



SWINE Lending Program

**Special Window and Interim Support
to Nurture Hog Enterprises**

The SWINE Program aims to provide financing support to the swine industry to help secure the country's food security, particularly on the supply of pork.

ELIGIBLE BORROWERS

Commercial hog raisers classified and registered as:

- Cooperatives/Farmers Associations
- Small and Medium Enterprises (SMEs)
- Large Enterprises/Corporations

ELIGIBLE PROJECTS

- Swine Production
(Breeder, Grow-out of Wean-to-Finish Hogs)
- Feedmilling Operation and other allied businesses
(abattoir, meat processing, etc.)

LOAN PURPOSE

- Swine Production, including acquisition/importation of semen/breeding animals
- Working Capital
- Permanent Working Capital
- Building Construction/Improvement/Retrofitting compliant to biosecurity protocol of the Department of Agriculture (DA)/ industry/integrators
 1. Land development
 2. Construction of sheds/stalls, climate controlled/conventional piggery buildings and other related structures/facilities and utilities
 3. Buildings/facilities for swine
 4. Biogas system and lagoon
- Fixed Assets Acquisition

CREDIT FACILITY

- Short-Term Loan Line (STLL)
- Term Loan (TL)

LOANABLE AMOUNT

Up to 80% of the total project cost

LOAN TENOR

- STLL - one year line available via Promissory Notes (PNs) depending on cash cycle
- Term Loan
 1. Permanent Working Capital - maximum of five (5) years
 2. Fix Assets Acquisition/Construction - based on the cashflow/payback period of the project but no longer than the remaining economic useful life of the assets/ secondhand/refurbished machines, payable in quarterly or semi-annual amortizations.

A grace period on principal and interest may be allowed depending on the cash flow of the project with the condition that initial income will be deposited in a DSRA.

INTEREST RATE

Fixed at 3% per annum (p.a.) for 3 years, subject to repricing thereafter based on market rate but shall not be lower than 3% p.a.

COLLATERAL

- Real Estate Mortgage
- Chattel Mortgage
- Other collaterals acceptable to the Bank

CREDIT ENHANCERS

- Assignment of Receivables
- Other available credit enhancement instruments such as insurance (such as: PCIC, Credit Life Insurance), guarantee cover (such as CSF)
- Post-Dated Check (PDC) for principal and interest amortization

DOCUMENTARY REQUIREMENTS

For all types of borrowers

- Certification from BAI that the project area has been released from ASF quarantine;
- Certification from DA RFO TWG on Swine Recovery, Rehabilitation and Repopulation stating that the borrower has complied with all the requirements and is allowed to restock at full capacity.
- LGU Certification for at least Level I Biosecurity classification of Hog Farm
- Project Proposal/Business Plan (including Financial Projections, Source of Equity, List of Suppliers/ Markets or Buyers and Contact Numbers)
- Contract Growing/Breeding Agreement with Integrator, if applicable
- Certification or any similar document from trainers (e.g. DA-ATI, integrators, feed companies, etc.) that borrower has undergone training on:
 1. swine breeding/rearing (start-up)
 2. biosecurity management (all borrowers)
- For Production Loan: Farm Plan and Budget
- For Construction/Repairs and Renovation: Cost Estimates/ Building Plan and Specification/Bill of Materials and Work Program/Building Permit
- For Acquisition of Machinery/Equipment: Price Quotation of Machinery/Equipment to be acquired
- For Existing Business:
 1. BIR-filed Audited Financial Statement for the past three (3) years
 2. Latest Interim Financial Statements
- Collateral
 1. REM Photocopy of the following:
 - a. Title
 - b. Tax Declaration

- c. RETR and Clearance
 - d. Location Map/Vicinity Map
 - e. Building Plans/Architectural Design, Bill of Materials of land development & building improvements
2. Chattel Mortgage: Evidence/Affidavit of Ownership of Existing Machineries/ Equipment (e.g. OR/CR of vehicle)

Additional requirements

- For Single Proprietorship: Certificate of Registration with DTI
- For Cooperatives/Association/Corporation
 1. Certificate of Registration with CDA/SEC
 2. CDA Certificate of Compliance (COC) (for cooperatives)
 3. Articles of Cooperation/ Incorporation and By-laws
 4. List of members with corresponding address, farm location and paid-up share capital duly certified by its secretary and attested by the chairperson (coop & association)
 5. Certified list of Board of Directors and Key Officers (Manager or President, Treasurer/Cashier and Bookkeeper) together with their Bio-data and TIN
 6. Board Resolution authorizing the cooperative/ association/corporation to borrow and designating at least 2 officers to negotiate and sign loan documents

For more information, contact:

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