

Republic of the Philippines
DEPARTMENT OF AGRICULTURE
NATIONAL TOBACCO ADMINISTRATION
Scout Reyes Street, corner Panay Avenue, Quezon City
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OFFICE OF THE GOVERNING BOARD

**EIGHTY-SIXTH (86TH) SPECIAL MEETING OF THE NTA GOVERNING BOARD HELD AT THE BOARD ROOM, 2/F NTA BUILDING, SCOUT REYES STREET CORNER PANAY AVENUE, QUEZON CITY
27 JUNE 2018, 12:00 NOON**

Present:

Hon. ROBERT L. SEARES, M.D.	-	Administrator/Vice-Chairman/Presiding
Hon. PEDRO J. MENDIOLA, JR.	-	Member, Tob. Traders/Exporters Sector
Hon. WILFREDO C. MARTINEZ	-	Member, Tobacco Farmers Sector
Hon. TEOFILO R. QUINTAL	-	Member, Tobacco Farmers Sector
Hon. NESTOR C. CASELA	-	Member, Academic Community

Others Present:

Mr. ENRIQUE G. DELA CRUZ	-	Consultant, DA-High Value Crop
Dr. MIKAEL G. CRISOLOGO	-	Consultant, NTA AgriPinoy Projects
Mr. DOMINIC B. BENABESE	-	Prospective Lessee of AgriPinoy Milling Complex
ATTY. ROHBERT A. AMBROS	-	Department Manager III, Regulation Dept. and concurrent Acting Board Secretary
Ms. MA. TERESA B. LAUDENCIA-	-	Department Manager III, Finance Department
Ms. ALONA A. MANGANAAN	-	Executive Assistant IV
Mr. RAMON R. MUNCAL	-	Stenographer II
Ms. KYRA CLAMAÑA	-	Private Secretary II

HIGHLIGHTS OF THE MEETING

I. OPENING PRAYER

The opening prayer was led by Mr. Enrique G. Dela Cruz.

II. CALL TO ORDER

The meeting was called to order at 12:00 noon, with Vice-Chairman/Administrator Robert L. Seares, M.D., as the Presiding Officer.

III. DETERMINATION OF QUORUM

The Acting Board Secretary declared that there is a quorum for the meeting with the presence of majority of the Appointive Members of the NTA Governing Board. The Acting Board Secretary noted the presence of the following members of the board, to wit:

1. Adm. ROBERT L. SEARES
2. Dir. PEDRO J. MENDIOLA, JR.
3. Dir. WILFREDO C. MARTINEZ
4. Dir. TEOFILO R. QUINTAL; AND
5. Dir. NESTOR C. CASELA.

The presence of Mr. Dela Cruz of the Department of Agriculture – High Value Crops and representative of Undersecretary Evelyn G. Laviña was likewise recognized.

IV. FOR APPROVAL/CONFIRMATION/CONSIDERATION:

A. APPROVAL OF THE AGENDA OF THE 86TH SPECIAL MEETING OF THE NTA GOVERNING BOARD HELD THIS 27 JUNE 2018 AT THE BOARD ROOM, 2/F NTA BUILDING, SCOUT REYES STREET CORNER PANAY AVENUE, QUEZON CITY

Vice-Chairman/Administrator Seares presented to the Members of the Board the Agenda for the 86th Special Meeting. Upon motion of Dir. Quintal and duly seconded by Dir. Mendiola, the board unanimously adopted the following resolution, to wit:

RESOLUTION NO. 867-2018

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board approves the Agenda for the Eighty-Sixth (86th) Special Meeting of the NTA Governing Board held this 27th day of June 2018 at the Board Room, 2/F NTA Building, Scout Reyes Street corner Panay Avenue, Quezon City.

UNANIMOUSLY APPROVED.....”

B. APPROVAL AND CONFIRMATION OF THE MINUTES OF THE ONE HUNDRED AND THIRTEENTH (113TH) REGULAR MEETING OF THE NTA GOVERNING BOARD HELD ON 07 JUNE 2018 AT THE BOARD ROOM, SECOND FLOOR, NTA CENTRAL OFFICE BUILDING, SCOUT REYES STREET CORNER PANAY AVENUE, QUEZON CITY

The Presiding Officer presented the Minutes of the 113th Regular Meeting of the NTA Governing Board held on 07 June 2018 for their consideration and approval.

Dir. Mendiola requested that the resolutions in the minutes pertaining to the public bidding of NTA projects should indicate the respective amount of Approved Budget for the Contract (ABC).

Dir. Quintal requested the Acting Board Secretary to provide the members with a copy of the transcript of the 113th Regular Meeting. He said that the board have not yet deliberated upon on the projects for the purchase of 1,600 heads of piglets, hog feeds and 16,000 heads of broiler chicken. Atty. Ambros replied that the discussion on the subject projects were made during the committee meeting on June 5 and it was agreed by the board that matters discussed therein shall be incorporated in the minutes of the board meeting in order to formalize the same into resolutions. He further said that he confirmed from Dir. Salanga if the four proposed projects are deemed approved.

Atty. Ambros then requested Mr. Muncal to print out the transcript of the previous committee meeting. Mr. Muncal presented to the members of the board the partial transcript on the discussions covering the purchase

of 380 heads of hogs and 16,000 head of chicken. Atty. Ambros instructed Mr. Muncal to finish the transcript of the June 5, 2018 committee meeting to show the discussions of the board on the hog fattening project. He then requested for the deferment of the approval of the minutes until Mr. Muncal has finished the transcript of the committee meeting.

Dr. Crisolago added that the AgriPinoy Project has P6.8 Million cash on hand. He further said that during the last committee meeting, Ms. Laudencia stated that they can use their available fund for their projects and whatever difference will be provided by the Central Office coming from the corporate funds. Ms. Laudencia confirmed that there is an investment outlay in the 2018 COB for AgriPinoy Projects intended for the purchase of hogs and broiler and she said that once they will be able to sell the products, they can return the P18 Million to the central office.

Dir. Casela reiterated the previous instruction from the board for the AgriPinoy to operate at a break-even level. Dr. Crisolago reported that the NTA already posted the procurement of the 380 head of hogs for the training and 16,000 heads of broiler chicken. Dr. Crisolago also said that they are working out on the prices for the purchase of 1,600 piglets because the price of P4,300.00, per head last February, when the project was first presented to the board, has already increased to P4,500.00, the reason why he reduced the number of heads of piglets to be purchased. He further said that with the current operational sales and time constraints, the project will not be able to meet the break-even point. He said, however, that they will lessen the expenses with respect to tightening of workforce through the reduction of their working hours. He then committed to submit his study on the personnel complement of the AgriPinoy project taking into consideration the need of their services once the hog dispersal project will start. Dr. Crisolago also reported that he is currently negotiating with the Ilocos Sur Electric Cooperative (ISECO) for the reclassification of the electrical connections from industrial to commercial which may decrease the monthly billings by 50%.

Dir. Martinez noted the instruction of the board to reduce the Job Order Hirees of the AgriPinoy. He instructed Dr. Crisolago to come up with his recommendation this coming July for consideration by the board. Dr. Crisolago replied that last year's 49 JO complement was already reduced to 26 this year, but manifested that he will follow the resolution of the board for further reduction. Dir. Casela inquired from the Acting Board Secretary if Management has the prerogative to terminate the services of JOs. Atty. Ambros replied in the affirmative considering that their employment period is pre-determined in the contract and they have no recourse against the NTA if they will not be renewed. Dir. Casela then instructed Dr. Crisolago to submit to the board the revised listing of JOs on July 11 or 12 for consideration of the board.

Atty. Ambros raised his concern with respect to the JOs who are currently being trained for hog butchering because the government will no longer allow them to be hired after December 2018. Ms. Laudencia suggested to use another term for them instead of calling them as JOs or unless their contract has a locked-in period like the scholars who are required to render at least 2-year obligatory service.

Dr. Crisolago also reported that he already suggested to Ms. Nora Corre to explore opportunities for the sale of carcasses with lesser net income

as compared to processed meat which has higher profitability. He also suggested to Ms. Corre to form a marketing committee to find wholesale markets for the meat products. Dir. Casela then instructed Dir. Crisologo to further improve their marketing channels.

Dr. Crisologo suggested to the board to push through with the hog dispersal so that after 4-5 months the project can already start slaughtering 80 heads per week for meat processing, with sale of live hogs as a secondary option. For the hog dispersal, he explained that the supplier will not be paid immediately because the deliveries shall be for a period of four months. Dir. Casela recognized the strategy of Dr. Crisologo to sell carcass for faster marketing instead of processing the meat but without assured market.

Ms. Laudencia suggested that the arrangement for the P18 Million fund shall be returned after collection and the central office will monitor based on the list of farmers who availed the assistance. However, Dir. Casela noted that the AgriPinoy cannot return immediately the P18 Million as they will still need the fund for the next cycles. Ms. Laudencia then requested Dr. Crisologo to prepare cash flow showing the schedule of dispersal and when the production assistance will be fully collected. She further required a monthly cash flow report from July to December 2018 showing the uses of funds and monthly cash balances.

On the inquiry of Dir. Casela on the plan for the broiler project, Dr. Crisologo said that it will be sold on a wholesale basis at 4,000 heads per week. However, Dr. Crisologo raised his concern on the stoppage of the program after the P2.6 Million has been returned to the central office. Dir. Casela clarified that the project should be able to show good performance before the board will allow the fund to be utilized again. Ms. Laudencia stated that the fund is excessive. Dir. Casela suggested that for bidding purposes, the approved budget shall be P2.3 Million with the condition in the terms of reference that the delivery shall be on a weekly basis.

Dir. Mendiola noted the projected income of P20.00/head, however, he asked about the expenses for electricity and labor. Dr. Crisologo responded that the expenses for electricity was already considered and if labor will be added, the project will still have a net income of P15.00/head. He also reported that there is a huge demand of dressed chicken for the Province of Abra. He then committed to revise the business plan for the broiler project.

Mr. Dela Cruz added that since there is opportunity of expanding the market, he suggested to Dr. Crisologo to build on the recovery of the fund through fine tuning the data on the supply and demand market to be able to increase the project's efficiency.

(deferred)

C. ADOPTION OF REVISED GUIDELINES FOR THE GRANT OF PERFORMANCE BASED-BONUS (PBB) STARTING CY 2018

(deferred)

D. APPROVAL OF THE SCHOLARSHIP GUIDELINES FOR ACADEMIC YEAR 2018-2019

Dir. Casela moved for the approval of the matter. Dir. Quintal seconded the motion. The board then adopted the following resolution, to wit:

RESOLUTION NO. 868-2018

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board approves the Guidelines for the NTA Scholarship Program for Academic Year 2018-2019.

UNANIMOUSLY APPROVED.....”

IV. OTHER MATTERS

A. LETTER INTENT OF MR. DOMINIC BENABESE TO LEASE THE AGRIPINOY MILLING COMPLEX WAREHOUSE

Administrator Seares informed the members of the board on the letter-intent of Mr. Benabese to lease the AgriPinoy Milling Complex warehouse. Mr. Benabese proposed to lease the whole of the warehouse at P30,000.00 per month, with provision of one (1) security guard at his own cost. However, he requested the NTA to request for the reclassification of the electric connection from industrial to commercial to reduce the cost. Dir. Casela counter-proposed for the prospective lessee to provide 2 security guards and cost of insurance, plus water and electric bills, of which Mr. Benabese committed to relay to his principal.

Dir. Casela inquired from Atty. Ambros if the intended lease will still be subject for public bidding. Atty. Ambros replied that bidding is no longer required under the new Implementing Guidelines. He said that the only requirement is sealed price quotation. However, he said that there should first be a market analysis as to the prevailing rental rate of similar structures within the locality.

The board then agreed to defer the request of Mr. Benabese subject to the submission of market analysis by Dr. Crisologo.

(deferred)

B. PROGRAM PROPOSAL ON “SPECIAL TOBACCO PRODUCTION PROJECT IN SOUTHERN MINDANAO”

Dir. Martinez reported on the objective of the proposal, which is to train the farmers to produce tobacco which will be sold to an Indonesian company. He said that the representatives of the company will visit the NTA on July 11.

Dir. Casela suggested that there is a need to execute a Memorandum of Agreement with the buyer and other government agencies concerned to establish the responsibilities of the parties. He said that the NTA will

shoulder the expenses for the establishment of two (2) separate demo-farms consisting of one (1) hectares each


Dir. Martinez said that the participation of the Indonesian company shall be the construction of curing barns. Ms. Laudencia estimated the budget requirements at P2.4 Million which may be charged to the production assistance fund for COB 2018. However, Ms. Laudencia clarified that the funds shall be recoverable. Atty. Ambros suggested to treat the proposal as an experimental project so that it will not be recoverable. Dir. Casela made his reservation if it will be treated as an experimental project because the area is 40 hectares. The board then agreed to defer the matter for discussion in the next committee meeting.

(deferred)

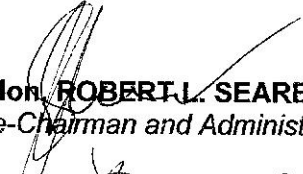
VI. ADJOURNMENT

On motion of Dir. Mendiola, duly seconded by Dir. Quintal, the meeting was officially adjourned at 4:05 P.M.

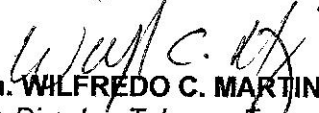
PREPARED AND CERTIFIED CORRECT:


ATTY. ROBERTO A. AMBROS
Acting Board Secretary

ATTESTED:


Hon. ROBERT L. SEARES
Vice-Chairman and Administrator


Hon. PEDRO J. MENDIOLA, JR.
Appointive Director, Tobacco Traders/Exporters Sector


Hon. WILFREDO C. MARTINEZ
Appointive Director, Tobacco Farmers Sector


Hon. TEOFILOR R. QUINTAL
Appointive Director, Tobacco Farmers Sector


Hon. NESTOR C. CASELA
Appointive Director, Academic Community