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MEMORANDUM CIRCULAR

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SUBJECT : IMPLEMENTING GUIDELINES FOR THE YOUNG FARMERS CHALLENGE (YFC) PROGRAM –YFC START UP COMPONENT

Section 1. Rationale

According to SEARCA 2023¹, the average age of Filipino farmers ranging from 55 years old to 59 years old and experts predict the Philippines will face a critical shortage of farmers in 10 to 12 years.

Statistics also show that the agriculture sector accounted for 23.1 percent of the total employment share in the Philippines in 2022, indicating a decrease from the previous year. The employment share of agriculture was highest in 2016 (PSA, 2022)².

Rapid urbanization and rural-to-urban migration have led to a decline in the number of young people engaging in farming. Young individuals often move to urban areas in search of better economic opportunities, education, and a different lifestyle.

In view of the foregoing statements, the Department of Agriculture (DA) implemented the Young Farmers Challenge (YFC) Program with over 3,625 beneficiaries since 2021 who are currently operating their respective agri-fishery enterprises. The YFC Program supports and empowers young farmers and fisherfolk to be active partners in food security, agricultural development, and modernization. The program encourages the youth to engage in activities related to agriculture, agribusiness, and agri entrepreneurship as agents and partners for sustainable development.

This initiative is part of the Department of Agriculture's (DA) thrust under Section 17 of the "Agriculture and Fisheries Modernization Act of 1997" to formulate programs for the rural youth to engage in agriculture and support the Philippine Development Plan 2023-2028 to modernize agriculture and agribusiness.

The YFC Program's four (4) components are the following:

- 1) YFC Start-Up** - a competitive financial grant assistance program for the youth who will engage in new or start-up agri-fishery enterprises. It will be open to all interested youth ages 18-30 with a business idea with profitability potential. The grants shall serve as start-up capital for the proposed agri-fishery enterprise operated by either an individual or a joint venture of two or more youth.

¹ SEARCA 2023: *Aging farmers could add to food insecurity*

² PSA 2022: *Annual Survey of Philippine Business and Industry (ASPBI) - Agriculture, Forestry and Fishing Sector: Final Results*

- 2) **YFC Intercollegiate Competition** - a region-wide intercollegiate Business Model Canvas (BMC) competition of selected students taking up agriculture and other related courses at State Universities and Colleges (SUCs) and Local Universities and Colleges (LUCs) accredited by the Commission on Higher Education (CHED).
- 3) **YFC UPSCALE** - a program that will assist previous YFC awardees to continue, improve, and upscale the operation of their existing agri-fishery enterprise by providing them additional capital in the form of competitive financial grant assistance.
- 4) **YFC Business Development Assistance** - is an assistance intended for the YFC awardees through the provision of common shared facilities, equipment for value-adding and processing, research and development, training and capacity-building, among others.

Section 2. Definition of Terms

As used in this Guideline, the following terms shall be construed as:

- a. **Agri-fishery enterprise** refers to an enterprise engaged in agriculture and fishery-related economic activities, such as the production of crops, poultry, and livestock, including inputs, fishery or aquaculture production, processing of agri-fisheries produce, marketing and distribution of agri-fishery commodities and products, operated by an individual youth or group, i.e., managed by two (2) or more individual youth.

In case of an existing business (owned by the applicant/s or part of a family existing business), the applicant/s must show new product line/s and business plans to be reflected in the Business Model Canvas (BMC) and shall submit a Sworn Statement.

- b. **Business Development Services** refer to a wide range of non-financial services that will equip the youth beneficiaries to help them improve the performance of their businesses, access to markets, and ability to compete. It can be in the form of entrepreneurial training, assistance in business planning, product development, market linkage, business matching, loan facilitation, and potential collaborations.
- c. **Business Model Canvas** is a simplified template for visualizing a business model idea in a way that is easy to do and understand. It may then be transformed into a detailed business plan.
- d. **Financial Grant** is a competitive financial grant assistance given to the declared awardees of this program, which shall serve as start-up capital for their planned agri-fishery enterprises. An awardee refers to the recipient (beneficiary) of the financial grant assistance. The grants to be provided to the awardees are as follows: Provincial Level (Php 80,000), Regional Level (Php 150,000), and National Level (Php 100,000).
- e. **Group-managed agri-fishery enterprise** is a business undertaking of **two (2) or more youth** members who are found to be eligible youth based on the criteria set under this implementing guideline. The agri-fishery enterprise is not necessarily

registered with the SEC or CDA, i.e., with juridical personality at the time of application. The members of the group-managed enterprise are the beneficiaries of the program.

- f. An **individually managed enterprise** is an enterprise managed by an **individual youth** who is found to be eligible based on the eligibility criteria set under this guideline.
- g. **Panel of Coaches** – Experts in the field of agribusiness will serve as mentors and coaches to guide the youth in preparing for the competition. These professionals bring valuable knowledge and experience, ensuring that participants receive quality training and insights to enhance their skills. The Panel of Coaches will evaluate the participants' performance and declare the Top 35 finalists for the National Level Phase I. These finalists will then advance to the National Level Competition - Phase II, where they will compete for higher recognition and awards.
- h. **Panel of Judges** – serves as judges during the provincial, regional, and national level competitions of the Young Farmers Challenge (YFC) program. With their expertise, they provide valuable insights and fair evaluations of the participants' agribusiness proposals and presentations. After thorough assessment and deliberation, the panel of judges will declare the awardees at each competition level: Provincial, Regional, and National.
- i. **Program Management Team (PMT)** - Oversee the implementation of the YFC program, which includes conducting information campaigns, receiving applications, organizing and facilitating the actual business pitch competition, assessing and monitoring YFC awardees, and providing business development services.
- i. **Start-up Agri-Fishery Enterprise** is a new enterprise or **at the initial stage of project implementation** (no business registration/permit) and not an expansion or scaling-up of an existing enterprise of the applicant or his/her family's enterprise.

Section 3. Scope and Coverage

The **Young Farmers Challenge (YFC) Start-Up (Open Category)** is a competitive financial grant assistance program for the youth who will engage in agri-fishery enterprises. The Program is open to all interested youth ages 18 to 30 years old with proposed agri-fishery business concepts/enterprises with profitability potential. The grants shall serve as start-up capital for the planned agri-fishery enterprise of the Program's awardees either as individual youth or as a group-managed venture.

The YFC program shall again implement a competitive financial grant assistance to support a new batch of young agripreneurs. The program shall also continuously capacitate its beneficiaries through training and mentoring assistance, market linking and business networking, and assistance in business and product registration and certification, among others.

3.1 Objectives

This program seeks to encourage the youth to engage in agri-fishery enterprises on a sustained basis to showcase its viability as a primary source of income comparable to employment in industry/service sectors. Specifically, it aims to:

- a. Provide the youth access to capital to enable them to venture into profitable agri-fishery enterprises; and
- b. Provide agri-fishery business development assistance to further strengthen the agri-entrepreneurship capabilities of the youth.

3.2 YFC Start-Up Competition Theme

The Agri-Business Models shall focus on **start-up** agri-fishery enterprises—from micro to small scale—which are innovative, have the potential to generate incomes comparable to incomes of salaried workers in urban areas, and integrate sustainability into their business strategy. This is to encourage the generation of new agri-fishery enterprises. *Innovative* means the business model can provide new solutions to an identified problem (e.g. production, process, marketing, etc.). *Viability* means the business model has a clear target market and marketing strategy for at least one (1) year that can generate a good revenue stream and can show the potential to be scaled up in the future. *Sustainability* means that the agri-fishery enterprise can execute and maintain these strategies in ensuring its continuous enterprise operation. These shall be reflected on the Business Model Canvas (BMC) and Activity and Financial Plan to be submitted by the applicants.

3.3 Levels of Competition

Applicants shall be required to submit their Business Model Canvas (BMC), which will be evaluated by panels of judges at each level of the competition. The competition will be on three (3) levels: Provincial, Regional, and National Competition.

a. Level 1 (Provincial Level Competition)

In regions outside of the National Capital Region (NCR), the Provincial Panel of Judges shall select the Level 1 awardees which shall receive **PhP 80,000** each enterprise. These agri-fishery enterprises could be operated solely by **an individual youth** or a **group-managed enterprise**. Provincial awardees shall be automatically qualified to compete at the regional level competition. From among the provincial awardees, the provincial panel of judges shall select agri-fishery enterprises that will compete at the regional level competition.

There will be six (6) awardees selected per province and three (3) awardees per independent city. In the case of NCR, the 16 cities and one (1) municipality are clustered into four (4). There will be six (6) awardees per cluster. The NCR Panel of Judges shall select the Level 1 agri-fishery enterprise awardees.

In case that there is no awardee in a certain province/city based on the approved passing score, the slot/s will be allocated to other province/city based on their scores and rankings.

b. Level 2 (Regional Level Competition)

At this level, there shall be four (4) categories of enterprises as follows:

(a) **Production** - agri-fishery enterprise engaged in the production of crops, livestock, poultry, fisheries or aquaculture, urban agriculture, farm tourism, among others.

(b) **Processing (Food)** - agri-fishery enterprise engaged in food processing and preservation, product diversification, local and indigenous specialties, organic and natural products, functional foods and nutraceuticals, artisanal and gourmet products, among others.

(c) **Processing (Non-Food)** - agri-fishery enterprise engaged in fiber and textile, bio-based products, cosmetic and personal care products, crafts and handicrafts, construction materials, animal feeds, among others.

(d) **Digital agriculture** - agri-fishery enterprise that uses digital technology to provide tools or services for the improvement of farm or fishery production and/or processing, fabrication of farm machinery and equipment, and development through the use of the Internet of Things (IoT), which includes sensors, telecommunication systems, unmanned aerial systems, machine intelligence, automation, and other advanced machinery.

The category of an agri-fishery enterprise shall be determined based on the major products or services offered by the enterprise. There shall be seven (7) awardees per region to be selected by the Regional Panel of Judges, distributed as follows: three (3) agri-fishery enterprise awardees for the agri-fishery production category, two (2) agri-fishery enterprise awardees for the processing (food) category, one (1) agri-fishery enterprise awardee for the processing (non-food) category and one (1) agri-fishery enterprise awardee for the digital agriculture category. In the event that there is no awardee for the categories of processing (food and non-food) and digital agriculture, the slot/s will be added to the category of agri-fishery production.

Each regional enterprise awardee shall receive an additional financial grant of **PhP150,000**.

c. Level 3 (National Level Competition)

The national level competition shall be divided into two (2) phases:

Phase 1: Selection of 35 Finalists

For the YFC Start-Up National Competition Phase I, there will be ten (10) National Panel of Coaches who will determine the Top 35 Start-Up National Finalists from the 112 Start-Up National Participants. The National Panel of Coaches will be divided into five (5) teams, with two (2) coaches per team. It shall be composed of the following:

Table 1. Selection of Top 35 Finalists for the YFC National Phase II Competition

| Team | Category | Phase I Business Pitching | Phase I National Finalists |
|--------------|-----------------------|----------------------------------|-----------------------------------|
| A | Production | 24 participants | 8 finalists |
| B | Production | 24 participants | 7 finalists |
| C | Processing (Food) | 32 participants | 10 finalists |
| D | Processing (Non-Food) | 16 participants | 5 finalists |
| E | Digital Agriculture | 16 participants | 5 finalists |
| Total | | 112 National Participants | 35 National Finalists |

Each nominee shall be given an equal opportunity to pitch their agribusiness models and enterprise implementation before the panel of coaches who shall evaluate their business models, and mentor the nominees.

Evaluation criteria for the determination of the Top 35 YFC Start-Up National Finalists shall be aligned to the set forth criteria stated under Section 9 of this guidelines.

The national panel of coaches shall issue a certification of the Top 35 YFC Start-Up National Finalists.

Phase 2: Selection of 15 Outstanding Youth Agri-Business Models

The National Panel of Judges shall select from among the 35 finalists the **15 national awardees**, distributed as follows: five (5) agri-fishery enterprise awardees for the production category, five (5) agri-fishery enterprise awardees for processing (food) category, three (3) agri-fishery enterprise awardee for processing (non-food) and two (2) agri-fishery enterprise awardees for the digital agriculture category.

Each national agri-fishery enterprise awardee shall receive an **additional financial grant of PhP 300,000** per enterprise. The national level agri-fishery enterprise-awardees shall be declared as "Outstanding Youth Agri-Business Models".

Moreover, the Chairperson of the National Panel of Judges – Start-Up Component, in concurrence with the other panel members, may add or modify the categories for the national-level awardees, depending on the actual nature of the enterprise's Business Model Canvas implemented at the Provincial and Regional Level. Any changes to the



categories for the national-level competition shall be subject to an addendum to this guidelines.

Table 2. Number of Awardees and Amount of Financial Grant

| Levels of Competition | Number of Agri-Fishery Enterprise Awardees | Amount of Financial Grant |
|------------------------------|---|----------------------------------|
| Provincial Level | 532 awardees (including NCR) | PhP 80,000 per awardee |
| Regional Level | 112 awardees | PhP 150,000 per awardee |
| National Level | 15 awardees | PhP 300,000 per awardee |

Section 4. Creation of the Panel of Judges and Coaches (Provincial, Regional, and National) and the National and Regional Program Management Team (PMT)

The National Panel of Judges shall be composed of a Chairperson and Vice-Chairperson from the Department who shall be designated by the DA Secretary. There shall be three (3) members: one (1) representative from the Department of Trade and Industry (DTI), one (1) representative from Department of Science and Technology (DOST) and one (1) private sector practitioner (from the agribusiness industry) endorsed by the Philippine Council for Agriculture and Fisheries (PCAF).

On the other hand, the Provincial and Regional Panel of Judges shall be composed of two (2) representatives from the DA, one (1) representative from the DTI, and one (1) private sector practitioner (from the agribusiness industry) endorsed by the Regional Agricultural and Fishery Council (RAFC).

The AMAS Director, for National and NCR Judges, and the Regional Executive Directors (REDs), for Provincial and Regional Judges, shall issue a letter addressed to DTI, DOST, and PCAF requesting the endorsement of their duly designated representatives to act as judges. In return, the concerned office shall issue a formal endorsement to NPMT or RPMT clearly stipulating the names and designations of the endorsed judges for each level of competition. The authority of the duly designated representatives of the concerned offices shall be attached to the formal endorsement to the NPMT or RPMT.

A Special Order shall be issued by the DA Secretary for the creation of the NCR Panel of Judges, National Panel of Judges, National Panel of Coaches and its National Program Management Team. The National PMT staff shall be drawn from the Agribusiness and Marketing Assistance Service (AMAS).

The National Panel of Coaches shall consist of ten (10) members, including seven (7) agribusiness industry experts specializing in organic agriculture, fisheries, crop and livestock production, food processing and manufacturing, and agritech startups, as well as three (3) representatives from the academe.

Special Orders shall be issued by the DA Regional Executive Directors for the creation of Regional and Provincial Panels of Judges and the Regional Program Management Team. The Regional PMT shall be drawn from the Agribusiness and Marketing Assistance Division (AMAD).

The DA Regional Executive Directors (REDs) or the Undersecretary for High Value Crops may request representatives from the private sector, i.e. Philippine Chamber of Commerce, Agribusiness Practitioners, Manufacturers, among others, DA Bureaus, and Attached Agencies as Resource Persons to support during the evaluation of the submitted BMCs.

In the event of a conflict of interest between the judges and applicants/awardees due to a filial relationship, the judge shall waive his/her right not to be part of the panel of judges. If already an awardee, the subject judge/s shall give a due written explanation addressed to the Regional Executive Directors (REDs) in case of Regions and AMAS Director in case of NCR.

Section 5. Duties and functions of the National Program Management Team (NPMT), Regional Program Management Team (RPMT), Panel of Judges and Panel of Coaches.

A. Duties and Functions of the National Program Management Team (NPMT)

The National PMT shall provide administrative and technical support in the overall implementation of the YFC program. Specifically, the NPMT shall:

1. Oversee the nationwide implementation of the YFC program and its program components, i.e. Start-Up, Upscale, Intercollegiate, and Business Development Assistance;
2. Prepare the plans, activities, and timelines of the program;
3. Prepare the score sheets and other pertinent documents to be endorsed to the National Panel of Judges;
4. Receive the documents submitted by the NCR applicants and check the completeness of attachments, conduct background checks among NCR applicants, and endorse the eligible NCR applicants to the NCR Panel of Judges;
5. Assist in the evaluation of each proposed Business Model Canvas (BMC);
6. Conduct regular monitoring and assessment for the awardees enterprise implementation;
7. Prepare administrative and accomplishment reports and maintain files and records of the program; and
8. Perform other related tasks as may be assigned by the National Focal Person of the NPMT or the DA Management.

B. Duties and Functions of the Regional Program Management Team (RPMT)

The Regional PMT shall provide administrative and technical support in the regional implementation of the YFC program. Specifically, the RPMT shall:

1. Oversee and facilitate smooth implementation of the YFC program and its program components in their respective regions i.e. Start-Up, Upscale, Intercollegiate, and Business Development Assistance;
2. Spearhead the information dissemination campaign of the YFC program;
3. Facilitate Business Model Canvas (BMC) and Business Plan Orientation;
4. Receive and screen the applications from the YFC regional applicants;
5. Endorse eligible applicants to the Provincial Panel of Judges;
6. Process the release of funds to the declared awardees;
7. Facilitate the provision of business development service assistance to the youth awardees;
8. Conduct regular review, monitoring, and evaluation of the declared awardees enterprise implementation;
9. Provide monthly accomplishment reports to the YFC-NPMT; and
10. Perform other related tasks as may be assigned by the Regional Executive Directors (REDs).

C. Duties and Functions of the YFC Panel of Judges (Provincial, Regional, National Panel of Judges) and Panel of Coaches

i. National Panel of Judges

The duties and functions of the YFC Start-Up National Panel of Judges are the following:

1. Responsible for judging the Top 35 National Level Finalists according to the set standard criteria and scoring system;
 2. Provide suggestions and recommendations to further improve the enterprise implementation of the YFC awardees; and
 3. Declare the fifteen (15) YFC Start-Up Component National Level awardees.
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ii. Provincial and Regional Panel of Judges

The duties and functions of the YFC Start-Up Provincial and Regional Panel of Judges are the following:

1. Responsible for judging the eligible YFC applicants for the Provincial Level and Regional Level according to the standard criteria and scoring system;
2. Declare the YFC Start-Up Provincial and Regional Level Awardees; and
3. Provide suggestions and recommendations to further improve the enterprise implementation of the YFC awardees.

iii. Panel of Coaches

The duties and functions of the YFC Panel of Coaches are the following:

1. Select thirty-five (35) enterprises as National Finalists from the regional awardees wherein fifteen (15) enterprises each shall be selected under the following categories: Production, Processing (Food and Non-Food), and Digital Agriculture. These finalists will compete at the National Level Competition Phase 2;
2. Mentor the finalists in improving and or enhancing their business models and the implementation scheme through business coaching; and
3. Serve as resource person in the training and capacity building activities to be spearheaded by the Agribusiness and Marketing Assistance Service (AMAS).

Section 6. Eligibility Criteria of Applicants

To participate in the competition, applicants must pass the following criteria:

- a. Age is 18 to 30 years old at the time of application³;
- b. Natural born Filipino citizen;
- c. Has the resources, network, or capability to venture/engage in agriculture and fishery business enterprise, the location of which is within the region he/she is competing; and
- d. In the case of groups, all members must pass the above eligibility criteria, and members are not relatives up to the second civil degree of consanguinity or affinity.

Note: Youth applicants from previous years who didn't pass the YFC program are eligible to reapply for the program.

³Section 2, Republic Act No. 8044 (Youth in Nation-Building Act of 1994) defines youth as aged 15-30 yrs old. However, the legal age is defined as 18 yrs. old as per Republic Act No. 6809.

The following are **not eligible** to participate in the competition:

- a. Personnel of the DA, its Regional Field Offices, bureaus, attached agencies, and corporations, including their relatives up to the fourth civil degree of consanguinity or affinity⁴;
- b. Personnel of the Provincial, Municipal, and City Agricultural and Veterinary Offices⁴;
- c. Previous Young Farmers Challenge Program Awardees and their corresponding relatives up to 2nd civil degree of consanguinity and affinity;
- d. Recipients of any grant assistance or awards either in cash or in kind, amounting to PHP 50,000 and above, from the DA, its Regional Field Offices, bureaus, attached agencies, and corporations within one (1) year before the deadline of submission of application requirements.

Section 7. Application Requirements

The YFC Start-Up application requirements are the following:

- a. Application letter addressed to Regional Executive Directors (for Regions) and AMAS Director (for NCR).
- b. Duly accomplished Application Form;
- c. Notarized Sworn Statement of a New Business;
- d. Business Model Canvas (BMC) and Activity and Financial Plan as prescribed by the program;
- e. Clear scanned copy of at least one (1) valid ID (indicating the date of birth);
- f. Proof of residency of any of the following: (Barangay Certification, valid ID) indicating home address;
- g. Endorsement from the Provincial/ Municipal/ City Agriculture/ Veterinary Offices;
- h. Latest 2x2 ID Photo with white background;
- i. For group-managed agri-fishery enterprise, the members shall submit a declaration of intent amongst themselves that they commit to registering as a partnership or corporation within one (1) year from receipt of the grant; and
- j. Needed additional documents per category of agri-fishery enterprise, as follows:

1. Production, Processing, and Digital Agriculture Category

The applicant/s shall submit any of the following documents that will fall under the following circumstances with regards to their proposed agri-fishery enterprise activities:

- a. Certified true copy of land title or tax declaration if the applicant/s owned the lot/property.
- b. Notarized "Authority to Use Land/Property/Facility" or Usufruct Agreement if the lot/property is owned by a guardian, parent, or other party, indicating a three-year agreement free of charge for its usage.
- c. Lease agreement if the lot or property owner will charge the applicant/s for its usage.

⁴ Working as permanent, temporary, substitute, co-terminus, contractual, and casual as defined by CSC Memorandum Circular No. 40, Series 1998.

2. Processing Category (Food and Non-Food)

- Duly accomplished "Suppliers Information"

Proof that he/she has readily available supply directly from his/her farm, his/her family-owned farm, or from other farms. In case of the latter, he/she shall submit the name/s and location of farmers/ fisherfolk that committed to supplying the raw materials for his/her agri-fishery enterprise.

3. Digital Agriculture Category

The applicant/s under this category shall submit any of the following documents that will fall under the following circumstances with regards to their proposed agri-fishery enterprise activities:

- **Blueprint/Autocad Design** – A technical blueprint or AutoCAD design that visualizes the digital solution, such as infrastructure, system layout, or technological components being implemented in the agri-fishery sector.
- **Proof of Concept** – Demonstration of the functionality of the proposed digital tool, such as prototypes, software applications, or systems relevant to agriculture.
- **Technology Specifications** – Detailed descriptions of the technologies used (e.g., sensors, drones, IoT, AI tools, etc.) and how they will be integrated into the agricultural process.

Moreover, in the event that a municipality doesn't have municipal agriculture or veterinary offices, the applicant(s) may submit an endorsement letter from the municipal office that handles business matters such as the Municipal Cooperative Office, Local Economic Investment and Promotions Office, among others.

In addition, all the documents to be submitted for this program shall become the property of the Department of Agriculture.

Section 8. Application Procedure

- a. Interested applicants may submit their application and all requirements to the DA-AMAS (in case of NCR applicants), or the DA Regional Field Offices (in case of other regions). Applicants are encouraged to submit online through the concerned offices' designated email accounts, and/or online platforms created for the purpose.
- b. Applicants who submit multiple business proposals or apply in multiple categories shall only decide one (1) official entry to proceed with the competition.
- c. Only applicants with complete requirements shall be processed for screening. Late and/or incomplete submission of requirements will automatically not be processed for the competition.



Section 9. Selection and Evaluation Procedures

9.1 Evaluation Criteria

Selection criteria for the "Search for Outstanding Agri-Business Models" shall be as follows:

- a. **Entrepreneurial attributes.** Entrepreneurial attributes or traits are the typical characteristics, abilities, and thought patterns associated with successful entrepreneurs. The applicant must exhibit basic entrepreneurial attitudinal attributes such as integrity (proof that he/she can be trustworthy), risk-taking (willingness to take calculated risks), passion (exhibits strong motivation to pursue agribusiness), good communication and marketing skills (as evidenced by his/her sales pitch), and leadership qualities (with vision and drive to excel).
- b. **Innovativeness of the business proposal.** Innovativeness means new ways of addressing a problem (e.g. market need, value chain problem, or production system weakness). This can be an introduction of new or modern technologies and/or enhancement of existing techniques and processes in producing goods and services, and/or marketing agricultural products.
- c. **Revenue stream of the business proposal.** The proposed business must show the clear potential of generating a revenue stream. The proposal can show clear plans for achieving business transactions and how the business will be able to expand its market over time.
- d. **Value Addition.** Value adding is the enhancement of a product or service that provides an additional economic value to an agri-fishery commodity/ product to attract more customers and consequently increase revenue/profit. Value can also be added in different ways such as branding a product to differentiate it from others, or adding extra or special features to a product to increase the value of the product or service to its customers.
- e. **Social Responsibility.** The proposed business is socially responsible as shown by: (a) its potential to scale up operations that can generate jobs for the community, (b) contribute to the welfare of others such as household savings on consumers by offering quality but affordable agri-fishery commodities/products or services and (c) promote environmental protection and conservation.

The scoring system shall be cascaded to all regional and provincial panels for uniformity of criteria and a scoring system for judging at all levels (provincial, regional, and national).

9.2. Competition Scoresheets

The scoresheet for the Start-Up Component shall be prepared and approved by the National Program Management Team. Once approved, the scoresheet shall be cascaded to the RPMT as well as the Provincial and Regional Panels of Judges. Attached as **Annex A** is the YFC Start-Up Scoresheets.

9.2 Screening Process

- a. The PMT of the concerned offices (DA Central, RFOs) shall receive all applications;
- b. The PMT shall conduct initial validation, checking based on the eligibility criteria and compliance with application requirements;
- c. Once assessed as eligible, the PMT will issue a certification of eligibility; and
- d. The PMT shall endorse the BMC, Activity and Financial plan, and other pertaining documents of the eligible applicants to the panel of judges.

9.2.1 Selection of Level 1 awardees (Provincial Level Competition)

- a. The National and Regional PMTs shall set the final deadline for submission and announce the dates of judging;
- b. The Panel of Judges shall conduct BMC evaluation based on the prescribed criteria under Section 9.1 of this guidelines;
- c. The Panel of Judges may institute more than one (1) stage of judging, e.g. judging in batches, depending upon the number of applicants, e.g. semi-finals leading to finals;
- d. The Provincial Panel of Judges may opt to conduct face-to-face or online business pitching events; and
- e. The Panel of Judges shall certify the Level 1 awardees and endorse the candidates for the regional level competition.

9.2.2 Selection of Level 2 and Level 3 awardees (Regional and National Level Competition)

- a. The National and Regional PMTs shall set the deadlines for the submission of requirements of the candidates for the regional and national awards such as updated BMC and Work Financial Plan;
- b. The Regional Panel and National Panel of Judges shall give the candidates equal opportunities to present the status of implementation of their business models. The Regional Panel of Judges may opt to conduct face-to-face or online business pitching event;
- c. The Regional Panel of Judges shall certify the declared regional awardees; and
- d. The National Panel of Judges shall certify the declared national awardees.

Attached as **Annex B** is the YFC program implementation timelines.

Section 10. Duties and Responsibilities of the Awardees

The recipients of the awards shall have the following duties and responsibilities:

- a. Submit a notarized Sworn Statement of the duties and responsibilities of the awardees.
- b. Open a new bank account, preferably with the Land Bank of the Philippines (LBP), or use an existing bank account under his/her name upon the receipt of the Notification of Awards. For group awardees, any of its members may opt to open an individual or joint bank account, or use an existing individual bank account under any of its members' names. The group shall indicate in a Sworn Statement whose bank account they agreed to use to receive the financial grant. The said bank account shall strictly be used for the implementation of the agri-fishery enterprise;
- c. The amount received shall strictly be used for the implementation of the planned agri-fishery enterprise;
- d. The awardee/s shall strictly implement their proposed agri-fishery enterprise within one (1) month after the receipt of the financial grant;
- e. Submit updates/reports to the DA-concerned offices (AMAS/AMADs) based on the following timelines:
 - i. Status report on the initial implementation of the project after the release of financial grant;
 - ii. Semestral progress report; and
 - iii. Terminal report one (1) year after the receipt of financial grant (report should attach evidence of the progress of venture, e.g. pictures).
- f. Notify in writing and seek approval from the concerned offices (AMAS, AMADs) in case of any changes or delays due to force majeure, late release of the financial grants, etc., or any concerns affecting the implementation of the agribusiness venture;
- g. Ensure availability of documents and other information relevant for the monitoring and evaluation of the project;
- h. Shall participate to any related DA activities such as trainings and capacity building activities, KADIWA, local and international trade expositions;
- i. Misuse of the financial grant and non-compliance with the above undertakings will result in a return or refund of the unused grant amount to the DA. The DA YFC PMT will assess the enterprise implementation and examine the latest progress report, including the liquidation of expenses and the challenges encountered by the enterprise, to determine the misused amount. The amount shall be returned to the DA within sixty (60) days.
- j. **For individually managed enterprises**, ensure that the youth beneficiary will personally manage the agri-fishery enterprise during implementation. Should the DA determine that the awardee is merely a figurehead and the actual management is

performed by others, the financial grant must be refunded/returned to the DA based on the assessment of the YFC PMT.

k. **For group-managed enterprises**, inform the DA within five (5) working days if any of the enterprise group members are no longer connected with the enterprise. Replacement by the remaining active youth members of the group will continue the implementation of the project venture provided and all the funds granted will be fully utilized in accordance with the approved project venture. Should the enterprise fail to inform the DA of the said changes within five (5) working days from the change of circumstance, the unused grant amount must be refunded/returned to the DA based on the assessment of the YFC PMT.

Section 11. Release of Funds (Financial Grants)

A Certificate of Award shall be issued by the DA Secretary for the NCR Awardees and National Awardees and National UPSCALE Awardees, and by the respective Regional Executive Directors for Provincial and Regional Awardees. The Certificate shall be co-signed by the Chair/Co-Chair of the Panel of Judges.

The fund release to the Awardees shall be supported by the following documents:

- a. Certificate of Award;
- b. Business Model Canvas (BMC), and Activity and Financial Plan;
- c. Notarized Sworn Statement of the Awardees;
- d. Certified True Copy of Land Title or Tax Declaration or Notarized Authority to Use Land/Facility or Usufruct Agreement for not less than three (3) years of operation or Lease Agreement for production, processing and digital agriculture category;
- e. Photocopy of the bank account to which the award will be deposited duly signed by the awardees. For Awardees with group members with individual bank accounts, the group shall indicate in a Sworn Statement whose bank account they agreed to use to receive the financial grant; and
- f. A certified true copy of one (1) valid ID of the awardee/s.

Section 12. Business Development Services (BDS)

The BDS is dedicated to capacitating the YFC beneficiaries or awardees through training like business planning, product development, and market linkage assistance, among others. This is in collaboration/partnership with the DA's Bureaus and Attached Agencies, Department of Trade and Industry (DTI), Food and Drug Administration (FDA), Department of Science and Technology (DOST), Technical Education and Skills Development Authority (TESDA), Cooperative Development Authority (CDA), and other agencies.

The BDS shall not be limited to the following:

- **Training Programs and Assistance in Business and Product Registration and Certification**

Capability-building activities such as training, seminars, and learning exchanges will be provided to program beneficiaries. The program will engage experts and resources of other government agencies, academe, private sector, and even non-government organizations, if necessary.

As needed, agri-fishery enterprises will be provided with technical assistance and guidance in registering their businesses and products with appropriate regulatory agencies, i.e. Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), etc., including the acquisition of a License to Operate (LTO) with the Food and Drug Administration (FDA), product registration/certification including laboratory analysis (microbial, nutritional facts, shelf life), Intellectual Property Office (IPO) Philippines Trademark application, among others. Beneficiaries of FDA-LTO assistance should have existing facilities and equipment that are ready for FDA inspection and application.

- **Mentoring Assistance**

Youth beneficiaries will be mentored by linking them to existing and successful agribusiness companies that shall teach them the different aspects of business operation.

- **Market Linking and Business Networking**

Agri-fishery Enterprises will be linked to potential buyers to expand their market through face-to-face/ online market matching and online platforms (i.e. KADIWA Agribiz Portal, Deliver-E platform, etc.). They will also be assisted in the promotion of their products through participation in KADIWA retail selling activities, local and international trade fairs and exhibits, business-to-business matching (B2B), in-store promotion, market testing, etc.

- **Monitoring and Enterprise Assessment**

Project implementation of the youth beneficiaries will be regularly, at least quarterly monitored to ensure continuous implementation of their enterprises. These agri-fishery enterprises will be profiled and assessed to facilitate the provision of interventions that would help improve their enterprise operation. Part of the assessment tool is the Training Needs Assessment which will be the basis for preparing capability-building and technical assistance activities for the YFC awardees.

Section 13. Documentation and Promotion of Success Stories

Success stories and best business models shall be documented by AMAS-AMADs in coordination with Agriculture and Fisheries Information Division/ Regional Agriculture and Fisheries Information Section (AFID/RAFIS) and published on DA websites and various media platforms. These promotion strategies aim to encourage other youth to venture into agribusiness.

Section 14. Data Privacy

The information of the applicants and awardees shall adhere to the data privacy policies of the Department of Agriculture (DA) and the National Privacy Commission. All data and information received by the DA shall be kept secure and will not be shared with anyone except designated personnel who are authorized to process the information solely for the purpose of facilitating this competition. Additionally, the DA ensures that all handling and processing of personal information comply with existing laws and regulations to safeguard the privacy and rights of all individuals involved.

Section 15. Funding Source

All expenses incurred in the conduct of the Program including the provision of a financial grant to awardees, honoraria, and/or token of Panel of Judges, Panel of Coaches, and Resource Persons shall be charged against the Young Farmers Challenge Fund subject to existing government accounting and auditing rules and regulations. The basis for the computation of the honorarium of the Panel of Judges and Panel of Coaches shall be the Department of Budget and Management (DBM) Budget Circular No. 2007-1.

Section 16. Supplementary Guideline

The Regional Executive Directors (REDs) are hereby authorized to issue a supplementary guideline as deemed necessary to facilitate the orderly implementation of the program in their respective regions. However, supplementary guidelines shall be consistent with the provisions of this Memorandum Circular.

Section 17. Repealing Clause

All DA issuances, orders, rules and regulations, or parts thereof that are inconsistent with the provisions of this Memorandum Circular are hereby repealed or modified accordingly.

Section 18. Separability Clause

If any provisions under these guidelines are declared unlawful or unconstitutional, the other provisions not stated as such shall continue to be in full force and effect.

Section 19. Termination Clause

The DA shall turn-over the master list of the YFC Start-Up awardees to the concerned Local Government Units (LGUs) one (1) year after the receipt of financial grant and submission of a terminal report. Once turned-over by the DA, the LGU is expected to undertake the monitoring and evaluation as well as the follow-through support to the continuity of the awardee's agri-fishery enterprise. The YFC awardees may still avail of the other business development services of the Department should they be considered eligible.



The YFC Start-Up agri-fishery enterprise will be considered/declared terminated when the operation is affected with the factors provided for under Section 19, Force Majeure of this guidelines.

Section 20. Force Majeure

Neither the implementing units nor the awardees will be held responsible for any delays or failures in carrying out these guidelines as long as they are caused by events or circumstances that are beyond their control, such as natural disasters, war, civil unrest, government actions, strikes, labor disputes, or difficulties in obtaining materials or transportation.

Section 21. Effectivity

This Guideline shall take effect immediately upon publication in the DA Website and/or in a newspaper of general circulation, and its filing with the University of the Philippines Law Center - Office of the National Administrative Registrar.

Done this 20th day of DECEMBER, 2024.


FRANCISCO P. TIU LAUREL JR.
Secretary



DA-CO-AMAS-MC20241204-00007

ANNEX A. YFC START-UP PROGRAM IMPLEMENTATION TIMELINES

| Particulars | Schedule |
|--|---|
| Application | 4th Quarter prior to the start of new Fiscal Year |
| Provincial Level Competition | 1 st Quarter |
| Regional Level Competition | 2nd Quarter |
| National Level Competition – Phase I | 2 nd Quarter |
| National Level Competition – Phase II | 2 nd Quarter |
| Monitoring and Assessment of National Awardees | 3 rd Quarter |