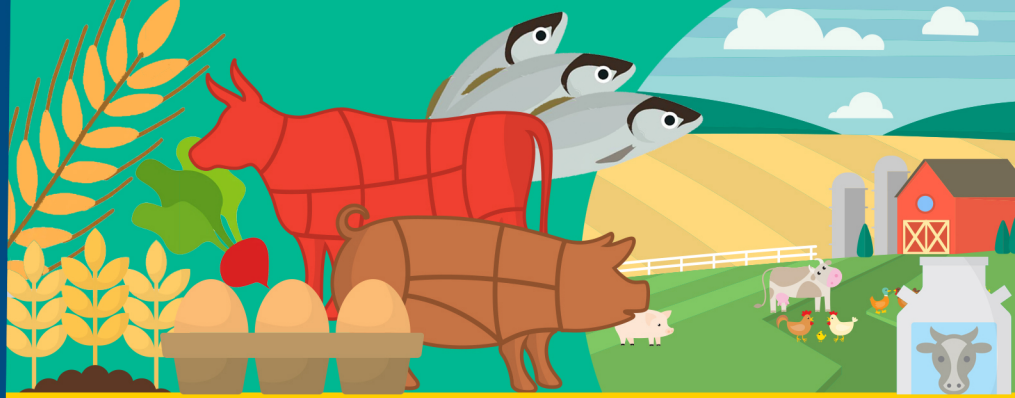




# AGENCY BUDGET NOTES

For FY 2023



## DEPARTMENT OF AGRICULTURE

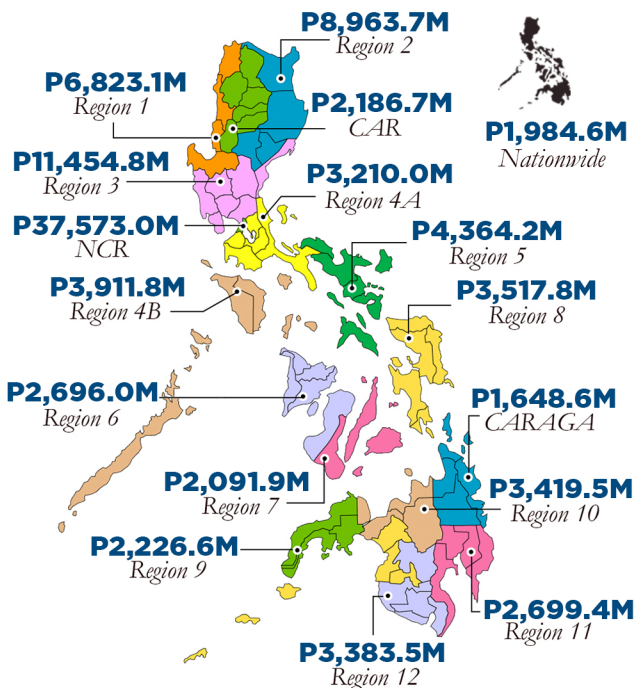


TOTAL NEW APPROPRIATIONS FOR 2023  
**P99.81B**

### COST STRUCTURE

<b>P2.93B</b> (2.9%) <i>General Admin and Support Services</i>	<b>P4.71B</b> (4.7%) <i>Support to Operations</i>	<b>P92.17B</b> (92.3%) <i>Operations</i>
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### REGIONAL ALLOCATION OF THE 2023 EXPENDITURE PROGRAM (P102,155.3M)



### ALLOCATION BY AGENCY

<b>OSEC</b> P88,074.7M (88.2%)	<b>BFAR</b> P6,206.1M (6.2%)	<b>ACPC</b> P2,833.3M (2.8%)	<b>PCC</b> P555.6M (0.6%)	<b>NMIS</b> P534.4M (0.5%)
<b>PHILFIDA</b> P395.5M (0.4%)	<b>NFRDI</b> P375.1M (0.4%)	<b>PHILMECH</b> P369.3M (0.4%)	<b>FPA</b> P250.1M (0.3%)	<b>PCAF</b> P214.7M (0.2%)

### ALLOCATION BY ATTACHED CORPORATIONS

<b>NIA</b> P40,842.8M	<b>NFA</b> P12,000.0M	<b>PFDA</b> P5,062.8M	<b>PHILCOA</b> P1,136.3M
<b>SRA</b> P1,000.0M	<b>PHILRICE</b> P650.1M	<b>NTA</b> P550.5M	<b>NDA</b> P357.2M

### BREAKDOWN OF OPERATIONS BUDGET

<b>P40.65B</b> (44.1%) <i>Technical and Support Services</i>	<b>P20.15B</b> (21.9%) <i>Agricultural Machinery and Equipment, Facilities and Infrastructure</i>	<b>P18.63B</b> (20.2%) <i>Locally-Funded and Foreign-Assisted</i>
<b>P3.37B</b> (3.7%) <i>Fisheries Development Program</i>	<b>P2.80B</b> (3.0%) <i>Agricultural Credit Program</i>	<b>P2.30B</b> (4.6%) <i>Fisheries Regulatory and Law Enforcement</i>

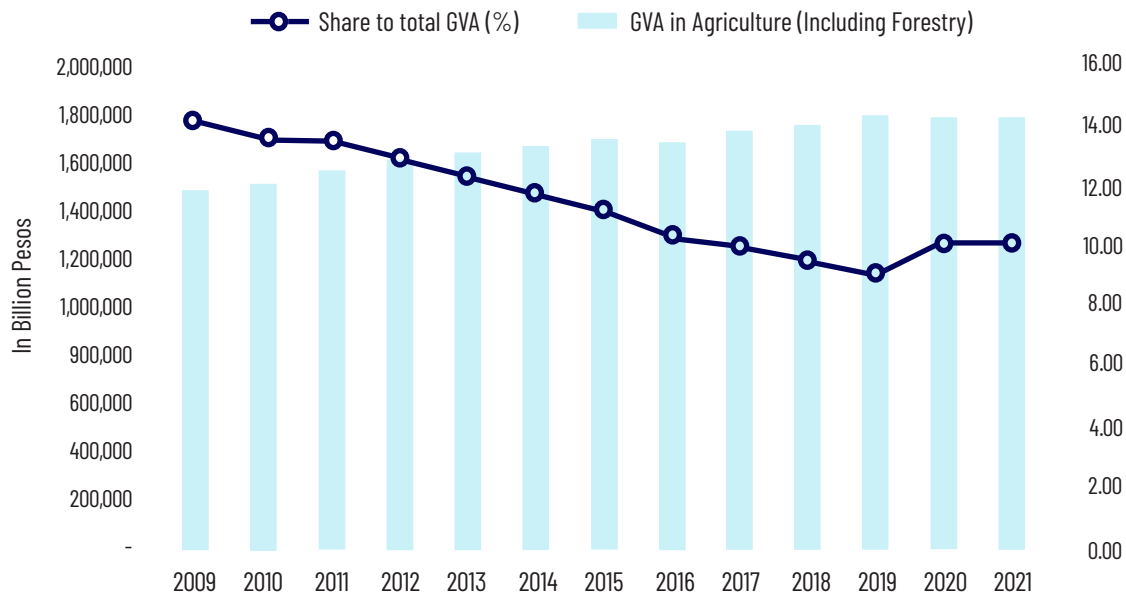
Other Programs **P4.27B** (4.6%)

# QUICK FACTS

## KEY SECTOR INFORMATION

### Philippine Agriculture Contribution to the Economy

(2009 - 2021)



Source: Philippine Statistics Authority (PSA)- National Income Accounts, As of April 2022

### Employment in Agriculture 2015 - 2021

(in Thousands)

	2015	2016	2017	2018	2019	2020	2021
Total Number of Employed Persons	38,741	40,954	40,334	41,160	42,429	43,871	47,685
Agriculture Sector	11,273	11,139	10,245	10,002	9,716	10,880	11,540
% Share	29.1	27.2	25.4	24.3	22.9	24.8	24.2

Source: Philippine Statistics Authority, Labor Force Survey Reports

### Value of Production in Agriculture

(2019-2021 at Constant 2018 Prices)

	In Million Pesos			Growth Rate (%)		Share to Total (%)		
	2019	2020	2021	2019-2020	2020-2021	2019	2020	2021
 Crops	968,111	982,552	1,004,805	1.5	2.3	53.5	54.9	57.1
 Livestock	328,107	303,676	252,108	-7.4	-17.0	18.1	17.0	14.3
 Poultry	245,281	236,710	235,997	-3.5	-0.3	13.5	13.2	13.4
 Fisheries	269,415	265,824	266,212	-1.3	0.1	14.9	14.9	15.1
<b>Total</b>	<b>1,810,914</b>	<b>1,788,762</b>	<b>1,759,122</b>	<b>-1.2</b>	<b>-1.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: PSA, January 2022

### Share of Agriculture in Total Foreign Trade and Value, Philippines

(2016-2020)

	Exports		Imports	
	% Share	Value (PBn)	% Share	Value (PBn)
2016	9.0	244.8	12.2	486.1
2017	9.6	331.6	11.4	554.3
2018	8.8	322.2	11.6	692.0
2019	9.4	345.8	12.1	700.7
2020	9.5	307.6	14.0	624.0

Source: PSA, 2021 | Note: Rounded off to the nearest decimal

## HIGHLIGHTS

- ❑ *Expenditure Program.* The 2023 expenditure program of DA includes the new appropriations of P99.81 billion and automatic appropriations of P2.35 billion. From P71.01 billion in 2022, the expenditure program of DA is expected to go up to P102.16 billion in 2023 with the increments mostly going to the OSec, notably the P10.00 billion allocation for the Rice Competitive Enhancement Program. Inclusive of DA Attached Corporations (P61.60 billion) the 2023 spending level will amount to P163.75 billion.

The trend in the budgetary support to DA's attached corporations for the period 2021 to 2023 is rather mixed. From P57.9 billion in 2021, it went down to P46.27 billion in 2022 then increased to P61.60 billion in 2023.

- ❑ *New Appropriations by Cost Structure.* By cost structure, allotment for Operations amounting to P92.17 billion will have the biggest share of 92.3% from new appropriations. By agency, the OSec's proposed allotment of P81.78 billion for Operations will account for 92.9% of its new appropriations in 2023. The two other agencies with more than a billion operations budget are the BFAR and the ACPC with P5.45 billion and P2.80 billion, respectively. Note that Operations covers programs, activities and projects (PAPs).
- ❑ *Allocation by Major Programs.* Appropriations amounting to P92.17 billion is proposed to support the PAPs of the Department to achieve desired organizational outcomes in 2023. This amount corresponds to the 2023 Operations budget of the Department which is P30.79 billion, or 50.2% higher than the 2022 level of P61.38 billion.

About 88.8% of the programs will be implemented under the OSec in 2023. Three of the largest programs, namely: Technical and Support Services (P40.65 billion); Agriculture Machinery & Equipment, Facilities and Infrastructure Program (P20.15 billion); and Locally-funded and Foreign-assisted Program (P18.63 billion) already account for 86.2% of the total program cost. The allotment for the Fisheries Development Program of BFAR which covers capture fisheries, aquaculture, post-harvest, and market development subprograms will increase by 168.8% from P1.26 billion in 2022 to P3.37 billion in 2023. Likewise, the allotment for the Meat Regulatory Program will increase by 38.1%, from P307.6 million in 2021 to P424.7 million in 2023.

- ❑ *Status of COVID-19 Release.* COVID-19 releases to the DA and its attached agencies and corporations amounted to P35.39 billion as of December 31, 2021—a total of P11.39 billion was allocated for the DA under *Bayaniban 1* and P24.0 billion in *Bayaniban 2*. From this total allotment, 97.8% or P34.60 billion has been obligated, of which 93.8% or P32.47 billion has been disbursed while a total of P788.4 million has remained unobligated as of 31 December 2021.

In Bayaniban 1, Ahon Lahat, Pagkaing Sapat Kontra COVID -19 Program under the OSEC was allotted P10.90 billion for the benefits of farmers, fishers and consumers and increasing farm productivity and ensuring food sufficiency during Covid-19 pandemic.

Allotment for PAPs of the ACPC which provided credit support services amounted to P258.0 million and P2.50 billion under *Bayanihan 1* and 2, respectively, were both 100% obligated and disbursed. ACPC credit support offers working capital loans to Micro and Small Enterprises and emergency production requirements assistance to Marginalized Small Farmers and Fishers to continue operations amid the Enhance Community Quarantine.

Releases under the *Bayanihan 2* focused on farm to market road projects (P5.0 billion) and stimulus package for OSEC and attached agencies of DA amounting to P18.29 billion. Budgetary support to the DA's attached corporations like the PhilCoA and the PFDA amounting to P706.4 million was also provided. However, only P313.8 million of this budgetary support was obligated but not disbursed and the balance of P392.5 million has remained an unobligated allotment,

- ❑ *Budget Utilization and Unused Appropriations.* The DA recorded an obligations-appropriations ratio of 90.1% in 2021, which is an increase of 2.1 percentage points from 88.0% in 2020. The obligations-appropriations ratio is a measure of how well agencies utilize their appropriations.

Among agencies, the FPA has the highest obligation rate of 99.2% in its appropriations in 2021, while the PhilMech has the lowest with 70.8%. In terms of unused appropriations in 2021, the OSec recorded the biggest with P4.28 billion followed by PhilMech with P2.13 billion which is higher than the P1.85 billion in 2020.

- ❑ *Unfilled Vacancies relative to Authorized Positions.* On the average for the period 2020-2023, more than a fifth (27.8%) of authorized positions within the whole DA is vacant, which could be reckoned as rather huge. Overall, there remains a significant number of unfilled positions by 2023, especially in the OSec with 2,590 expected vacancies (29.1%) and the BFAR with 600 (27.5%). If the said positions are redundant or no longer needed, the resources should be allocated to more productive items or for the creation of relevant new positions needed in effectively fulfilling their respective mandates.
- ❑ *Compliance with Audit Recommendations.* The Commission on Audit (COA) conducts an annual audit of government agencies and summarizes its findings in an Annual Audit Report (AAR). The AAR contains observations and recommendations that deal with the reality and accuracy of financial reports, as well as the adequacy of the books of accounts.

One highlight of the COA AAR is the update on the implementation of prior year's observations and recommendations. In the 2021 AAR, the OSEC has still 93 recommendations left unimplemented or 82.3% out of 113 recommendations from prior years. On the other hand, the NFRDI has only 3 unimplemented recommendations of which were reiterated with modifications.

# TABLE OF CONTENTS

	Page
I. Mandates and Organizational Outcomes	1
II. Sources of Appropriations	3
Table 1    Sources of Funds (DA), 2021-2023	4
III. Expenditure Program	4
Table 2    Expenditure Program by Agency, 2021-2023	5
Table 2.1  Expenditure Program by Attached Corporations, 2021-2023	5
Table 3    Expenditure Program by General Expense Class, 2021-2023	6
Table 4    Unfilled Positions by Agency, 2020-2023	7
Table 5    Regional Distribution of the DA Budget, 2021-2023	8
IV. Spending for COVID-19 Initiatives	8
Table 6    Status of COVID-19 Releases to DA as of December 31, 2021	9
V. New Appropriations	9
Table 7    New Appropriations by Agency and Cost Structure, FY 2023	10
Table 8    Summary of Programs for 2021-2023	11
VI. Performance Review	12
Table 9    Obligation-Appropriations Ratio and Unused Appropriations, 2019-2021	12
Table 10   Disbursement Rate by Agency, 2020-2021	13
Table 11   Budget Utilization by Selected Major Programs, 2021	14
Table 12   Performance Indicators of Major Programs, 2021-2023	16
VII. COA Findings and Recommendations	17
Table 13   Status of Implementation of COA Recommendations	17
<i>References</i>	21
<i>Annex. Expenditure Program by General Expense Class, 2021 -2023</i>	22

# DEPARTMENT OF AGRICULTURE\*

## I. MANDATE AND ORGANIZATIONAL OUTCOMES

1.1 The Department of Agriculture (DA) is responsible for the promotion of agricultural development by providing the policy framework, public investments, and support services needed for domestic and export-oriented business enterprises.

The DA envisions a **food-secure Philippines with prosperous farmers and fishers.** It shall collectively empower them and the private sector to increase agricultural productivity and profitability, taking into account sustainable, competitive, and resilient technologies and practices.

The 2023 Budget Priorities Framework of the Department of Budget and Management (DBM) identified the following strategies on achieving food safety and security:

- i) Develop eco-friendly pest and disease management control strategies for better crops;
- ii) Innovate technologies that will prolong shelf-life and improve nutritional content of agriculture and fisheries products;
- iii) Strengthen the link between small farmers and fisherfolk and industrial-level agribusiness enterprises; and
- iv) Provide more efficient transport and logistics systems for goods and services, particularly in geographically-isolated and disadvantaged areas.

1.2 ***Sector Outcomes.*** Economic opportunities in agriculture and fisheries expanded and access to economic opportunities by small farmers and fisherfolk increased.

1.3 ***Policy Thrusts.*** The short-term target is to increase the yield of the country's main staple and provide support to those in need of government assistance. Over the long-term, the thrust is to push for multi-year planning focused on the restructuring of the food value chain from research to development to retail (Department of Agriculture 2022).

### **Organizational Outcome(s) by Attached Agency**

1.4 ***Agricultural Credit Policy Council (ACPC)***

- Access of small farmers and fisherfolk to formal credit under the ACPC Agro-Industry Modernization Credit and Financing Program increased

1.5 ***Bureau of Fisheries and Aquatic Resources (BFAR)***

- Productivity in fisheries sector within ecological limits improved

1.6 **Fertilizer and Pesticide Authority (FPA)** <sup>1</sup>

- Fertilizer and pesticide products and handlers regulated

1.7 **National Fisheries Research and Development Institute (NFRDI)**<sup>2</sup>

- Responsible, sustainable and globally competitive fisheries industry through research and development

1.8 **National Meat Inspection Service (NMIS)**

- Meat safety and quality assured
- Meat industry sector developed

1.9 **Philippine Carabao Center (PCC)**

- Carabao-based enterprises enhanced

1.10 **Philippine Center for Post-Harvest Development and Mechanization (PhilMech)**

- Resource-use efficiency and productivity increased, losses reduced and value added to production through research, development, and extensions

1.11 **Philippine Council for Agriculture and Fisheries (PCAF)**<sup>3</sup>

- Agriculture and fishery stakeholders' participation in policy development enhanced

1.12 **Philippine Fiber Industry Development Authority (PhilFIDA)**<sup>4</sup>

- Productivity in the fiber industry increased

## **Organizational Outcome by Attached Corporations**

1.13 **National Dairy Authority (NDA)**

- Growth and competitiveness of the dairy sector enhanced

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*\*This document was prepared by Ma. Leni P. Lebrilla as input to the deliberation of the House of Representatives' Committee on Appropriations on the FY 2022 proposed National Budget. The report benefitted from discussions with and inputs of SPRS Director Rosemarie R. Sawali, SERB Executive Director Manuel P. Aquino and from the overall guidance of CPBRD Deputy Secretary-General Romulo EM Miral, Jr., PhD and BPRS Director Pamela D. Manalo. The layout/design of the infographics by Alexiz S. Taaca, Carla P. Soriano and Tommy Lagasca are also acknowledged. The views, perspectives, and interpretations in this ABN do not necessarily reflect the positions of the House of Representatives as an institution or its individual Members. A copy of this publication is available at the CPBRD's website: [cpbrd.congress.gov.ph](http://cpbrd.congress.gov.ph).*

<sup>1</sup> Administrative supervision of the FPA was transferred to the Office of President (OPAFSAM) by virtue of EO No.165, Series of 2014 but was returned to DA on September 17,2018 under EO No.62. Series of 2018.

<sup>2</sup> Assumed the research function of BFAR after the passage of RA 8550 in 1998, as amended by RA 10654 in 2015.

<sup>3</sup> PCAF is the consolidation of the Livestock Development Council (LDC) and the National Agriculture and Fisheries Council (NAFC) by virtue of Department Order No. 6, Series of 2013 and as mandated by Executive Order No. 366 dated October 4, 2004 (Rationalization Plan of the Executive Branch).

<sup>4</sup>The PHILFIDA is the consolidation of the Fiber Industry Development Authority (FIDA) and Cotton Development Administration (CoDA) by virtue of Department Order No. 2, Series of 2013 and as mandated by Executive Order No. 366 dated October 04, 2004 (Rationalization Plan of the Executive Branch).

- 1.14 **National Food Authority (NFA)**<sup>5</sup>
  - Food security for rice and corn ensured
- 1.15 **National Irrigation Administration (NIA)** <sup>6</sup>
  - Irrigation facilities and services enhanced
- 1.16 **National Tobacco Administration (NTA)**
  - Productivity and income of tobacco farmers increased
- 1.17 **Philippine Coconut Authority (PCA)**
  - Growth and competitiveness of the coconut and oil palm industry enhanced
- 1.18 **Philippine Crop Insurance Corporation (PCIC)**
  - Financial risk protection for agricultural producers increased
- 1.19 **Philippine Fisheries Development Authority (PFDA)**
  - Fish ports and other post-harvest facilities and services enhanced
- 1.20 **Philippine Rice Research Institute (PhilRice)**
  - Adoption of high-quality seeds of developed/released rice varieties and other technologies increased
- 1.21 **Sugar Regulatory Administration**
  - Growth and competitiveness of the sugarcane industry sustained.

## II. SOURCES OF APPROPRIATIONS

- 2.1 The DA expenditures are funded largely by new appropriations which is legislated yearly. Apart from new appropriations there are other sources of funds such as automatic and continuing appropriations. Another source of funds is the supplemental appropriations in a form of a separate law.
- 2.2 Table 1 presents the DA's sources of funds from 2021 to 2023. The proposed new appropriations for 2023 of P99.81 billion is 45.5% higher than the 2022 level of P68.57 billion. As a percentage to the DA's total available appropriations from 2021 to 2023, new appropriations accounted for 95.4% on the average. Unused appropriations in 2021 amounted to P7.10 billion or 9.9% of total available appropriations of P71.93

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<sup>5</sup> *The oversight responsibilities over the NFA together with the NIA, PCA and FPA were transferred to the Office of the President (OP) through the Office of the Presidential Assistant for Food Security and Agricultural Modernization (OPAFSAM) by virtue of EO No. 165 issued on May 5, 2014. The NFA was later placed under the supervision of the Office of the Cabinet Secretary together with 12 other agencies pursuant to EO No. 01, dated June 30, 2016. Supervision of the NFA, PCA and FPA was transferred back to the DA on September 17, 2018 pursuant to Section 2 of EO No. 62*

<sup>6</sup> *Executive Order 168, s. 2022 transfers NIA back to the Department of Agriculture on April 25, 2022.*



billion despite the shift to cash budgeting in which all appropriations shall be made available for obligation and disbursement only until the end of each fiscal year.<sup>7</sup>

**TABLE I**  
**SOURCES OF FUNDS, 2021-2023**  
**DEPARTMENT OF AGRICULTURE**

Particulars	Amounts (In Million Pesos)			Share to Total Appropriations		
	2021	2022	2023	2021	2022	2023
New Appropriations	68,622.0	68,574.8	99,808.7	95.4	93.2	97.7
Supplemental Appropriations	-	-	-	-	-	-
Automatic Appropriations	2,501.1	2,437.5	2,346.6	3.5	3.3	2.3
Continuing Appropriations	8,163.6	2,559.2	-	11.3	3.5	-
Budgetary Adjustments	(7,352.8)	-	-	(10.2)	-	-
<b>Total Available Appropriations</b>	<b>71,934.0</b>	<b>73,571.4</b>	<b>102,155.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
LESS: Unused Appropriations	7,099.1	2,559.2	-	9.9	3.5	-
<b>Total Obligations</b>	<b>64,834.9</b>	<b>71,012.3</b>	<b>102,155.3</b>	<b>90.1</b>	<b>96.5</b>	<b>100.0</b>

Source of basic data: FY 2023 National Expenditure Program (NEP)

2.3 In addition to the P99.81 billion proposed new appropriations for 2023, the DA will have P2.35 billion in automatic appropriations. This is intended for the Retirement and Life Insurance Premium (RLIP), Grants Proceeds, and other accounts in the Special Account of the General Fund.

### III. EXPENDITURE PROGRAM

3.1 Table 2 shows the approved and actual amount of obligation incurred by DA and its attached agencies in 2021 as well as the adjusted and proposed amounts for 2022 and 2023, respectively. Obligations refer to contracts entered into by the agency with suppliers of goods and services. It likewise includes obligations for payments of salaries, allowances and other compensation of agency personnel.

3.2 The expenditure program of the DA was hiked from an actual P64.83 billion in 2021 to a program of P71.01 billion in 2022 and is expected to increase further to the proposed P102.16 billion in 2023. The 2022 and 2023 expenditure levels are still net of any budgetary adjustments or fund transfers made during the budget execution. From 2021 to 2023, the OSec's share to the total expenditure program ranges from 75.7% to 88.3%—of which P10 billion is allocated annually to the Rice Competitiveness Enhancement Fund (RCEF).<sup>8</sup>

<sup>7</sup> According to the DBM, the cash budgeting system will promote the faster implementation of government programs by ensuring that funding requirements for priority programs and projects are sufficient, maximized by agencies, and, even more importantly, delivered on time. <https://dbm.gov.ph/index.php/secretary-s-corner/press-releases/list-of-press-releases/1508-duterte-orders-adoption-of-cash-budgeting-system>

<sup>8</sup> Republic Act 11203 known as the "Rice Tariffication Law" created the Rice Competitiveness Enhancement Fund (RCEF) or Rice Fund to improve rice farmers' competitiveness and income amidst liberalization of the Philippines rice trade policy that lifted quantitative restrictions on rice imports and replaced it with tariffs, among others. RCEF has a P10 billion annual appropriation for the 2019-2024 (ati.da.gov.ph).

**TABLE 2**  
**EXPENDITURE PROGRAM BY AGENCY, 2021-2023**

Particulars	Amount (In million pesos)			Share to Total (%)		
	2021	2022	2023	2021	2022	2023
Office of the Secretary	49,092.5	61,028.4	90,203.9	75.7	85.9	88.3
Agricultural Policy Credit Council	2,798.7	2,603.7	2,837.2	4.3	3.7	2.8
Bureau of Fisheries and Aquatic Resources	5,458.6	4,701.9	6,346.3	8.4	6.6	6.2
Fertilizer and Pesticide Authority	161.0	156.2	259.2	0.2	0.2	0.3
National Fisheries Research Dev't Institute	312.1	349.9	380.8	0.5	0.5	0.4
National Meat Inspection Service	555.7	453.4	552.7	0.9	0.6	0.5
Philippine Carabao Center	616.4	746.8	566.3	1.0	1.1	0.6
Phil. Center for Post-Harvest & Development Mech	5,163.7	393.4	377.4	8.0	0.6	0.4
Philippine Council for Agriculture and Fisheries	214.3	208.3	219.4	0.3	0.3	0.2
Philippine Fiber Industry Development Authority	461.8	370.2	412.1	0.7	0.5	0.4
<b>TOTAL Department</b>	<b>64,834.9</b>	<b>71,012.3</b>	<b>102,155.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source of basic data: FY 2023 BESF

3.3 Table 2.1 shows the expenditure program or budgetary support for attached corporations under the DA. This comes in the form of subsidy, equity, and net lending to support the implementation of national government programs. Total budgetary support to DA's attached corporations declined by P11.41 billion in 2022 which can be mainly attributed to decline in the respective budgets for the NFA (P7.46 billion) and the PRRI (P3.14 billion). For 2023, the total expenditure program will substantially go up by P15.32 billion to P61.60 billion mainly as a result of the increases in the corresponding budgets of the NFA by P5.0 billion and the NIA by P9.37 billion.

**TABLE 2.1**  
**EXPENDITURE PROGRAM BY ATTACHED CORPORATION, 2021-2023**

Particulars	Amount (In million pesos)			Share to Total (%)		
	2021	2022	2023	2021	2022	2023
National Dairy Authority	745.2	510.9	357.2	1.3	1.1	0.6
National Food Authority	14,464.8	7,000.0	12,000.0	25.1	15.1	19.5
National Irrigation Administration	31,866.0	31,468.8	40,842.8	55.2	68.0	66.3
National Tobacco Administration	422.1	555.5	550.5	0.7	1.2	0.9
Philippine Coconut Authority	1,263.8	1,097.2	1,136.3	2.2	2.4	1.8
Philippine Fisheries Development Authority	5,169.0	4,308.1	5,062.8	9.0	9.3	8.2
Philippine Rice Research Institute	3,757.5	621.8	650.1	6.5	1.3	1.1
Sugar Regulatory Administration		712.3	1,000.0	-	1.5	1.6
<b>TOTAL Department</b>	<b>57,688.4</b>	<b>46,274.6</b>	<b>61,599.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source of basic data: FY 2023 BESF

3.4 The NIA accounts for the bulk of the budget for the DA's attached corporations. For 2023, the amount of P40.84 billion is the subsidy for: (i) operating requirements of the NIA; (ii) right-of-way and feasibility studies; (iii) other irrigation sub-programs in support of the Program Beneficiaries Development Component of the

Comprehensive Agrarian Reform Program; (iv) expenses related to the implementation of the National Irrigation Systems and Communal Irrigations Systems; and (v) Special Irrigation Sub-program for Small Irrigation Projects; among others.

- 3.5 Meanwhile, the subsidy for the NFA amounting to P12 billion for 2023 will be used for the implementation of the Buffer Stocking Program in times of calamities, fortuitous events, or shortfall in production.
- 3.6 Table 3 presents the DA expenditure program by expense class for 2021-2023. On the average over the three-year period, 8.3% of the total expenditure program goes to Personal Services (PS), 59.2% for Maintenance and Operating Expenses (MOOE), and 32.5% for Capital Outlay (CO).

**TABLE 3**  
**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2021-2023**  
**(AMOUNTS IN MILLION PESOS)**

Particulars	Amounts (In Million Pesos)			Share to Total (%)		
	2021	2022	2023	2021	2022	2023
PS	6,440.5	6,116.7	6,420.4	9.9	8.6	6.3
MOOE	42,182.8	37,559.4	60,989.2	65.1	52.9	59.7
CO	16,211.5	27,336.0	34,745.7	25.0	38.5	34.0
Fin Ex	0.1	0.2	0.0	0.0	0.0	0.0
<b>TOTAL Department</b>	<b>64,834.9</b>	<b>71,012.3</b>	<b>102,155.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source of basic data: FY 2022 BESF

- 3.7 For 2023, total expenditure program of P102.16 billion is distributed as follows: PS- P6.42 billion (6.3%), MOOE – P60.99 billion (59.7%) and CO – P34.75 billion (34.0%).
- 3.8 Allocation for PS will be used to defray expenses for salaries, wages, and other compensation of government employees. MOOE allocation will be used to pay for expenditures to support the operations of government agencies such as supplies and materials, repairs and maintenance of DA facilities, transportation and travel, and other necessary operating expenses. CO allocation will be used for procurement of goods and services, the benefits of which extends beyond the fiscal year and which add up to the assets of the government.
- 3.1 **Unfilled Positions.** The Staffing Summary of the DBM reports on the number of authorized positions and unfilled positions (Table 4). The ratio of unfilled positions to authorized positions in 2020 to 2023 ranges from 27.3% to 28.3%. On the average for the said period, more than a fifth (27.8%) of authorized positions within the whole DA is vacant, which could be reckoned as rather huge.

**TABLE 4  
UNFILLED POSITIONS BY AGENCY, 2020 -2023**

Agency	Authorized Positions				Unfilled Position			
	2020	2021	2022	2023	2020	2021	2022	2023
OSEC	8,859	8,878	8,893	8,893	2660	2537	2590	2590
ACPC	39	41	41	41	3	4	3	3
BFAR	2,178	2,178	2,178	2,179	606	613	599	600
FPA	169	169	169	169	23	28	28	28
NFRDI	106	106	106	106	53	31	21	21
NMIS	362	362	362	362	54	52	60	60
PCC	214	211	211	211	37	32	33	33
PhilMech	137	137	137	137	22	21	16	16
PCAF	132	132	135	135	42	50	56	56
PhilFIDA	409	409	409	409	72	82	96	96
<b>TOTAL</b>	<b>12,605</b>	<b>12,623</b>	<b>12,641</b>	<b>12,642</b>	<b>3572</b>	<b>3450</b>	<b>3502</b>	<b>3503</b>

Source: FY 2023 Staffing Summary

4.9 Overall, there remains a significant number of unfilled positions by 2023, especially in the OSec with 2,590 expected vacancies (29.1%) and the BFAR with 600 (27.5%), which raises the question whether the said positions are redundant or are still needed by these agencies. The filling up of those vacancies could probably have helped in alleviating the various agri-supply insecurities hounding the country. If the said positions are redundant or no longer needed, the resources should be allocated to more productive items or for the creation of relevant new positions needed in effectively fulfilling their respective mandates.

4.10 *Regional Distribution.* Table 5 shows the regional distribution of the DA's budget for 2021-2023. The bulk of DA's budget is allocated in the NCR where it increased from P32.18 billion in 2022 to P37.57 billion in 2023. While there is an increased allocation for the NCR, its share to total proposed budget in 2023 decreased to 36.8% from 45.3% in 2022. It can be discerned that since no allotment for the Central Office is found in the Table below, that it is probably lumped with the NCR. For transparency purposes, it is best that the allocation for the NCR be disaggregated to show how much really goes to the operations of the Central Office relative to the NCR given the huge allotment of the latter which is essentially an urban non-agricultural area. Further, shouldn't the chunk of the DA budget and its other resources further be dispersed and decentralized to the agricultural regions where the real production and action take place?

Outside of the NCR, the biggest share was allotted to Region III with 17.4% of the total in 2021 and 8.4% in 2022, and which is expected to increase to 11.2% in 2023. Regional allocation for the BARMM was discontinued in 2018 with the passage of the Bangsamoro Organic Law on July 26, 2018.

**TABLE 5**  
**REGIONAL DISTRIBUTION OF THE BUDGET, 2021-2023**  
**(AMOUNTS IN MILLION PESOS)**

Region	2021		2022		2023	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Nationwide	1,792.1	2.8	1,194.9	1.7	1,984.6	1.9
Central Office	-	-	-	-	-	-
NCR	13,411.9	20.7	32,178.6	45.3	37,573.0	36.8
CAR	1,907.7	2.9	2,017.3	2.8	2,186.7	2.1
Region 1	4,811.0	7.4	3,480.0	4.9	6,823.1	6.7
Region 2	5,393.5	8.3	4,796.2	6.8	8,963.7	8.8
Region 3	11,274.9	17.4	5,977.5	8.4	11,454.8	11.2
Region 4A	3,003.0	4.6	2,341.8	3.3	3,210.0	3.1
Region 4B	2,812.8	4.3	2,978.9	4.2	3,911.8	3.8
Region 5	3,586.9	5.5	2,967.9	4.2	4,364.2	4.3
Region 6	3,442.6	5.3	2,398.8	3.4	2,696.0	2.6
Region 7	1,610.3	2.5	1,473.7	2.1	2,091.9	2.0
Region 8	2,298.2	3.5	1,975.9	2.8	3,517.8	3.4
Region 9	1,593.0	2.5	1,297.2	1.8	2,226.6	2.2
Region 10	1,922.3	3.0	1,633.0	2.3	3,419.5	3.3
Region 11	1,840.5	2.8	1,404.1	2.0	2,699.4	2.6
Region 12	2,821.8	4.4	1,825.1	2.6	3,383.5	3.3
CARAGA	1,312.7	2.0	1,071.5	1.5	1,648.6	1.6
BARMM	-	-	-	-	-	-
<b>TOTAL</b>	<b>64,834.9</b>	<b>100.0</b>	<b>71,012.3</b>	<b>100.0</b>	<b>102,155.3</b>	<b>100.0</b>

Source: FY 2022 BESF

#### IV. SPENDING FOR COVID -19 INITIATIVES

- 4.1 Table 6 shows the status of COVID-19 releases to the DA and its attached agencies and corporations which amounted to P35.39 billion as of December 31, 2021—P11.39 billion came from *Bayanihan 1* and P24.0 billion from *Bayanihan 2*. From this total allotment, 97.8% or P34.60 billion has been obligated, of which 93.8% or P32.47 billion has been disbursed while a total of P788.4 million has remained unobligated as of 31 December 2021.
- 4.2 In *Bayanihan 1, Abon Labat, Pagkaing Sapat Kontra COVID -19 Program* under the OSEC was allotted P10.90 billion for the benefit of farmers, fishers and consumers, increasing farm productivity, and ensuring food sufficiency during the Covid-19 pandemic.
- 4.3 Allotment for Programs, Activities and Projects (PAPs) of the ACPC which provided credit support services amounting to P258 million and P2.50 billion under *Bayanihan 1* and *2*, respectively, were both 100% obligated and disbursed. ACPC credit support offers working capital loans to Micro and Small Enterprises and emergency production requirements assistance to Marginalized Small Farmers and Fishers to continue operations during the Enhance Community Quarantine.

**TABLE 6**  
**STATUS OF COVID-19 RELEASES TO DA, AS OF DECEMBER 31, 2021**  
**(AMOUNTS IN MILLION PESOS)**

Program/Purpose	Allotment	Obligations	Disbursements	Unobligated Allotment
<b>I. Bayanihan 1</b>	<b>11,386.6</b>	<b>11,321.7</b>	<b>10,846.6</b>	<b>64.8</b>
Ahon Lahat, Pagkaing Sapat Kontra COVID-19 Program and other national program of DA (OSEC)	10,904.4	10,840.5 <sup>a/</sup>	10,378.7 <sup>a/</sup>	63.8 <sup>a/</sup>
Credit Support Services (ACPC)	258.0 <sup>b/</sup>	258.0 <sup>b/</sup>	258.0 <sup>b/</sup>	-
Fisheries Development Program (BFAR)	224.2 <sup>c/</sup>	223.2 <sup>c/</sup>	209.8 <sup>c/</sup>	1.0 <sup>c/</sup>
<b>II. Bayanihan 2</b>	<b>24,000.0</b>	<b>23,276.4</b>	<b>21,621.7</b>	<b>723.6</b>
To cover funding requirements for the implementation of Farm to Market Road projects under the Agriculture Stimulus Package of Bayanihan II	5,000.0	5,000.0	5,000.0	-
Special Appropriation, RA No. 11494	18,293.7	17,962.6	16,621.7	331.0
OSEC	14,774.0	14,450.9 <sup>d/</sup>	13,290.6 <sup>d/</sup>	323.1
ACPC	2,500.0 <sup>e/</sup>	2,500.0 <sup>e/</sup>	2,500.0 <sup>e/</sup>	-
BFAR	703.7	700.7 <sup>f/</sup>	548.7 <sup>f/</sup>	2.9
NMIS	300.0	295.0 <sup>g/</sup>	266.4 <sup>g/</sup>	5.0
PCC	16.0	16.0 <sup>h/</sup>	16.0 <sup>h/</sup>	-
Budgetary Support to GOCC	706.4	313.8	-	392.5
Phil Coconut Authority	322.0	313.8		8.2
Phil Fisheries Dev Authority	384.4			384.4
<b>TOTAL</b>	<b>35,386.6</b>	<b>34,598.2</b>	<b>32,468.3</b>	<b>788.4</b>

Note: a/ As of October 31, 2021; b/ Based on the DA-ACPC Financial Accountability Reports (FARs) as of December 31, 2020; c/ As of 31 October 2021; d/ As of October 31, 2021; e/ Based on FAR dated December 31, 2020; f/ as of October 31, 2021; g/ as of December 31, 2021; and h/ as of April 15, 2021.

Source: Status of COVID 19 Releases, As of December 31, 2021 (DBM website)

- 4.4 Releases under the *Bayanihan 2* focused on farm to market road projects (P5.00 billion) and a stimulus package for the OSEC and attached agencies of DA amounting to P18.29 billion. Budgetary support to the DA's attached corporations like the PhilCoA and the PFDA amounting to P706.4 million was also provided. However, it's a pity that only P313.8 million of this budgetary support was obligated but not disbursed per above report and the balance of P392.5 million has remained an unobligated allotment, notwithstanding the plight of fisherfolk and coconut farmers amid the pandemic.

## V. NEW APPROPRIATIONS

- 5.1 DA's new appropriations will amount to P99.81 billion in 2023. By cost structure, allotment for Operations amounting to P92.17 billion will have the biggest share or 92.3% of new appropriations. By agency, the OSec's proposed allotment of P81.78 billion for Operations will account for 92.9% of its new appropriations and 88.7% of the DA's total operations allocation in 2023. The two other agencies with more than a billion operations budget are the BFAR and the ACPC with P5.45 billion and P2.80 billion, respectively. Note that Operations covers programs, activities and projects (Table 7).

In 2023, only the OSEC and three other attached agencies (BFAR, NFRDI and PhilFIDA) have allotments for Support to Operations (STO) which will amount to P4.71 billion. The DBM defines STO as consisting of activities and projects which provide staff, technical, and/or substantial support to operations, but do not produce goods or deliver services directed at a target population or client group external to the agency.

**TABLE 7**  
**NEW APPROPRIATIONS BY AGENCY AND COST STRUCTURE, FY 2023**

Agency	Amounts (In Million Pesos)				Share to Total (%)			
	GAS	STO	Operations	Total Agency	GAS	STO	Operations	Total Agency
OSEC	1,851.6	4,442.0	81,781.1	88,074.7	2.1	5.0	92.9	100.0
ACPC	30.1	-	2,803.2	2,833.3	1.1	0.0	98.9	100.0
BFAR	522.0	236.8	5,447.3	6,206.1	8.4	3.8	87.8	100.0
FPA	138.3	-	111.8	250.1	55.3	0.0	44.7	100.0
NFRDI	86.5	17.8	270.8	375.1	23.1	4.7	72.2	100.0
NMIS	65.3	-	469.1	534.4	12.2	0.0	87.8	100.0
PCC	53.2	-	502.5	555.6	9.6	0.0	90.4	100.0
PhilMech	62.2	-	307.1	369.3	16.8	0.0	83.2	100.0
PCAF	31.1	-	183.6	214.7	14.5	0.0	85.5	100.0
PhilFIDA	90.3	14.3	290.9	395.5	22.8	3.6	73.6	100.0
<b>TOTAL</b>	<b>2,930.4</b>	<b>4,710.9</b>	<b>92,167.4</b>	<b>99,808.7</b>	<b>2.9</b>	<b>4.7</b>	<b>92.3</b>	<b>100.0</b>

Source of basic data: FY 2023 NEP

- 5.2 Table 8 presents a summary of programs under the DA and its attached agencies from 2021-2023. Appropriations of P92.17 billion is proposed to support the PAPs of the Department to achieve desired organizational outcomes in 2023. This amount corresponds to the 2023 Operations budget of the Department which is P30.79 billion, or 50.2% higher than the 2022 level of P61.38 billion.
- 5.3 About 88.8% of the programs will be implemented under the OSec in 2023. Three of the largest programs, namely: Technical and Support Services (P40.65 billion); Agriculture Machinery & Equipment, Facilities and Infrastructure Program (P20.15 billion); and Locally-funded and Foreign-assisted Program (P18.63 billion) already account for 86.2% of the total program cost. The allotment for the Fisheries Development Program of BFAR which covers capture fisheries, aquaculture, post-harvest, and market development subprograms will increase by 168.8% from P1.26 billion in 2022 to P3.37 billion in 2023. Likewise, the allotment for the Meat Regulatory Program of the NMIS will increase by 38.1%, from P307.6 million in 2021 to P424.7 million in 2023.
- 5.4 Moreover, Special Provision No.5 of the proposed 2022 DA budget states that P10 billion will be constituted into the Rice Competitiveness Enhancement Fund pursuant to Sec 13 of RA 11203. The said amount will be released directly to the implementing agencies and will be used for the attainment of the objectives and plans of the rice industry roadmap.

**TABLE 8**  
**SUMMARY OF PROGRAMS FOR 2021-2023**  
**DEPARTMENT OF AGRICULTURE**

Program/Implementing Agency	Amount (In Million Pesos)			% Share to Total Program			Growth Rates 22-23 (%)
	2021	2022	2023	2021	2022	2023	
Technical and Support Services (OSec)	20,052.8	19,628.1	40,647.5	32.4	32.0	44.1	107.1
Agriculture Machinery & Equipment, Facilities and Infrastructure Program (OSec)	15,392.7	14,925.6	20,150.3	24.9	24.3	21.9	35.0
Agriculture and Fishery Policy Program (OSec)	77.0	74.3	62.5	0.1	0.1	0.1	(15.8)
Agriculture and Fishery Regulatory Support Program (OSec)	1,238.4	1,251.6	2,294.1	2.0	2.0	2.5	83.3
Locally-funded and Foreign-assisted Programs (OSec)	16,358.3	17,107.8	18,626.7	26.5	27.9	20.2	8.9
Agriculture Credit Program (ACPC)	2,766.2	2,570.0	2,803.2	4.5	4.2	3.0	9.1
Fisheries Development Program (BFAR)	1,911.4	1,255.2	3,374.3	3.1	2.0	3.7	168.8
Fisheries Regulatory and Law Enforcement Program (BFAR)	1,546.0	1,829.7	1,489.9	2.5	3.0	1.6	(18.6)
Fisheries Extension Program (BFAR)	466.1	560.7	550.1	0.8	0.9	0.6	(1.9)
Fisheries Policy Program (BFAR)	17.4	24.3	32.9	0.0	0.0	0.0	35.6
Fertilizer and Pesticide Regulatory Program (FPA)	94.4	99.9	111.8	0.2	0.2	0.1	11.9
Fisheries Research and Development Program (NFRDI)	238.6	258.3	270.8	0.4	0.4	0.3	4.8
Meat Regulatory Program (NMIS)	299.7	307.6	424.7	0.5	0.5	0.5	38.1
Local Meat Establishment Assistance Program (NMIS)	53.2	53.2	44.4	0.1	0.1	0.0	(16.5)
National Carabao Development Program (PCC)	555.9	680.4	502.5	0.9	1.1	0.5	(26.2)
Agriculture Mechanization and PH Research, Development and Extension Program (PhilMech)	260.9	324.0	307.1	0.4	0.5	0.3	(5.2)
Agriculture and Fishery Stakeholders Engagement Program (PCAF)	192.7	164.0	183.6	0.3	0.3	0.2	12.0
Fiber Development (PhilFIDA)	245.5	207.0	236.2	0.4	0.3	0.3	14.1
Fiber Industry Regulatory (PhilFIDA)	53.9	53.9	54.7	0.1	0.1	0.1	1.6
<b>Total</b>	<b>61,821.0</b>	<b>61,375.4</b>	<b>92,167.4</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>50.2</b>

Sources of basic data: GAA 2021-2022 and NEP 2023

5.5 In addition to the amounts proposed for 2023, P1.68 billion is appropriated for the Agricultural Enhancement Fund that will be sourced from all duties collected from the importation of agricultural products, except rice under the minimum access volume mechanisms with the following allocation (*Special Provision 1*):

- a) Eighty percent for the provision of credit which will be directly released to Land Bank of the Philippines and subject to the following credit limit: (i) P5.0 million per project loan of Filipino farmers and fisherfolk(s) associations and cooperatives; (ii) P1.0 million per individual farmer and fisherfolk;
- b) Ten percent as grant for: (i) research, development, and commercialization of agriculture and fishery products; and (ii) upgrading of research facilities of qualified SUCs, which will not exceed P5.0 million;
- c) Ten percent for the funding of comprehensive and attractive grant-in-aid program for agriculture, fisheries, and veterinary medicine which will be released directly to the CHED.

5.6 Special Provision No. 2 provides that an additional P21.1 million is appropriated for the implementation of the seed industry development program.



## VI. PERFORMANCE REVIEW

- 6.1 ***Obligations-Appropriations Ratio and Unused Appropriations.*** The DA recorded an obligations-appropriations ratio of 90.1% in 2021, which is an increase of 2.1 percentage points from 88.0% in 2020 (Table 9). The obligations-appropriations ratio is a measure of how well agencies utilize their appropriations.
- 6.2 Among DA's agencies, the FPA has the highest obligation rate of 99.2% in its appropriations in 2021, while the PhilMech has the lowest with 70.8%. In terms of unused appropriations in 2021, the OSec recorded the biggest with P4.28 billion followed by PhilMech with P2.13 billion which is higher than the P1.85 billion in 2020.

**TABLE 9**  
**OBLIGATIONS-APPROPRIATIONS RATIO**  
**AND UNUSED APPROPRIATIONS, 2019 -2021**

Particulars	Obligation-Appropriations Ratio (%)			Unused Appropriations (In Million Pesos)		
	2019	2020	2021	2019	2020	2021
OSEC	93.4	88.4	92.0	2,614.6	7,355.6	4,282.0
ACPC	100.0	95.8	92.7	0.3	222.4	221.0
BFAR	94.2	86.6	95.2	374.0	866.4	273.4
FPA	97.6	97.7	99.2	5.3	3.8	1.2
NFRDI		100.0	98.7	-	0.0	4.2
NMIS	94.2	83.8	94.0	31.5	126.3	35.4
PCC	99.7	79.5	83.6	2.1	116.1	120.5
PhilMech	6.1	82.5	70.8	5,140.1	1,848.7	2,129.7
PCAF	98.5	95.4	90.8	3.2	7.2	21.7
PhilFIDA	86.3	90.0	97.9	66.1	43.4	9.9
<b>TOTAL Department</b>	<b>85.6</b>	<b>88.0</b>	<b>90.1</b>	<b>8,237.4</b>	<b>10,589.9</b>	<b>7,099.1</b>

Sources of basic data: NEP 2021 -2023

- 6.3 ***Disbursement Rate by Agency.*** Table 10 shows the disbursement rates of the DA and its attached agencies for 2020 and 2021. Overall, the DA posted a disbursement rate of 70.3% in 2021, which is 13.2 percentage points higher than the 2020 rate of 57.1%.

Among the attached agencies, the PhilMech also registered the lowest disbursement rate of 5.8% in 2021 when it disbursed only P423.0 million out of P7.29 billion authorized appropriations. Note that even in 2020 the PhiMech already recorded a measly 10.8% disbursement rate in spite of an 82.5% obligation rate, and after an appalling 6.1% obligation rate in 2019. This should be thoroughly looked into since such performance result is incongruous with the avowed organizational outcome of the PhilMech to ensure increased resource-use efficiency and productivity, and reduced losses and enhanced value added to production through research, development, and extension.

The ACPC, FPA, NFRDI, PhilMech, and PCAF posted lower disbursement rates in 2021 compared with 2020. Meanwhile, the NMIS further improved its disbursement rate to 75.1 in 2021 from 59.9% in 2020 while that of the OSEC jumped from 59.4% in 2020 to 76.7% in 2021.

**TABLE 10**  
**DISBURSEMENT RATE BY AGENCY 2020-2021**  
**(AMOUNTS IN MILLION PESOS)**

Particulars	2020			2021 <sup>a/</sup>		
	Appropriations	Disbursements	Disbursement Rate (%) <sup>a/</sup>	Appropriations	Disbursements	Disbursement Rate (%) <sup>b/</sup>
OSEC	63,605.3	37,753.2	59.4	53,373.5	40,941.8	76.7
ACPC	5,338.2	5,115.1	95.8	3,019.7	2,798.0	92.7
BFAR	6,446.9	4,680.9	72.6	5,732.0	4,357.7	76.0
FPA	160.4	146.4	91.3	162.2	144.3	89.0
NFRDI	275.5	263.3	95.6	316.3	289.4	91.5
NMIS	782.1	468.4	59.9	591.1	444.1	75.1
PCC	567.5	408.9	72.0	736.9	567.6	77.0
PhilMech	10,578.1	1,145.9	10.8	7,293.5	423.0	5.8
PCAF	155.8	135.9	87.2	236.0	194.6	82.5
PhilFIDA	434.6	306.2	70.5	471.7	377.3	80.0
<b>Total Dept</b>	<b>88,344.5</b>	<b>50,424.3</b>	<b>57.1</b>	<b>71,932.9</b>	<b>50,537.8</b>	<b>70.3</b>

a/ Preliminary

b/Disbursement rate – ratio of disbursement to appropriations

Source: SAAODB 2019-2020, DMB

- 6.4 **Budget Utilization by Major Program.** Of the total budget of selected major programs amounting to P47.40 billion in 2021, 87.1% or P41.29 billion was obligated, and 71.1% or P33.70 billion was disbursed.
- 6.5 By major programs, Agriculture and Fishery Regulatory Support recorded the highest obligation rate of 98.1%, while Technical and Support Services Program has the highest disbursement rate of 83.5%. On the other hand, the Locally-Funded and Foreign Assisted Program was the lowest at 73.7% obligation rate and 58.2% disbursement rate (Table 11).
- 6.6 Disbursement rates of some programs have not reached even 10% of its authorized appropriations such as: Implementation of the KADIWA ni ANI at KITA Program (6.9%), Facilities for the First Border Inspection in Five Major International Ports (0.1%), Agripreneurship Program (5.6%), Calamity Fund (7.1%). While 86.1% of the appropriations for Quick Response Fund was obligated, there was no recorded disbursements.
- 6.7 **Performance Indicators of Major Programs.** Table 12 presents the performance indicators and their respective targets for the period 2021-2023. The performance in achieving the 2021 targets for the output indicators of the major programs is rather mixed. The Agriculture and Fishery Policy Program and the Agriculture and Fishery Policy Support Program generally achieved their targets.

**TABLE II**  
**BUDGET UTILIZATION BY SELECTED MAJOR PROGRAMS, 2021**  
**(AMOUNTS IN MILLION PESOS)**

Program/Implementing Agency	Appropriations	Obligations	Disbursements	Obligation Rate (%) <sup>a/</sup>	Disbursement Rate (%) <sup>b/</sup>
<b>Technical and Support Services Program</b>	<b>21,662.7</b>	<b>21,096.4</b>	<b>18,087.4</b>	97.4	83.5
Production Support Services	15,637.6	15,385.3	13,494.7	98.4	86.3
Marketing Development Services	1,005.9	952.0	751.6	94.6	74.7
Extension Support, Education and Training Services	2,823.6	2,627.0	2,006.3	93.0	71.1
Research and Development	2,195.6	2,132.1	1,834.7	97.1	83.6
<b>Agricultural Machinery, Equipment, Facilities and Infrastructures Program</b>	<b>4,720.3</b>	<b>4,385.6</b>	<b>3,047.1</b>	92.9	64.6
Agricultural Machinery, Equipment and Facilities Support	3,533.3	3,269.0	2,411.5	92.5	68.3
Irrigation Network Services	1,083.3	1,022.0	563.3	94.3	52.0
Farm-to-Market Roads	103.8	94.6	72.3	91.1	69.7
<b>Agriculture and Fishery Policy Program</b>	<b>74.7</b>	<b>65.9</b>	<b>58.0</b>	88.2	77.6
<b>Agriculture and Fishery Regulatory Support Program</b>	<b>1,273.5</b>	<b>1,248.8</b>	<b>1,060.2</b>	98.1	83.3
<b>Locally-Funded and Foreign Assisted Program</b>	<b>19,666.5</b>	<b>14,494.1</b>	<b>11,442.4</b>	73.7	58.2
Special Area for Agricultural Development Program	1,419.5	1,317.3	824.4	92.8	58.1
SOCCSKSARGEN Integrated Food Security Program	50.4	45.0	32.4	89.3	64.3
Rainwater Harvesting System/Small Water Irrigation System	250.0	232.2	230.3	92.9	92.1
Implementation of the KADIWA ni ANI at KITA Program	150.0	110.2	10.4	73.5	6.9
Livestock Extension Program	65.2	50.0	39.8	76.6	61.1
National Soil Health Program	641.2	390.8	270.3	61.0	42.2
Updating of the Registry System of Basic Sectors in Agriculture	630.2	480.9	365.7	76.3	58.0
Agripreneurship Program	489.7	56.8	27.6	11.6	5.6
Young Farmers Program	100.0	91.3	77.3	91.3	77.3
Facilities for the First Border Inspection in Five Major International Ports (Manila, Bataan, Batangas, Cebu and Davao)	521.6	4.2	0.7	0.8	0.1
Sustainable Agriculture and Improved Farming Systems in Upland Communities for Indigenous Peoples, Kabuhayan at Kaunlaran ng Kababayan Katutubo (4Ks) Program	469.6	312.1	168.8	66.5	35.9
Financial Subsidy for Rice Farmers	7,606.4	7,601.1	7,601.1	99.9	99.9
Inclusive Agri-Business Program	920.1	768.0	615.5	83.5	66.9
Philippine Rural Development Program	657.5	647.8	594.6	98.5	90.4
National Disaster Risk Reduction and Management Fund (Calamity Fund)	3,098.6	222.7	219.4	7.2	7.1
Quick Response Fund	1,750.0	1,507.4	-	86.1	0.0
Balik Probinsya, Bagong Pag-asa Program	500.0	367.4	92.3	73.5	18.5
Binhi ng Pag-asa Program	60.0	59.0	49.3	98.3	82.2
Research Support for Agripreneurship, Technology Commercialization and Business Incubation, and Mainstreaming Farmers Cooperatives	100.0	96.1	96.1	96.1	96.1
Cash and Food Subsidy for Marginal Farmers and Fishers	1.5	1.5	1.2	100.0	83.6
Digital Agriculture	88.6	39.2	36.5	44.2	41.2
Inclusive Enterprise Development Support Project	35.7	33.7	29.2	94.3	81.8
Integrated Agri Based livelihood Projects	60.6	59.4	59.4	98.0	98.0
<b>Sub-Total Operations</b>	<b>47,397.7</b>	<b>41,290.7</b>	<b>33,695.1</b>	87.1	71.1

*a/ Obligation rate – ratio of obligations to appropriations*

*b/ Disbursement rate – ratio of disbursements to appropriations*

*Source: 2018-2019 SAAODB 2020 (FAR No. 1 in Transparency Seal)*

- 6.8 One of the noteworthy accomplishments of the DA programs in 2021 was done under the Technical and Support Services Program where a total of 6,525 group beneficiaries were provided with market development services compared to the 1,943 target. Under the same program, however, only 62 out of the 82 target provinces and chartered cities were provided with production support services and support to construct market-related infrastructure. Targets for the number of extension workers trained to support the capacity of LGUs and farmers, fisherfolk, and other beneficiaries provided with training support services were successfully met.
- 6.9 Despite surpassing its target for the percentage of beneficiaries rating the provision of agricultural machinery, equipment, facilities, and installation of small-scale irrigation projects to be at least satisfactory (100% vs 80%), output indicators under Agricultural Machinery, Equipment, Facilities and Infrastructures Program were rather mixed with the number of Provinces and Chartered Cities provided with agricultural machineries, equipment, facilities, and small-scale irrigation projects with a 45% accomplishment rate and the number of hectares of service area generated from the establishment and installation of small-scale irrigation projects (SSIPs) achieving 65.4%. For instance, only 36 out of the 80 target Provinces and Chartered Cities were provided with agricultural machineries, equipment, facilities, and small-scale irrigation projects. Notwithstanding the underperformance in 2021, it is noted that both the targets for 2022 and 2023 are higher compared to the 2021 target. While the other two indicators on Farm-to-market Roads (FMRs validated for construction/rehabilitation and DPWH-constructed FMRs) were within target, validation and monitoring would seem to be the focus of performance.
- 6.10 Under the Locally-Funded and Foreign-Assisted Program, only 7 out of the target of 15 agriculture and fishery-based enterprises were assisted but a 100% accomplishment was reported on the output indicator “percentage of amount of approved FMR sub-projects to the total amount of FMR allocation”. Targets for 2022 and 2023 were kept at 100%. Despite the lower-than-target performance in terms of the number of agriculture and fishery-based enterprises assisted, targets for 2022 and 2023 were nearly ten times the actual accomplishment in 2021.

**TABLE 12**  
**PERFORMANCE INDICATORS OF MAJOR PROGRAMS, 2021-2023**

Program	2021		2022	2023
	Target	Actual	Target	Target
<b>Productivity in the Agriculture Sector</b>				
<b>Technical and Support Services Program</b>				
Outcome Indicators				
1. Percentage of beneficiaries rating and technical support services to be at least satisfactory	80%	100%	80%	80%
2. Percentage of deliveries of production support services validated by LGUs to have been delivered at the appropriate time	100%	100%	100%	100%
3. Percentage share of small farmers adopting new technologies to total number of small farmers trained with new technologies increased (to be reported every three (3) years starting 2019)			60%	
Output Indicators				
1. Number of Provinces and Chartered Cities provided with production support services and support to construct market-related infrastructure	82	62	82	83
2. Number of group beneficiaries provided with market development services	1,943	6,525	2,971	3,407
3. Number of extension workers trained to support the capacity of LGUs and farmers, fisherfolk, and other beneficiaries provided with training support services				
a. LGU extension workers trained	5,951	9,512	21,769	13,098
b. Farmers, fisherfolk and other participants	55,408	121,275	54,530	88,481
<b>Agricultural Machinery, Equipment, Facilities and Infrastructures Program</b>				
Outcome Indicators				
1. Percentage of beneficiaries rating the provision of agricultural machinery, equipment, facilities, and installation of small-scale irrigation projects to be at least satisfactory	80%	100%	80%	80%
Output Indicators				
1. Number of Provinces and Chartered Cities provided with agricultural machineries, equipment, facilities, and small-scale irrigation projects	80	36	83	86
2. Number of hectares of service area generated from the establishment and installation of small-scale irrigation projects (SSIPs)	5,384.0	3,521.8	6,450.5	6,548.1
3. Number of kilometers of Farm-to-market Roads (FMRs validated for construction/rehabilitation)	829.9	946.7	415	1,095.7
4. Percentage of DPWH-constructed FMRs monitored	100%	100%	100%	100%
<b>Agriculture and Fishery Policy Program (in million pesos)</b>		68.307	88,665.0	76.9
Outcome Indicators				
1. Number of policies issued and disseminated	1	1	1	
Output Indicator				
1. Number of policies supported and endorsed for approval	70	94	84	
<b>Agriculture and Fishery Regulatory Support Program</b>				
Outcome Indicators				
1. Number of provinces with control of incidence of major pests and diseases maintained at zero incidence				
a. Foot and Mouth Disease	81	81	81	81
b. Avian Influenza	81	81	81	81
Output Indicator				
1. Percentage of applications for quarantine and sanitary and phytosanitary (SPS) clearance processed within one (1) year	100%	98%	100%	100%
2. Number of agri-fishery standards developed	20	28	20	20
3. Percentage of new agriculture facilities and products that have been inspected at least once a year	100%	100%	100%	100%
<b>Locally-Funded and Foreign-Assisted Program</b>				
Outcome Indicator				
1. Number of agriculture and fishery-based enterprises assisted	15	7	65	65
Output Indicator				
1. Percentage of amount of approved FMR sub-projects to the total amount of FMR allocation	100%	100%	100%	100%

Source: NEP 2023

## VII. COA FINDINGS AND RECOMMENDATIONS

- 7.1 The Commission on Audit (COA) conducts an annual audit of government agencies and summarizes its findings in an Annual Audit Report (AAR). The AAR contains observations and recommendations that deal with the reality and accuracy of financial reports, as well as the adequacy of the books of accounts.

One highlight of the COA AAR is the update on the implementation of prior year's observations and recommendations. In the 2021 AAR, the OSEC has still 93 recommendations left unimplemented or 82.3% out of 113 recommendations from prior years. On the other hand, the NFRDI has only 3 unimplemented recommendations of which were reiterated with modifications.

**TABLE 13**  
**STATUS OF IMPLEMENTATION OF COA RECOMMENDATIONS**  
**(AS OF DECEMBER 2021)**

Particulars	Total	Implemented		Not Implemented	
		Number	(%)	Number	(%)
OSEC	113	20	17.7	93	82.3
ACPC	62	33	53.2	29	46.8
BFAR	62	33	53.2	29	46.8
FPA	15	7	46.7	8	53.3
NFRDI	16	13	81.3	3	18.8
NMIS	27	19	70.4	8	29.6
PCAF	21	7	33.3	14	66.7
PhilFIDA	40	11	27.5	29	72.5

Source: 2021 Annual Audit Reports (Part 3).

Below are some of the major findings in the 2020 AAR:

### OSEC

- ❑ Overall, the agency's fund utilization/obligation of P46.9 billion is 95.1% of allotment of P49.1 billion with an obligated amount of P2.2 billion due to the delays in the procurement process and discontinuance of project implementation brought by the COVID-19 pandemic. Also, of the total cash allocation of P50.1 billion received during the year, 94.4% or P47.3 billion was disbursed and the balance of P2.8 billion or 5.6% was reverted to the Bureau of Treasury. Moreover, for the Provision of Agricultural Equipment Facilities (FAEP) under the National Rice Program, the amount of P868.0 million or 93.5% out of the P928.5 million was utilized. However, non-utilization of funds was observed in Central Office due to delayed submission of project proposals.
- ❑ Collections of fees, revenues, and other receipts of four DA offices amounting to P21.0 million were not deposited to the account of the National Treasury.

- ❑ Cash advances for payroll, operating expenses, official local and foreign travels and special purpose/time-bound undertakings amounting to P369.0 million or 25.5% of the cash advances granted amounting to P1.5 billion were not liquidated. Also, there were still unliquidated cash advances in prior years amounting to P138.4 million or 15.7% of the prior year's balance of P880.0 million.
- ❑ Fund transfers to national government agencies (NGA), LGUs, and government owned and controlled corporations (GOCCs) and non-government organizations/peoples organizations (NGOs/POs) for the implementation of projects amounted to P267.8 billion, of which P38.2 billion were not liquidated due to failure of the agency to require submission financial and status reports, and supporting documents and laxity in monitoring funds transferred, among others.
- ❑ Fund transfers to PS-DBM for office supplies and equipment requirement amounting to P21.5 million, of which P13.8 million were not liquidated. There were still unliquidated fund transfers in prior years amounting to P53.8 million of the prior year's balance of P190.7 million.
- ❑ Twenty-four ODA Funded I-Build and I-Reap completed subprojects implemented by 12 proponent LGUs costing P86.4 million and P51.0 million were not yet operational or not properly maintained due to various deficiencies such as non-commencement/completion of counterpart projects, technical/construction issues, lack of funds to operate and threat/infection of African Swine Flu (ASF), among others. Moreover, 42 subprojects amounting to P1.1 billion are already beyond the target date of completion ranging from 1 to 52 months, thereby delaying the delivery of benefits to the intended recipients/beneficiaries.
- ❑ The master list submitted to Development Bank of the Philippines for payment of fertilizer reimbursement to farmer beneficiaries showed 34,324 unqualified beneficiaries and 26,275 qualified beneficiaries but with incorrect computation on the unit price and number of urea bags used, resulting in over remittance of P77.0 million and P35.8 million respectively, or the aggregate amount of P112.8 million. Of the total amount of over remittance, P99.1 million had been claimed by 51,110 farmer beneficiaries.

### **ACPC**

- ❑ The ACPC allocated P132.5 million only or 4.7% of its appropriations of P2.84 billion which was not in accordance with the 5% mandatory rate for Gender and Development activities.

### **BFAR**

- ❑ Of the allotment of P2.6 billion for Fisheries Development Program, the amount of P2.4 billion or 91.6% was utilized and P1.6 billion or 67% was disbursed, leaving a balance of P218.5 million.

- ❑ Of the total cash allocation of P5.3 billion received during the year, 97.8% of P5.2 billion was utilized/disbursed with unutilized cash of P118.6 million, of which, P13.2 billion were reverted to the Bureau of Treasury (BTr).
- ❑ Dormant cash, unnecessary special and trust funds amounting to P12.3 million were not reverted/deposited to the National Treasury.
- ❑ Cash advances for payroll, operating expenses, official local and foreign travels and special purpose/time-bound undertakings amounting to P32.9 million were not liquidated.
- ❑ Fund transfers to Implementing Agencies amounting to 1.8 billion for the implementation of projects were not liquidated.
- ❑ Fund transfers to non-government organizations/civil society organizations amounting to P25.8 million for the implementation of projects were not liquidated within the prescribed period.

#### **FPA**

- ❑ Fund transfer to the National Government Agencies for the implementation of agency's projects amounting to P59.0 million or 100% were not liquidated. Also there were still unliquidated fund transfers in prior years amounting to P3 million or 66.7% of the prior year's balance of P4.5 million.

#### **NFRDI**

- ❑ Fund transfers to implementing agencies and NGOs/POs during the year for the implementation of agency's projects amounting to P76.6 million, or 55.8% of the funds transferred were not liquidated. There were still unliquidated fund transfers in prior years amounting to P3.0 million or 30.3% of prior year's balance of P10.0 million.

#### **NMIS**

- ❑ Overall, the agency's fund utilization/obligation of P638.0 million or 84.9% compared to its allotment of P751.6 million, of which P274.1 million or 36.5% is for one of the major programs. The Local Meat Establishment Assistance Program registered a utilization rate of 72.2%. Unutilized fund of P113.6 million was due to: a) various savings from personnel services generated by the retirement of 21 NMIS employees, unused allotment for travelling expenses, training and supplies, and discontinued monitoring and evaluation activities; b) failed bidding for the construction of Marawi City Slaughterhouse under the Marawi Rehabilitation Program; and c) the Tanauan,



Batangas, Meat Cutting Facility under the Bayanihan to Recover as One Act (Bayanihan II) Program.

- ❑ Of the total cash allocation of P782.8 million received during the year, 69% or P540.2 million was utilized/disbursed with the balance of P242.6 million reverted to the National Treasury due to: a) Failed bidding for the construction of Marawi City Slaughterhouse and Tanauan, Batangas, Meat Cutting Plants in San Jose Batangas, Pampanga, and Davao City; and b) for the payment of the fabricated rendering trucks to be delivered in June 2021. Also, disbursement amounting to P7.5 million for the construction of Meat Cutting Plants in San Jose Batangas under Local Meat Establishment Assistance Program were irregular per COA Circular 2007-001.

#### **PCAF**

- ❑ Funds transfers to implementing agencies and NGOs/POs during the year for the implementation of the agency's projects amounting to P28.5 million or 100% were not fully liquidated. Likewise, there were still unliquidated fund transfers in prior years amounting to P1.48 billion or 98.9% of prior year's balance amounting to P1.49 billion.
- ❑ Fund transfers to Procurement Service -Department of Budget and Management (PS-DBM) during the year for the procurement of common office supplies, equipment and airline tickets amounting to P9.0 million or 100% of the fund transferred were not liquidated. Also there were still unliquidated fund transfers in prior years of P20.3 million or 96.2% of prior year's balance of P21.1 million.
- ❑ Dormant unliquidated cash advances and fund transfers amounting to P1.14 billion were not requested for write-off.

#### **PhilFIDA**

- ❑ Fund transfers to NGAs during the year for the implementation of agency's project amounting to P1.5 million or 100% of the fund transferred were not liquidated. Also 100% of prior years' balance of fund transfers amounting to P8.7 million were not liquidated.
- ❑ Fund transfers to PS-DBM for office supplies and equipment requirement amounting to P6.7 million or 84% of the funds transferred were not liquidated. Also, there were still unliquidated fund transfers in prior years amounting to P6.0 million or 100% of prior years' balance.

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**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2021-2023**  
**(AMOUNTS IN MILLION PESOS)**

Particulars	2021					2022					2023				
	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL
OSEC	4,405.3	37,002.9	7,684.3	0.0	<b>49,092.5</b>	4,239.2	32,903.1	23,886.2	-	<b>61,028.4</b>	4,420.3	54,767.9	31,015.7	-	<b>90,203.9</b>
ACPC	44.9	37.7	2,716.1	0.0	<b>2,798.7</b>	44.7	39.4	2,519.7	0.0	<b>2,603.7</b>	47.1	40.1	2,750.0	0.0	<b>2,837.2</b>
BFAR	974.7	3,490.4	993.5	-	<b>5,458.6</b>	901.4	3,214.7	585.8	0.0	<b>4,701.9</b>	965.3	4,598.3	782.7	-	<b>6,346.3</b>
FPA	109.5	51.3	0.2	-	<b>161.0</b>	97.0	55.9	3.3	-	<b>156.2</b>	109.1	60.4	89.8	-	<b>259.2</b>
NFRDI	63.7	248.0	0.4	-	<b>312.1</b>	70.1	254.0	25.8	-	<b>349.9</b>	85.4	263.3	32.1	-	<b>380.8</b>
NMIS	256.4	299.2	0.1	-	<b>555.7</b>	227.8	225.6	-	-	<b>453.4</b>	245.8	254.3	52.6	-	<b>552.7</b>
PhilMech	141.4	333.3	4,689.0	0.0	<b>5,163.7</b>	137.3	218.6	37.5	0.0	<b>393.4</b>	150.0	217.4	10.0	-	<b>377.4</b>
PCC	151.7	380.3	84.4	0.0	<b>616.4</b>	137.8	378.9	230.0	0.1	<b>746.8</b>	136.1	418.2	12.0	-	<b>566.3</b>
PCAF	65.1	129.0	20.3	0.0	<b>214.3</b>	62.6	140.9	4.8	0.0	<b>208.3</b>	56.1	162.3	1.0	-	<b>219.4</b>
PhilFIDA	227.7	210.8	23.3	0.1	<b>461.8</b>	198.8	128.3	43.0	0.1	<b>370.2</b>	205.2	206.9	-	-	<b>412.1</b>
<b>Total</b>	<b>6,440.5</b>	<b>42,182.8</b>	<b>16,211.5</b>	<b>0.1</b>	<b>64,834.9</b>	<b>6,116.7</b>	<b>37,559.4</b>	<b>27,336.0</b>	<b>0.2</b>	<b>71,012.3</b>	<b>6,420.4</b>	<b>60,989.2</b>	<b>34,745.7</b>	<b>0.0</b>	<b>102,155.3</b>

Source: BESF 2023