



09 September 2019

**MR. WILLIAM D. DAR, Ph.D.**  
 Chairperson and DA Secretary

**MR. ROBERT L. SEARES, M.D.**  
 Administrator

**NATIONAL TOBACCO ADMINISTRATION (NTA)**  
 Scout Reyes St. cor. Panay Ave.,  
 Quezon City

**RE : REVALIDATION OF THE RESULTS OF THE  
2018 CUSTOMER SATISFACTION SURVEY**

Dear Sec. Dar and Admin. Seares,

This refers to the revalidated result of strategic measure no. 3 - *Percentage of Satisfied Customers* – in NTA’s 2018 Performance Scorecard.<sup>1</sup>

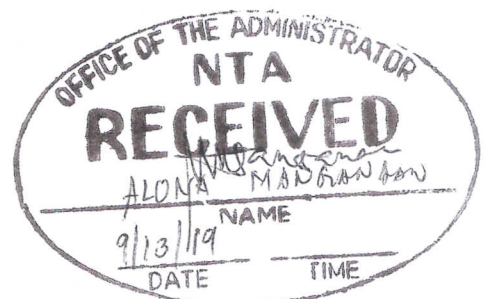
The Governance Commission has resolved to consider, for 2018, the Customer Satisfaction Survey (CSS) results of GOCCs that have deleted question/s in Part II of the questionnaire, but have otherwise complied with the prescribed standard methodology. It must be emphasized that the instant consideration shall apply only to the 2018 CSS. Subsequent conduct of CSS must strictly comply with the Standard Methodology and Questionnaire.

After review and evaluation of NTA’s submissions, the validated score for the Strategic Measure on customer satisfaction is reconsidered as follows:

No.	Measure	Weight	Rating System	Target	GCG Initial Validation		GCG Revalidation	
					Actual	Rating	Actual	Rating
SO 2 SM 3	Percentage of Satisfied Customers	6%	Actual over Target  If less than 80% = 0%	90%	0.00%	0%	97.57%	6%

Accordingly, we transmit herewith the revalidated 2018 Performance Scorecard of NTA, with an adjusted rating of **91.18%** (See **Annex A**). The same is to be posted in NTA’s website, in accordance with Section 43 of GCG Memorandum Circular No. 2012-07.

<sup>1</sup> Officially received by NTA on 23 August 2019.



**Revalidation of the Results of the 2018 Customer Satisfaction Survey**

In relation to the grant of 2018 PBB to eligible officers and employees, NTA can grant such incentive only upon receipt of an authorization letter from the Governance Commission. In this regard, the Board is reminded that any unilateral action to release the PBB before such authorization will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.<sup>2</sup>

**FOR YOUR INFORMATION AND GUIDANCE.**

Very truly yours,

**SAMUEL G. DAGPIN, JR.**  
*Chairman*

  
**MICHAEL P. CLORIBEL**  
*Commissioner*

  
**MARITES C. DORAL**  
*Commissioner*

---

<sup>2</sup> GOCC Governance Act of 2011.

**NATIONAL TOBACCO ADMINISTRATION (NTA)  
Revalidated 2018 Performance Scorecard**

Component	Target		GOCC Submission		GCG Validation		Supporting Documents	Remarks																
	Objective/Measure	Formula	Wt.	2018	Actual	Rating			Score	Rating														
<b>SO 1</b>	<b>Sustained Viable Tobacco Industry</b>																							
SM 1	Yield per hectare (kg/ha)	Total Production / Total Area	10%	2,400	2,554	10%	2,404.85	10%	<ul style="list-style-type: none"> <li>Summary on Yield and Yield Components of Different Tobacco Types for Crop Year 2017-2018</li> <li>Yield and Yield Components Schedule of Different Tobacco Types for Crop Year 2017-2018 per Branch</li> </ul> <table border="1"> <thead> <tr> <th>Tobacco Type</th> <th>Prod'n (kg)</th> <th>Area (ha)</th> </tr> </thead> <tbody> <tr> <td>Virginia</td> <td>4,244,469.98</td> <td>1,827.35</td> </tr> <tr> <td>Burley</td> <td>3,083,266.69</td> <td>1,198.22</td> </tr> <tr> <td>Native</td> <td>1,991,436.74</td> <td>849.58</td> </tr> <tr> <td><b>Total</b></td> <td><b>9,319,173.41</b></td> <td><b>3,875.15</b></td> </tr> </tbody> </table>	Tobacco Type	Prod'n (kg)	Area (ha)	Virginia	4,244,469.98	1,827.35	Burley	3,083,266.69	1,198.22	Native	1,991,436.74	849.58	<b>Total</b>	<b>9,319,173.41</b>	<b>3,875.15</b>
Tobacco Type	Prod'n (kg)	Area (ha)																						
Virginia	4,244,469.98	1,827.35																						
Burley	3,083,266.69	1,198.22																						
Native	1,991,436.74	849.58																						
<b>Total</b>	<b>9,319,173.41</b>	<b>3,875.15</b>																						
SM 2	Ratio of farmers' income from other crops and livelihood activities vis-à-vis income from tobacco production	Income from other sources: Income from tobacco	6%	54:46	47:53	4.53%	23:77	-	<ul style="list-style-type: none"> <li>Summary on the Net Income of Farmers from Tobacco and Other Crops / Livestock</li> <li>Schedule on the Net Income of Farmers from Tobacco and Other Crops / Livestock Income per Branch</li> </ul> <p><i>Excluded Measure.</i> Typhoon Ompong has extensively damaged the rice crops; which significantly affected the farmer's income from other crops. The income from rice was recorded at ₱12.613 Million, as compared to prior year's income of ₱88.342 Million. Considering the adverse effect of Typhoon Ompong which is beyond NTA's control, this measure merits an exclusion from the computation of the overall rating.</p>															
<b>Subtotal</b>			<b>16%</b>			<b>14.53%</b>		<b>10%</b>																

STAKEHOLDERS

Component		Target		GOCC Submission		GCG Validation		Supporting Documents	Remarks																								
Objective/Measure	Formula	Wt.	2018	Actual	Rating	Score	Rating																										
<b>SO 2</b>	<b>Improved Quality of Life of Tobacco Farmers</b>																																
SM 3	Percentage of Satisfied Customers	Number of respondents which gave at least a Satisfactory rating / Total number of respondents	6%	90%	Data Collection Proper	0%	97.57%	6%	<ul style="list-style-type: none"> <li>2018 Customer Satisfaction Survey Final Report</li> <li>Data Collection Quality Control Report</li> <li>Accomplished Survey Questionnaires</li> </ul> <table border="1"> <thead> <tr> <th colspan="3">Revalidated score.</th> </tr> <tr> <th>Rating</th> <th>No. of Respondents</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>5 - VS</td> <td>415</td> <td>77.72%</td> </tr> <tr> <td>4 - S</td> <td>106</td> <td>19.85%</td> </tr> <tr> <td>3 - N</td> <td>12</td> <td>2.25%</td> </tr> <tr> <td>2 - D</td> <td>0</td> <td>0%</td> </tr> <tr> <td>1 - VD</td> <td>1</td> <td>0.19%</td> </tr> <tr> <td><b>Total</b></td> <td>534</td> <td>100%</td> </tr> </tbody> </table>	Revalidated score.			Rating	No. of Respondents	%	5 - VS	415	77.72%	4 - S	106	19.85%	3 - N	12	2.25%	2 - D	0	0%	1 - VD	1	0.19%	<b>Total</b>	534	100%
Revalidated score.																																	
Rating	No. of Respondents	%																															
5 - VS	415	77.72%																															
4 - S	106	19.85%																															
3 - N	12	2.25%																															
2 - D	0	0%																															
1 - VD	1	0.19%																															
<b>Total</b>	534	100%																															
SM 4	Farmers' Net Income per hectare	Gross Sales (tobacco) less Cost of Production (Per Branch/Area)	6%	₱72,000	₱88,701	6%	₱85,414	6%	<ul style="list-style-type: none"> <li>Schedule of Net Income per NTA Branch</li> </ul> <table border="1"> <tbody> <tr> <td>Gross Sale</td> <td>744,778,865.60</td> </tr> <tr> <td>Cost of Production</td> <td>413,786,313.12</td> </tr> <tr> <td>Net Income</td> <td>330,992,552.48</td> </tr> <tr> <td>Area</td> <td>3,875.15</td> </tr> </tbody> </table>	Gross Sale	744,778,865.60	Cost of Production	413,786,313.12	Net Income	330,992,552.48	Area	3,875.15																
Gross Sale	744,778,865.60																																
Cost of Production	413,786,313.12																																
Net Income	330,992,552.48																																
Area	3,875.15																																
<b>SO 3</b>	<b>Assured Production of Quality Locally-Produced Tobacco as Desired by Various Markets</b>																																
SM 5	Percentage increase in high grades of tobacco (Grades AA to C/high to medium 2)	% in High Grades (current yr. less previous yr. over previous yr.) x 100	6%	2.5%	2.50%	6%	2.39% decrease (72.33%)	0%	<ul style="list-style-type: none"> <li>Summary of Grade Distribution of Tobacco Types</li> <li>Grade Distribution of Tobacco Types per Regional Office</li> </ul> <table border="1"> <thead> <tr> <th>Tobacco Type</th> <th>HG</th> <th>Traded Stock</th> </tr> </thead> <tbody> <tr> <td>Virginia</td> <td>2,739,957.87</td> <td>4,244,469.98</td> </tr> <tr> <td>Burley</td> <td>2,541,223.61</td> <td>3,083,266.69</td> </tr> <tr> <td>Native</td> <td>1,458,918.00</td> <td>1,991,436.74</td> </tr> <tr> <td><b>Total</b></td> <td><b>6,740,099.48</b></td> <td><b>9,319,173.41</b></td> </tr> </tbody> </table> <p>The percentage share of high grade tobacco in 2017 is 74.10%. NTA is again advised to use absolute values instead of percentages in the formula.</p>	Tobacco Type	HG	Traded Stock	Virginia	2,739,957.87	4,244,469.98	Burley	2,541,223.61	3,083,266.69	Native	1,458,918.00	1,991,436.74	<b>Total</b>	<b>6,740,099.48</b>	<b>9,319,173.41</b>									
Tobacco Type	HG	Traded Stock																															
Virginia	2,739,957.87	4,244,469.98																															
Burley	2,541,223.61	3,083,266.69																															
Native	1,458,918.00	1,991,436.74																															
<b>Total</b>	<b>6,740,099.48</b>	<b>9,319,173.41</b>																															
<b>Sub-total</b>			<b>18%</b>			<b>12%</b>		<b>6%</b>																									

INTERNAL PROCESS

Component		Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	2018	Actual	Rating	Score	Rating		
<b>SO 4</b>	<b>Strengthen Research and Development and Technology Transfer</b>								
	Number of research results/studies:								
	(a) incorporated in the technology manual (in consultation with private sector)	Absolute Number	6%	2	2	6%	2	6%	<ul style="list-style-type: none"> <li>Tobacco Production Manual 2018-2019</li> <li>Certification dated 3 August 2017</li> </ul> <p>The projects incorporated in the manual are:                      (i) Production Technology for Burley Flavor using the Variety CC812G                      (ii) Bioefficacy of Abamec 1.8 EC Against the Major Insect Pests of Tobacco.</p>
SM 6	(b) other industrial / alternative uses of tobacco ready for commercialization (as validated by appropriate authority)	Absolute Number	8%	1	1	8%	1	8%	<ul style="list-style-type: none"> <li>Certification</li> <li>Research Study</li> </ul> <p>Research title: "Scale-Up Production and Demonstration Trials on the Use of Tobacco Leaf Extract Emulsion for Controlling Sucking Insects of Vegetables"</p>
	(c) verification of initial studies conducted (stages)	Absolute Number	0%	2	2	0%	2	0%	<ul style="list-style-type: none"> <li>Initial Studies</li> </ul> <p>The studies on their initial stages are:                      (i) Scale-Up Production and Verification Test of Tobacco Leaf Extract Formulation for Native Chicken and                      (ii) Veterinary Application of Tobacco Leaf Extract: Formulation and Laboratory Test of Tobacco Herbal Soap and Shampoo for the Control of Dog Parasites and Diseases.</p>

INTERNAL PROCESS

Component		Target		GOCC Submission		GCG Validation		Supporting Documents	Remarks																				
Objective/Measure	Formula	Wt.	2018	Actual	Rating	Score	Rating																						
<b>SO 5</b>	<b>Effective Enforcement of Regulatory Measures</b>																												
SM 7	Percentage of licensed companies fully compliant to rules and regulations:																												
	(a) local Trading	Total licensed entities minus Number of Violators over Total licensed entities	4%	100%	100%	4%	96.99%	3.88%	<ul style="list-style-type: none"> <li>Form 23 Supervision/ Monitoring of Trading Operations</li> <li>Form 23-A Supervision/ Monitoring of Field Representative/ Viajeros</li> <li>Form 22 Supervision/ Monitoring Prior to Trading</li> <li>Mediation / Arbitration</li> <li>Summary of Violations</li> <li>Summary of Approved Licenses 2018</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>Licensed</th> <th>Violations</th> <th>Violators</th> </tr> </thead> <tbody> <tr> <td>Local Trading</td> <td>365</td> <td>204</td> <td>11</td> </tr> <tr> <td>Export/ Import Trans</td> <td>70</td> <td>2</td> <td>2</td> </tr> <tr> <td>Manufacturing</td> <td>10</td> <td>0</td> <td>0</td> </tr> <tr> <td></td> <td>21</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		Licensed	Violations	Violators	Local Trading	365	204	11	Export/ Import Trans	70	2	2	Manufacturing	10	0	0		21	0	0
			Licensed	Violations	Violators																								
	Local Trading		365	204	11																								
Export/ Import Trans	70	2	2																										
Manufacturing	10	0	0																										
	21	0	0																										
(b) export / import / transshipment	4%	87%	99%	4%	97.14%	4%																							
(c) manufacturing	4%	100%	100%	4%	100%	4%																							
SM 8	Percentage of violations resolved within the day	No. of violations resolved over Total no. of violations	3%	92%	100%	3%	98.06% (202/206)	3%	<ul style="list-style-type: none"> <li>Monitoring of Trading Operations</li> <li>Inspection / Permit to Transport / Incidental Report</li> <li>Log/Record Book</li> <li>Demand Letters</li> </ul> <p>For 2018, 206 violations were committed by 13 licensed companies, comprised of 11 traders and 2 importers.</p>																				
<b>Sub-total</b>			<b>29%</b>			<b>29%</b>		<b>28.88%</b>																					

	Component			Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																		
	Objective/Measure	Formula	Wt.	2018	Actual	Rating	Score	Rating																				
LEARNING AND GROWTH	<b>SO 6</b>	<b>Develop Competent and Highly Work-Motivated Employees in a Conducive Organizational Climate</b>																										
	SM 9	Percentage of employees meeting required competencies	Total number of incumbents meeting required competencies over Total number of incumbents	4%	12%	31%	4%	31.36%	4%	<ul style="list-style-type: none"> <li>Competency Model</li> <li>Assessment Forms</li> <li>Plantilla of Personnel 2018</li> </ul> 287 employees in 2018 were evaluated against the required level of competencies and 90 of them perfectly matched the requirements or equivalent to 31.36%																		
	<b>SO 7</b>	<b>Adopt a More Efficient, Effective and Responsive Information System</b>																										
	SM 10	ISO 9001 Certification	Milestone	5%	ISO 9001:2015 Certified	ISO 9001:2015 Certified	5%	ISO 9001:2015 Certified	5%	<ul style="list-style-type: none"> <li>ISO Certificate (SGS)</li> </ul> The scope of the certificate covers Research and Development, Regulatory Services, Technology Assistance, Extension and Production Support Services of NTA																		
	<b>Sub-total</b>			<b>9%</b>			<b>9%</b>		<b>9%</b>																			
	<b>SO 8</b>	<b>Attain Financial Stability</b>																										
	SM 11	EBITDA (₱)	Net Income before subsidy + Interest + Taxes + Depreciation + Amortization	4%	-201,754, 193	182,820,977	4%	-194,130, 225	4%	<ul style="list-style-type: none"> <li>NTA's Audited Income Statement</li> <li>Notes to FS 2018</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>NI after Subsidy</td> <td>(216.153)</td> <td>(224.78)</td> </tr> <tr> <td>Interest</td> <td>0</td> <td>0</td> </tr> <tr> <td>Taxes</td> <td>0</td> <td>0</td> </tr> <tr> <td>Dep'n</td> <td>29.84</td> <td>30.65</td> </tr> <tr> <td><b>EBITDA</b></td> <td><b>(186.31)</b></td> <td><b>(194.13)</b></td> </tr> </tbody> </table>		2017	2018	NI after Subsidy	(216.153)	(224.78)	Interest	0	0	Taxes	0	0	Dep'n	29.84	30.65	<b>EBITDA</b>	<b>(186.31)</b>	<b>(194.13)</b>
		2017	2018																									
	NI after Subsidy	(216.153)	(224.78)																									
	Interest	0	0																									
Taxes	0	0																										
Dep'n	29.84	30.65																										
<b>EBITDA</b>	<b>(186.31)</b>	<b>(194.13)</b>																										
FINANCE	SM 12	Utilization rate:																										
		(a) Tobacco	Production assistance provided to farmers / Total budgeted production assistance	5%	100%	94.5%	4.73%	96.55%	4.83%	<ul style="list-style-type: none"> <li>Status Reports</li> <li>Minutes of board meetings</li> </ul> The total releases per program is as follows:																		
		(b) Rice		5%	100%	99.85%	4.99%	99.92%	4.99%																			
		(c) Renewable energy		3%	100%	40%	1.20%	57.30%	1.72%																			
		<table border="1"> <tbody> <tr> <td>Tobacco</td> <td>₱173,798,949</td> </tr> <tr> <td>Rice</td> <td>36,078,797</td> </tr> <tr> <td>Renewable Energy</td> <td>2,916,435</td> </tr> </tbody> </table>		Tobacco	₱173,798,949	Rice	36,078,797	Renewable Energy	2,916,435																			
Tobacco	₱173,798,949																											
Rice	36,078,797																											
Renewable Energy	2,916,435																											

Component	Objective/Measure		Target		GOCC Submission		GCG Validation		Supporting Documents	Remarks							
	Objective/Measure	Formula	Wt.	2018	Actual	Rating	Score	Rating									
	(d) Agripinoy		3%	100%	-	-	-	-		Excluded Measure. Release of funds was temporarily stopped to avoid continued losses in the operation of the project.							
FINANCE	SM 13	Collection efficiency:															
		(a) Tobacco	Total actual collection / Total production assistance released	3%	92%	104.83%	3%	89.09%	2.91%	<ul style="list-style-type: none"> <li>• Status Report on Production Assistance</li> <li>• Regional Reports/ Certification Collections</li> </ul>	<table border="1"> <tr> <td>Loan Releases <sup>A</sup></td> <td>124,475,426</td> </tr> <tr> <td>Collection <sup>B</sup></td> <td>110,897,399</td> </tr> <tr> <td>Collection Efficiency <sub>B/A</sub></td> <td><b>89.09%</b></td> </tr> </table>	Loan Releases <sup>A</sup>	124,475,426	Collection <sup>B</sup>	110,897,399	Collection Efficiency <sub>B/A</sub>	<b>89.09%</b>
		Loan Releases <sup>A</sup>		124,475,426													
		Collection <sup>B</sup>		110,897,399													
		Collection Efficiency <sub>B/A</sub>		<b>89.09%</b>													
(b) Rice	3%	97%	43.45%	1.34%	-	-	Excluded Measure. Per Board Resolution 840-2018 dated 11 May 2018, considering the effect of Typhoon Ompong, the outstanding loan balances of rice farmers are recommended for restructuring for a maximum of 7 years. Hence, NTA could not enforce collection during the year.										
(c) Renewable energy	1%	50%	40.23%	0.80%	85.31%	1%	<table border="1"> <tr> <td>Loan Releases <sup>A</sup></td> <td>1,948,865</td> </tr> <tr> <td>Collection <sup>B</sup></td> <td>1,662,548</td> </tr> <tr> <td>Collection Efficiency <sub>B/A</sub></td> <td><b>85.31%</b></td> </tr> </table>	Loan Releases <sup>A</sup>	1,948,865	Collection <sup>B</sup>	1,662,548	Collection Efficiency <sub>B/A</sub>	<b>85.31%</b>				
Loan Releases <sup>A</sup>	1,948,865																
Collection <sup>B</sup>	1,662,548																
Collection Efficiency <sub>B/A</sub>	<b>85.31%</b>																
(d) Agripinoy	1%	97%	-	-	-	-	Excluded Measure. No releases for the AgriPinoy loan assistance project both in 2017 and 2018. It was founded on the decision of NTA Board to temporarily stop the project until a concrete action plan is implemented addressing the recurring losses. Moreover, no subsidy was received that could fund the project.										
<b>Sub-total</b>			<b>28%</b>			<b>20.06%</b>		<b>19.45%</b>									
<b>TOTAL</b>			<b>100%</b>			<b>84.59%</b>		<b>91.18%</b> <b>(79.33)</b> <b>87.00)</b>									