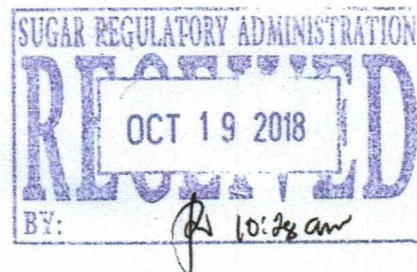




12 October 2018

MR. EMMANUEL F. PIÑOL
 DA Secretary and Chairperson
MR. HERMENEGILDO R. SERAFICA
 Administrator
SUGAR REGULATORY ADMINISTRATION (SRA)
 Sugar Center Bldg., North Ave., Diliman,
 Quezon City



**RE : VALIDATION RESULT OF THE 2017
PERFORMANCE SCORECARD OF SRA**

Dear Sec. Piñol and Admin. Serafica,

This is to formally transmit the validation result of SRA's 2017 Performance Scorecard. Based on the Governance Commission's validation of documentary submissions and conduct of on-site validation on 16 July 2018, SRA gained an over-all score of **79.58%** (See **Annex A**). The same is to be posted in SRA's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.

In relation to its application for the grant of the 2017 PBB to eligible officers and employees, the SRA fails to satisfy the requirements of GCG M.C. No. 2017-01 and the *Checklist of Documents to be submitted by GOCCs to Qualify for the FY 2017 Performance-Based Bonus (PBB)*, particularly the achievement of a weighted-average score of at least 90% in its 2017 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB 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. 10149.¹

Consequently, pursuant to GCG M.C. No. 2016-01, failure to qualify for the PBB means that the Appointive Members of the Governing Board of SRA shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,

SAMUEL C. DAGPIN, JR.
 Chairman

MICHAEL P. CLORIBEL
 Commissioner

MARITES C. DORAL
 Commissioner

cc: COA Resident Auditor - SRA

¹ GOCC Governance Act of 2011.

**SUGAR REGULATORY ADMINISTRATION (SRA)
Validated 2017 Performance Scorecard**

	Component			Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																					
	Objective/Measure	Formula	Wt.	2017	Actual	Rating	Score	Rating																							
SO 1	Empowered Sector Significantly Contributing to Food Security and Poverty Reduction																														
SOCIO-ECONOMIC IMPACT	SM 1	Productivity / Yield Per Hectare (TC/Ha – Crop Year Basis)	Yield (tons cane) per hectare	10%	58.00	66.05	10%	66.57	10%	<ul style="list-style-type: none"> Summary on Final Sugar Production/ Productivity for CY 2016-2017 <table border="1"> <thead> <tr> <th>Region</th> <th>Area Harvested</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>Luzon</td> <td>62,444</td> <td>3,027,397</td> </tr> <tr> <td>Negros</td> <td>229,275</td> <td>16,697,726</td> </tr> <tr> <td>Panay</td> <td>30,560</td> <td>2,305,722</td> </tr> <tr> <td>E. Visayas</td> <td>13,350</td> <td>700,926</td> </tr> <tr> <td>Mindanao</td> <td>85,744</td> <td>5,320,212</td> </tr> <tr> <td>TOTAL</td> <td>421,373</td> <td>28,051,983</td> </tr> </tbody> </table>	Region	Area Harvested	Volume	Luzon	62,444	3,027,397	Negros	229,275	16,697,726	Panay	30,560	2,305,722	E. Visayas	13,350	700,926	Mindanao	85,744	5,320,212	TOTAL	421,373	28,051,983
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TOTAL	421,373	28,051,983																													
SM 2	Sugar Production – Crop Year Basis (In Million Metric Tons)	Absolute Number	6%	2.250	2.501	6%	2.501 MMT	6%	<ul style="list-style-type: none"> Summary on Final Production of Raw Sugar CY 2016-17 Summary on Raw Sugar Production, by Mill District CY 2016-2017 Weekly Reports on Raw Sugar from Mill Districts <p>Sugar production of each major region is as follows (in metric tons):</p> <table border="1"> <tbody> <tr> <td>Luzon</td> <td>253,468</td> </tr> <tr> <td>Negros</td> <td>1,528,302</td> </tr> <tr> <td>Panay</td> <td>186,276</td> </tr> <tr> <td>E. Visayas</td> <td>54,970</td> </tr> <tr> <td>Mindanao</td> <td>477,493</td> </tr> <tr> <td>TOTAL</td> <td>2,500,509</td> </tr> </tbody> </table>	Luzon	253,468	Negros	1,528,302	Panay	186,276	E. Visayas	54,970	Mindanao	477,493	TOTAL	2,500,509										
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TOTAL	2,500,509																														
SM 3	Average Income per Hectare of Block Farmers	Total farmers' income over total area	11%	₱58,000	₱40,652	7.71%	-	0%	SRA failed to submit supporting documents. Since accomplishments cannot be verified accurately, this indicator is given an automatic zero score following Section 2.1.1. of GCG MC 2017-01. However, SRA is still required to resolve and organize the documentation.																						

	Component			Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks															
	Objective/Measure	Formula	Wt.	2017	Actual	Rating	Score	Rating																	
SOCIO-ECONOMIC IMPACT	SO 2	Maintained Balanced Sugar Supply and Demand Requirements																							
	SM 4	Volume of Buffer Stock (MT)	Absolute Number	11%	200,000	497,770	11%	497,770	11%	<ul style="list-style-type: none"> Summary on Raw Sugar Balance, by Mill District CY 2015-2016 Weekly Reports on Raw Sugar from Mill Districts 	Balances of SRA's buffer stock in metric tons (MT) for 2016-17 is as follows: <table border="1"> <thead> <tr> <th></th> <th>2016-17</th> </tr> </thead> <tbody> <tr> <td>Luzon</td> <td>17,352</td> </tr> <tr> <td>Negros</td> <td>235,424</td> </tr> <tr> <td>Panay</td> <td>41,777</td> </tr> <tr> <td>E. Visayas</td> <td>7,040</td> </tr> <tr> <td>Mindanao</td> <td>196,177</td> </tr> <tr> <td>TOTAL</td> <td>497,770</td> </tr> </tbody> </table>		2016-17	Luzon	17,352	Negros	235,424	Panay	41,777	E. Visayas	7,040	Mindanao	196,177	TOTAL	497,770
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Sub-total			38%			34.71%		27%																	
STAKEHOLDERS	SO 3	Improved Income, Profitability and Global Competitiveness of the Sugarcane Industry																							
	SM 5	Stakeholder's Satisfaction Rating	Survey Result	10%	93%	93%	10%	93%	10%	<ul style="list-style-type: none"> Market Relevance Corporation (MRC) CSS Report dated March 17, 2018 	Survey conducted by MRC revealed a Likert scale of 4.65 satisfaction rating. A total of 320 respondents participated in the survey.														
	SM 6	Number of Sugarcane Block Farms Validated, Assisted and Trained	Actual Count	13%	85	85	13%	66	10.09%	<ul style="list-style-type: none"> List of Accredited Block Farms (with SRA intervention) 	Breakdown of block farms validated and assisted per area: <table border="1"> <thead> <tr> <th></th> <th>Luzon/Mindanao</th> <th>21</th> </tr> </thead> <tbody> <tr> <td>Visayas</td> <td>45</td> <td></td> </tr> <tr> <td>TOTAL</td> <td>66</td> <td></td> </tr> </tbody> </table>		Luzon/Mindanao	21	Visayas	45		TOTAL	66						
		Luzon/Mindanao	21																						
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TOTAL	66																								
SM 7	Number of Scholars Enrolled	Actual Count	4%	348	835	4%	495	4%	<ul style="list-style-type: none"> Submission by the SRA Scholarship Committee 	<table border="1"> <thead> <tr> <th>Program</th> <th>CHED</th> <th>SRA</th> </tr> </thead> <tbody> <tr> <td>Baccalaureate</td> <td>407</td> <td>47</td> </tr> <tr> <td>Graduate</td> <td>41</td> <td>0</td> </tr> <tr> <td>TOTAL</td> <td>448</td> <td>47</td> </tr> </tbody> </table>	Program	CHED	SRA	Baccalaureate	407	47	Graduate	41	0	TOTAL	448	47			
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Sub-Total			27%			27%		24.09%																	

	Component			Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																				
	Objective/Measure	Formula	Wt	2017	Actual	Rating	Score	Rating																						
SO 4	Provide Responsive Technical Assistance and Extension Services to Sugarcane Industry Stakeholders																													
SM 8	Number of Completed Research Projects:																													
	a. Stages of Research	Actual Count	2.5%	28	20	1.79%	13	1.16%	<ul style="list-style-type: none"> • Research Studies • Abstracts 																					
	b. Certified for Dissemination by the Technical Research Council (PHILSURIN, SRA, UPLB, PSMA, Academe)	Actual Count	2.5%	8	12	2.5%	11	2.5%	<ul style="list-style-type: none"> • Research Studies • 64th Annual National Convention Program • Publications 																					
SO 5	Enforce and Implement Pro-Active and Effective Policies, Rules and Regulations																													
SM 9	Percentage of Compliance to SRA Policies, Rules and Regulations by Millers/Traders	100% minus (Total Actual Number of Cases or Violations over Total Number of Millers and Traders)	5%	95%	97%	5%	98.43%	5%	<ul style="list-style-type: none"> • Sugar, Molasses and Muscovado Activity Reports, CY 2016-2017 	<table border="1"> <thead> <tr> <th></th> <th>Traders</th> <th>Penalized</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Sugar</td> <td>292</td> <td>5</td> <td>1.12%</td> </tr> <tr> <td>Molasses</td> <td>132</td> <td>2</td> <td>0.45%</td> </tr> <tr> <td>Muscovado</td> <td>21</td> <td>0</td> <td>0.00%</td> </tr> <tr> <td>Total</td> <td>445</td> <td>7</td> <td>1.57%</td> </tr> </tbody> </table>		Traders	Penalized	%	Sugar	292	5	1.12%	Molasses	132	2	0.45%	Muscovado	21	0	0.00%	Total	445	7	1.57%
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	<i>Sub-total</i>		10%			9.29%		8.66%																						

INTERNAL PROCESS

	Component			Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																											
	Objective/Measure	Formula	Wt.	2017	Actual	Rating	Score	Rating																													
LEARNING AND GROWTH	SO 6 Sustain the Development of Expertise and Human Resources in the Field of Sugarcane Industry, Development and Related Areas																																				
	SM 10	Percentage of Personnel with Required Competencies Met	Number of Personnel with required competencies over Total Number of Personnel	5%	Establish Baseline	25% of SRA personnel with required competencies met	5%	141 out of 253 employees profiled	2.79%	<ul style="list-style-type: none"> SRA Competency Report 	Only employees from Luzon and Mindanao were assessed. Out of the 161 employees of Luzon and Mindanao, only 141 were profiled. Out of the 141, only 9 employees met the required competencies. The total number of SRA employees is 253.																										
	SM 11	ISO 9001 Certification	Milestone	5%	Procurement of third-party consultant for ISO 9001:2015	ISO Certificate maintained, Rosehall Management Consultancy as third party for ISO 9001:2015	5%	PASSED Surveillance Audit under ISO 9001:2008	5%	<ul style="list-style-type: none"> Initial Audit Report Corrective Actions (Acceptable) 	SRA passed the annual surveillance audit under ISO 9001:2008 in 2017 and the ISO 9001:2015 on 11 July 2018.																										
	<i>Sub-total</i>			10%			10%		7.79%																												
FINANCE	SO 7 Maintain Sound Financial Management																																				
	SM 12	EBITDA Margin	EBITDA / Total Revenues	10%	12%	29%	10%	28.10%	10%	<ul style="list-style-type: none"> EBITDA schedule COA-audited 2017 Income Statement 	<table border="1"> <thead> <tr> <th>In thousand ₱</th> <th>2017</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Net Income</td> <td>96,570</td> <td>192,520</td> </tr> <tr> <td>Interest</td> <td>0</td> <td>0</td> </tr> <tr> <td>Tax</td> <td>39,456</td> <td>96,724</td> </tr> <tr> <td>Depreciation</td> <td>22,595</td> <td>20,310</td> </tr> <tr> <td>Amortization</td> <td>0</td> <td>0</td> </tr> <tr> <td>EBITDA</td> <td>158,621</td> <td>309,554</td> </tr> <tr> <td>Total Revenue</td> <td>564,308</td> <td>697,640</td> </tr> <tr> <td>Margin</td> <td>28.10%</td> <td>44.37%</td> </tr> </tbody> </table>	In thousand ₱	2017	2016	Net Income	96,570	192,520	Interest	0	0	Tax	39,456	96,724	Depreciation	22,595	20,310	Amortization	0	0	EBITDA	158,621	309,554	Total Revenue	564,308	697,640	Margin	28.10%
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FINANCE	SM 13	Budget Utilization Rate	(Actual expenditure disbursed + savings) / (Actual corporate revenue + actual subsidy released)	5%	90%	60%	3%	36.71%	2.04%	<ul style="list-style-type: none"> Schedule of Expenses Statement of Comparison of Budget and Actual Amount SAOUD Justification for low utilization rate <table border="1"> <thead> <tr> <th>(in '000)</th> <th>Utilized</th> <th>Budget</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>GAA 2016</td> <td>5,748</td> <td>853,410</td> <td>0.67</td> </tr> <tr> <td>GAA 2017</td> <td>451,725</td> <td>883,905</td> <td>51.11</td> </tr> <tr> <td>COB</td> <td>388,599</td> <td>567,125</td> <td>68.52</td> </tr> <tr> <td><i>Total</i></td> <td>846,072</td> <td>2,304,440</td> <td>36.71</td> </tr> </tbody> </table>	(in '000)	Utilized	Budget	%	GAA 2016	5,748	853,410	0.67	GAA 2017	451,725	883,905	51.11	COB	388,599	567,125	68.52	<i>Total</i>	846,072	2,304,440	36.71
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