

RICE SUPPLIERS ACCREDITATION POLICY

I. RATIONALE

Masaganang Sakahan, Inc. (MSI) continuously provides marketing assistance to bank-assisted cooperatives (BACs), primarily, and other non-bank assisted cooperatives (Non-BACs) as well who are engaged in palay and rice production. To sustain the role of MSI, there is a need to strengthen the process of establishing market linkage between MSI's institutional and private buyers and cooperative suppliers. The aim of this is to ensure that the needs of cooperatives and the market are properly addressed.

Thus, to maintain continuous and adequate supply of rice that meets the market requirements, MSI enhanced the process of accrediting its suppliers. This is expected to contribute to the financial growth of the BACs and non-BACs.

II. OBJECTIVES

1. To enhance marketing assistance to Bank Assisted Cooperatives (BACs), Non-Bank Assisted Cooperatives (Non-BACs), Private millers and Private traders engaged in palay and rice production, milling and trading business;
2. To maintain viable and sustainable growth for the company;
3. To increase MSI's market share and convert local purchases by LANDBANK/Field Units to MSI-served areas; and
4. To promote transparency in the conduct of rice trading operations.

III. STATEMENT OF POLICY

1. **Pursuant to MSI's mandate, the order of priority in the conduct of rice procurement shall be based on the following:**

- | | |
|--------|---|
| First | - MSI Agri. Dev't. Center (MSI-ADC) |
| Second | - Bank Assisted Cooperatives (BACs) |
| Third | - Non-Bank Assisted Cooperatives (Non-BACs) |
| Fourth | - Private Rice Millers |
| Fifth | - Private Traders |

2. Categories of Rice Suppliers

1. Bank Assisted Cooperative (BAC)

A BAC is either a primary co-op whose members are individual persons or a secondary co-op (Federation) whose members are primary co-ops and has a palay production loan with LANDBANK. The BAC has a permit and/or license to operate and engage in rice milling, warehousing and rice trading.

2. Non- Bank Assisted Cooperative (Non-BAC)

A non-BAC is a cooperative not financed by LANDBANK but is engaged in palay production, rice milling or trading business.

3. Private Rice Miller

A supplier who is engaged in rice milling, warehousing, and/or rice trading business and managed by a sole proprietor, partnership and/or corporation.

4. Private Trader

A supplier who is engaged in rice trading and managed by a sole proprietor, partnership and/or corporation.

3. Accreditation Criteria

1. For BAC

Endorsement and/or recommendation letter from LBP together with the appropriate business permits and licenses (NFA, DTI, & Mayor's Permit) as attachments.

2. For Non-BACs, Private Rice Miller & Private Trader

Endorsement and/or recommendation letter from LBP together with the appropriate business permits and licenses (NFA, DTI/SEC, Mayor's Permit, CDA Registration for BACs) as attachments.

4. Accreditation Process

1. Documentation

For BACs, Non BACs, Private Rice Miller & Trader, validation of the information sheet (**Annex A**) and documentary requirements for accreditation shall be conducted by the Institutional Sales Assistant.

2. Validation and Background/Credit Investigation

For BACs, Non-BACs, Private Rice Miller & Trader endorsed by LBP will no longer be subjected to BI/CI.

3. Approval/Issuance of Certificate of Accreditation

Approval/Grant of supplier's accreditation to any rice supplier shall be evidenced by a Certificate of Accreditation (**Annex B**) signed by the President & CEO, which shall be prepared and sent by the *Institutional Sales Assistant* within one-(1) to two-(2) days. Of special note, the endorsement and/or recommendation letter from LandBank duly received and validated shall warrant the approval/issuance of certificate of accreditation to any rice supplier, in view of having passed LandBanks requirements for loan availment.

4. Monitoring

Performance of rice suppliers shall be closely monitored by the Institutional Sales Assistant. Penalties and sanctions shall be based on the terms and conditions stipulated in the MSI's and clients' purchase order.

5. Validity Period/Accreditation Renewal/Termination

Supplier's accreditation shall be valid for five (5) years. However, the Institutional Sales Assistant shall make annual update of the supplier's business licenses and shall recommend the renewal/termination of the accredited supplier to the Rice Sourcing Committee (RSC).

Basis for termination of accreditation of rice suppliers

5.1 Failure or non compliance of any of the terms and conditions of MSI's purchase order, e.g. non-conformity to rice quality, packaging, and delivery date.

5.2 Pirating of MSI's clients.

6. Detailed Procedural Flow

Activity	Responsible Personnel
1. Request for endorsements of rice suppliers (co-ops/SMEs) from LandBank.	Business Manager
2. Submit documentary requirements for accreditation to MSI.	LBP Endorsed Rice Supplier (Co-op/SME)
3. Evaluate rice supplier's application for accreditation for endorsement to the Rice Sourcing Committee.	Institutional Sales Assistant
4. Approval/Issuance of Certificate of Accreditation.	President/CEO
5. Performance monitoring of Rice Suppliers.	Institutional Sales Assistant
6. Recommends the renewal/termination of the accredited supplier to the Rice Sourcing Committee.	Institutional Sales Assistant
7. Update list of accredited suppliers every other month or at the end of each allocation period. Please see attached Monitoring Accreditation sheet (Annex C).	Institutional Sales Assistant
8. Update annually Accredited Suppliers file i.e. business licenses.	Institutional Sales Assistant

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7. Timeline

Activity	Timeline
1. Issuance of Certificate of Accreditation after the Supplier's Evaluation Sheet has been approved and/or requirements specified in the Manual were met.	- W/in forty eight (48) hours
2. Updating of the List of Accredited Suppliers and Supplier's file	- Throughout the year

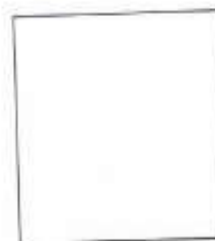
8. DETAILED PROCEDURES IN MONITORING OF SUPPLIERS DOCUMENTS

ACTIVITY	PERSONNEL RESPONSIBLE
1. Review every 1 st month of the year the accreditation folders of active rice suppliers.	Institutional Sales Assistant
2. List active rice suppliers and documents that needs to be updated.	Institutional Sales Assistant
3. Follow-up on a monthly basis from active rice suppliers document/s that needs to be updated.	Institutional Sales Assistant
4. Records all follow ups made in the Monitoring Accreditation Sheet.	Institutional Sales Assistant
5. Submit quarterly report to the Business Manager on follow-ups made.	Institutional Sales Assistant

ANNEXES

ANNEX A

MASAGANANG SAKAHAN, INC.
(A LANDBANK Subsidiary)
12TH Floor Sycip Law Center Bldg.,
105 Paseo de Roxas Street,
Legaspi Village, Makati City
Tel Nos. 893-92-08 & 893-93-69
Telefax No. 819-59-95/893-76-98



SUPPLIER'S INFORMATION SHEET

1. Name of Enterprise : _____
BAC Chairman/Proprietor : _____

2. Address : _____
: _____

2.1 Tel. No. : _____

2.2 Cellphone No. : _____

2.3 Fax No. : _____

2.4 Email Address : _____

3. Authorized Representative

3.1 Name : _____

3.2 Position : _____

3.3 Cellphone No. : _____

3.4 Email Address : _____

4. Type of Enterprise (Please Check)

_____ Sole Proprietor

_____ Federation

_____ Partnership

_____ No. of Co-op Members

_____ Corporation

_____ No. of Farmer Beneficiaries

_____ Bank Assisted Cooperative

_____ No. of Farmer Beneficiaries

5. Business Licenses

	Number	Date Issued	Expiration Date
5.1 NFA License	_____	_____	_____
5.2 CDA Registration	_____	_____	_____
5.2 DTI Registration	_____	_____	_____
5.3 SEC Registration	_____	_____	_____
5.4 Municipal/Business Permit	_____	_____	_____

6. Line of Business (Please Check)

☐ Rice Milling
☐ Warehousing
☐ Rice Trading
☐ Tolling Services

☐ Trucking Services
☐ Other Services (Please Specify)

7. Recommendation

Special Instructions/Recommendations

- 1.
- 2.

Prepared by:

LORETA F. SERRAN
Institutional Sales Specialist

Recommending Approval

DIONISIO M. HUERTO JR.
Business Manager

BLESILDA R. MACALALAD
Corporate Services Manager

Approved by:

ROY C. OSCILLADA
President /CEO

Please Attach the Following Documents

BAC	Non-BAC
1. 2x2 Picture of Proprietor & Authorized Representative.	1. 2x2 Picture of Proprietor & Authorized Representative.
2. Business Licenses: (DTI & Municipal)	2. Business Licenses: (DTI & Municipal)
3. NFA Licenses	3. SEC Registration/CDA Registration
4. LANDBANK Endorsement Letter	4. NFA Licenses
	5. LANDBANK Endorsement Letter

**MASAGANANG SAKAHAN, INC.**

A LandBank Subsidiary

12F Sycip Law Center

#105 Paseo de Roxas, Legaspi Village, Makati City

(NAME OF SUPPLIER)

(address of supplier)

having complied with the eligibilities and requirements of MSI
as a bonafide milled rice supplier as provided for
in MSI Accreditation System for MSI Rice Suppliers, is hereby awarded this

CERTIFICATE OF ACCREDITATION

Given this (date) at Makati City

ROY C. OSCILLADA

President & CEO

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