, and sound financial performance 	<p><i>Components:</i></p> <ul style="list-style-type: none"> -Capacity development - Loan fund provision - Benchmarking of ARB assets -Operationalization of Risk Management Measures -Provision of Business Development Services -Monitoring and Evaluation -Development and Installation of Coop-Level Sustainability Mechanism <p><i>Expected Outputs:</i></p> <p>Outreach- 65,952 Amount of Loans Released- P1.104677 Billion Amount of Share Capital Generated- P50.449 Million No. of profitable crop-based enterprises linked to the market- 52</p>	<p><i>Project Areas:</i></p> <p>Luzon (23 areas)- Apayao, Kalinga, Ilocos Norte, Ilocos Sur, Pangasinan, Cagayan, Isabela, Nueva Viscaya, Quirino, Zambales, Batangas, Quezon, Occidental Mindoro, Oriental Mindoro, Romblon, Palawan, Camarines Norte, Camarines Sur</p> <p>Visayas (15 areas)- Aklan, Capiz, Iloilo, Bohol, Cebu, Negros Oriental, Biliran, Leyte, Northern Samar, Southern Leyte</p>	

Name of Program/ Description	Components/ Implementation	Eligible Beneficiaries	No. of Beneficiaries
		Mindanao (14 areas) Zamboanga del Norte, South Bukidnon, Misamis Occidental, Misamis Oriental, Davao del Norte, North Cotabato, Sarangani, South Cotabato, Agusan del Sur, Surigao Del Norte	

Source of basic data: Project briefs, interviews from DAR Bureau of Agrarian Reform Beneficiaries Development.

Note: The program budget for MALP, DAR-NATCCO and DAR-CARD are sourced from the CARP-CGFAL fund of the Presidential Agrarian Reform Council, amounting to P223 Million.

Annex B. List of Provinces With RSBSA

First batch - January 2014		Second batch - June 2014		Third batch - August 2014	
Province	# of Farmers	Province	# of Farmers	Province	# of Farmers
1 Abra	58,640	1 Agusan del Norte	70,140	1 Antique	52,194
2 Agusan del Sur	105,394	2 Aklan	83,227	2 Bataan	40,295
3 Camarines Sur	297,366	3 Albay	144,468	3 Batangas	154,086
4 Davao Oriental	94,460	4 Batanes	5,376	4 Bohol	255,839
5 Eastern Samar	61,859	5 Benguet	84,087	5 Bukidnon	270,572
6 Ifugao	25,538	6 Cagayan	234,748	6 Bulacan	104,120
7 Kalinga	24,814	7 Camarines Norte	79,979	7 Cavite	56,034
8 Masbate	134,584	8 Camiguin	11,167	8 Cebu	210,273
9 Mountain Province	36,065	9 Capiz	113,149	9 Davao del Norte	118,185
10 Cotabato (North Cotabato)	247,712	10 Catanduanes	53,922	10 Davao del Sur	150,411
11 Northern Samar	86,432	11 Ilocos Norte	99,728	11 Ilocos Sur	132,853
12 Romblon	51,322	12 Isabel	38,918	12 Iloilo	327,508
13 Samar (Western Samar)	119,554	13 Laguna	89,520	13 La Union	104,731
14 Siquijor	20,106	14 Marinduque	47,850	14 Lanao del Norte	177,910
15 Sultan Kudarat	138,977	15 Misamis Oriental	167,652	15 Misamis Occidental	82,834
16 Surigao del Norte	57,527	16 Nueva Viscaya	94,295	16 Nueva Ecija	256,200
17 Surigao del Sur	95,163	17 Sorsogon	135,381	17 Oriental Mindoro	120,008
18 Zamboanga del Norte	164,990	18 Zambales	56,794	18 Palawan	171,515
19 Sarangani	80,792	19 Zamboanga del Sur	233,705	19 Pampanga	82,571
20 Apayao	31,876	20 Aurora	15,272	20 Pangasinan	312,653
Total	1,933,171	21 Compostela Valley	107,842	21 Quezon	259,766
		22 Dinagat Islands	22,917	22 Quirino	45,713
		Total	1,990,137	23 Rizal	33,330
				24 South Cotabato	154,393
				25 Southern Leyte	74,815
				26 Biliran	38,681
				27 Guimaras	28,212
				28 Zamboanga Sibugay	88,377
				Total	3,904,079

Source: PCIC