

[DA Department Circular No. 04, s. 2015, June 17, 2015]

**REVISED GUIDELINES ON THE PROVISION OF CERTIFICATION
SUBSIDY INCENTIVE FOR ORGANIC AGRICULTURE
ENTITIES/FARMERS AND ORGANIC INPUT PRODUCERS**

Adopted: 17 June 2015

Date Filed: 16 July 2015

WHEREAS, Section 24 of RA. No. 10068, also known as the **Organic Agriculture Act of 2010**, states that the government shall extend incentives for the production and propagation of organic farm inputs by maximizing their use in all government and government-supported agricultural production, research and demonstration programs;

WHEREAS, Section 24 of RA. No. 10068 further requires that the Department of Agriculture (DA) together with other Executive Departments^[1], Land Bank of the Philippines (LBP), government lending and non-lending institutions to assist organic input producers and organic farmers through the provision of adequate financial, technical, marketing and other services and resources. Among these services is the provision of *subsidies for the certification fees*;^[2]

WHEREAS, Section 9 of RA. No. 10068 states that the National Organic Agriculture Board (NOAB) may call upon any government agency to carry out and implement programs and projects identified by the NOAB;

WHEREAS, in CY 2012, the DA issued *Administrative Order (AO) No. 02 on Regulation of the Incentive Subsidy Scheme for Organic Certification, and AO No. 03 on Fee Structure for the Regulation of the Incentive Subsidy Scheme for Organic Certification to operationalize the certification subsidy provision of the Organic Agriculture Act and authorized the Agribusiness and Marketing Assistance Service (AMAS) as the designated focal agency in facilitating the certification incentive transaction*;

WHEREAS, through NOAB Resolution No. 001, Series of 2014, (*Revising AO No. 2 Series of 2012 or the Regulation of the Incentive Subsidy Scheme for Organic Certification*), the NOAB resolved to transfer the functions of the Agribusiness and Marketing Assistance Service (AMAS) relative to the provision on certification subsidy to the Regional Field Offices (RFOs) in order to fast track its implementation;

NOW THEREFORE, the Department hereby adopts and prescribes this Circular for purposes of the implementation of the provision on organic certification subsidy under R.A. No. 10068.

SECTION 1. OBJECTIVES. This Department Circular is issued in order to:

- 1.1 provide the Regional Field Offices (RFOs) with the guidelines to effectively facilitate the implementation of Section 24 (d) of R.A. No. 10068; and
- 1.2 encourage organic agriculture entities/farmers and organic input producers to comply with the Organic Agriculture related Philippine National Standards (PNS) through third-party certification.

SECTION 2. APPLICABILITY. These Guidelines shall apply to all organic agriculture entities/farmers and organic input producers, which have been granted with organic certification by the officially accredited local organic certifying bodies (OCB) of the Department of Agriculture - Bureau of Agriculture and Fisheries Standards (DA-BAFS).

SECTION 3. DEFINITION OF TERMS. For the purposes of these guidelines, the following terms shall be defined as follows:

- 3.1 **Certification** – refers to the procedure by which accredited/official certifying bodies or officially recognized certifying bodies provide written attestation that food or inputs or food control systems conform to applicable organic agriculture standards and requirements. Certification may be, as appropriate, based on a range of inspection activities, which may include continuous inspection, auditing of quality assurance systems, and examination of finished products
- 3.2 **Certification cost** – refers to the amount charged by the officially accredited OCB, which includes the application and processing fees and other reasonable related costs such as traveling expenses and per diems of the inspectors.
 - 3.3.1 **Application Fee** – is the amount charged to the client at the time of application. This is generally a Oat fee, which is meant to cover the clients cost for the initial processing of its application. This covers basic legal document review and verification and administrative cost related to it.
 - 3.3.2 **Certification Fee** – is the amount charged to the client to validate the organic claim. The fee is variable depending on the scope and type of operations involved. The fee covers inspection and evaluation fees. For inspection, it covers the farm, production unit and trading units among others. While evaluation covers assessment and evaluation of the inspection reports and other document generated and requested in relation to its compliance to the standard applied for. Most often travel cost and laboratory costs/fees are charged separately
- 3.3 **Certification subsidy** – refers to the organic certification incentive scheme of the DA for organic agriculture entities/farmers and organic input producers compliant with the relevant PNS for organic agriculture
- 3.4 **Micro, Small and Medium Enterprises (MSME)** – refers to any business activity or engaged in industry, agribusiness, and/or services, whether single proprietorship, cooperative, partnership or corporation

whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must fall under the following categories:

3.4.1 Micro: not more than 3,000,000

3.4.2 Small: P3,000,001 – P15,000,000

3.4.3 Medium: P15,000,001 – P100,000,000

3.5 **Organic agriculture entities/farmers** – are those involved in the production, processing, manufacturing, sale and distribution of organic produce

3.6 **Organic Agriculture Validation Team (OAVT)** – refers to the team of experts and representatives from various DA regulatory agencies and concerned offices organized by the DA-BAFS responsible for the pre- registration validation, monitoring of licensed and registered organic farms and establishments, and post-market surveillance in market outlets.

3.7 **Organic Certificate** – refers to the official document issued by the officially accredited organic certifying bodies attesting that the entity conforms to organic agriculture requirements. The official document identifies the name and address of the entity certified, effective date of certification, expiration date of certification, certification number, scopes of products and/or process certified, identification of certified sites, name and address of certification agent, and standards to which the entity is certified.

3.8 **Organic Certifying Body (OCB)** – a body responsible for verifying that a product sold or labeled as “organic” is produced, processed, prepared, handled, exported and imported according to the prescribed guidelines

3.9 **Organic Input Producer** – refers to an entity that produces inputs e.g. organic materials such as plant nutrition and plant protection or pest management products that are compliant with the applicable PNS for organic agriculture.

3.10 **Registration** – refers to the process by which the DA-BAFS record and verify information about agriculture and fishery establishments engaged in the primary production and postharvest stages of the food supply chain, including facilities involved in activities related to agrochemicals and other inputs in the primary and postharvest stages of production, in an official list or official system for entering names and information.

3.10.1 **Certificate of Registration (COR)**– means a written approval granted by BAFS to a certified organic input producer indicating the products that are certified as “organic”.

3.11 **Scope** – refers to the type of operation defined in the PNS for OA e.g. crop production, livestock and poultry production, processing, special products (wild collections), aquaculture, and retailing.

3.12 **Total organic produce** – refers to the total volume of marketable