

[QRCGC MEMORANDUM CIRCULAR NO. 326, September 30, 2004]

QUEDANCOR PROGRAM FOR HYBRID CORN SEED PRODUCTION

This program shall be covered by Circular No.232 on the Consolidated Implementing Guidelines for GMA-CARES and Selected Non-GMA-CARES Programs. However, the following governing policies are hereby issued exclusively for the subject program:

1. Objective

To provide affordable and accessible credit to hybrid corn seed growers/farmers and other entities.

2. Definition of Terms

2.1 Hybrid Corn Seed Production - refers to the cultivation, growing or tending of hybrid corn seeds in the open fields.

2.2 Prime Accounts - refer to accounts or borrowers, whether existing or new, with Marketing Contract/Supply and Purchase Agreement and other Joint Venture Agreement/Purchase Order/Letter of Credit, with top 1,000 local/foreign Buyers/Processors/Integrators such as SMC and RFM for local market, and with a credit evaluation rating of 90% and above.

2.3 Unsecured Portion - refers to the portion of the loan not covered by a Real Estate Mortgage (REM), Chattel Mortgage (CM), Cash Bond, Deed of Assignment of Liquid Risk-Free Assets, Deed of Assignment of Acceptable Shares of Stocks in government/private corporations/Bonds and other related investments, Deed of assignment of Receivables, Deed of Assignment of Stocks-in-Trade/Inventories/Standing Crops and related securities.

3. Loan Purpose

To finance hybrid corn seed production project by growers/farmers and other entities.

4. Lending Scheme

This program shall be implemented through the Special Window Mode (SWM) facility either under the individual or SRT scheme.

5. Eligible Clientele

Growers/farmers/other entities engaged or will engage in the production/cultivation of hybrid corn seeds.

6. Eligible Requirements

6.1 Borrowers

6.1.1 General Requirements

- a. Must be 18 to 64 years old at the time of application;
- b. Must be duly identified/endorsed by the Department of Agriculture/Concerned Agency;
- c. Must have sufficient knowledge/experience or willing to undergo training on the project;
- d. Must be willing to enter into a Marketing Agreement/Contract Growing Agreement with an established accredited market-buyer; and
- e. Must own the project site or must have a long term lease agreement with the owner of the project site.

6.1.2 Additional Requirements

a. For SRT

1. Must be a bona fide resident of the area/community for at least one (1) year, or with the same project/farm location; and
2. Must have attended the required Values Orientation Seminar with QUEDANCOR.

b. For Individual Borrowers (Entity - or Non-Entity)

SOLE Proprietorship/Partnership/Corporation

1. Must be duly accredited by QUEDANCOR;
2. Must be duly registered/licensed by appropriate government agency; and
3. Must have current officers of good moral character (for entities).

For Associations, Federations, Cooperatives, POs & NGOs

1. Must have juridical personality with authority to contract/borrow/lend money;
2. Must have current officers of good moral character;
3. Must be duly accredited by QUEDANCOR; and
4. Must be of good standing with the CDA, if cooperative.

6.2 Input Suppliers (IS/Service Providers (PS)

Must be accredited by QUEDANCOR as a supplier of related inputs/services.

7. Loan Requirements

7.1 General Requirements

7.1.1 For SRT

- a. Application for Loan;
- b. Two (2x2) latest picture of the borrower/SRT members;
- c. Certification from QUEDANCOR Field Service Division - Credit and Guarantee Department (FSD-CGD/DO-LMG) that the applicant member has attended the required values orientation training/seminar program;

- d. Memorandum of Agreement among SRT member-borrowers; and
- e. Farm Plan and Budget (FPB).

7.1.2 For Individual Borrowers (Entity or Non-Entity)

- a. Application for Loan and Accreditation;
- b. Two 2x2 latest pictures of individual applicant or of the authorized officers/representative(s);
- c. Current Mayor's Permit/Municipal License/Business permit, whichever is applicable;
- d. FPB; and
- e. Two (2) photocopies of collateral documents offered as security for the loan.

7.2 Additional Requirements

7.2.1 For Partnerships & Corporations

- a. Board resolution authorizing the corporation/partnership to apply for a loan/ accreditation under the specified program and designating its authorized representative(s) thereof, with specimen signatures, and act as beneficiary for insurance claims, if any;
- b. List of names and addresses of current key officials and members;
- c. SEC Registration;
- d. Copy of Articles of Incorporation/Partnership, By-Laws and amendments, if any; and
- e. List of stockholders/partners/members with their corresponding percentages of ownership or interest in the firm/enterprise.

7.2.2 For Associations, Federations, Cooperatives, POs & NGOs

- a. Board Resolution authorizing the organization to apply for a loan/ accreditation under the specified program and designating its authorized representative(s) thereof, with specimen signatures, and act as beneficiary for insurance claims, if any;
- b. List of names and addresses of current key officials and members;
- c. Certificate of Registration or confirmation from CDA (for cooperatives/ federations) and SEC Registration (for NGOs/associations, if applicable); and
- d. Copy of Articles of Cooperation, By-Laws and amendments, if any.

8. Collateral/Security Requirements

8.1 For SRT

- 8.1.1 Joint and Several Signatures (JSS) of members of the SRT group; and
- 8.1.2 Deed of Assignment of Receivables supported by a Marketing Contract/ Agreement, if applicable.

8.2 For Individual Borrowers (Entity and Non-Entity)

- 8.2.1 Prime Accounts with Marketing Contract/Agreement with QUEDANCOR and local/foreign Buyer/Processor/Integrator/Input Supplier