

[DA DEPARTMENT ORDER NO. 4, s. 1997, July 14, 1997]

IMPLEMENTING GUIDELINES FOR THE AVAILMENT OF IMPORT DUTY INCENTIVE FOR IMPORTED FERTILIZER

In support of the *Gintong Ani* Program and other related programs of the Department of Agriculture (DA) geared toward increased food production and achieving food security, the import duty incentive (IDI) for imported fertilizer has been approved. The Department of Finance through Secretary Roberto F. de Ocampo in a letter dated 25 March 1997, approved the release of fertilizer shipments from the Bureau of Customs without prepayment of duties and other charges pursuant to Sec. 12 of the General Appropriations Act of 1996 otherwise known as R.A. 8174 in relation to DOF-DBM Joint Circular No. 2-91. In connection therewith, the following rules, guidelines and procedures are hereby promulgated:

I. Definition of Terms

A. *Fertilizer* — Any substance, solid or liquid, inorganic or organic, natural or synthetic, single or a combination of materials that is applied to the soil or on the plant to provide one or more of the essential elements to improve plant nutrition, growth yield or quality or for producing a chemical change in the soil which will contribute to the improvement of plant nutrition or growth. Fertilizers are classified into two (2) general types, namely: inorganic and organic.

Fertilizer grade — The grade of a fertilizer is the nutrient content expressed in weight percentage in N P₂O₅ and K₂O in that order. In most cases, the grade when used for commercial purposes, include only those amount of nutrient found by prescribed analytical procedures, thereby excluding any nutrient present in a form deemed to be unavailable for plant nutrition.

1. *Inorganic Fertilizer* — Any fertilizer product which property is determined predominantly by its content of mineral matters or synthetic chemical compounds. It also refers to any chemical compound which is in solid or liquid form and contains considerable amounts of at least one of the essential plant nutrients, such as nitrogen, phosphorous, potassium, secondary macronutrients and micronutrients.

a. *Conventional grades* — shall include all inorganic fertilizers in solid or liquid form which are highly soluble, proven effective for specific crops and which have full registration with FPA.

b. *New grades* — shall include newly formulated or imported fertilizer registered with FPA.

c. *Specialty grades* — shall include finished products recommended to

overcome a specific problem or supply the nutrient need of a specific type of crops.

2. *Organic Fertilizer* — Any product of plant and/or animal origin that has undergone decomposition through biological, chemical and/or any other process as long as the original materials are no longer recognizable, free from plant or animal pathogens, soil-like in texture, contains not less than 20% organic matter (o.m.) in oven-dry basis and can supply nutrients to the plants. All other materials that fall short of these requirements shall be classified as either soil conditioners or amendments whichever is applicable.

a. *Pure* — decomposed plant or animal materials to which decomposing activators may have been added to hasten the process of decomposition and to which no chemical or inorganic fertilizer material has been added to finished product to affect the nutrient content.

b. *Fortified/Enriched* — an organic fertilizer material which had been enriched with microbial inoculants, hormones and/or chemical additives to increase its nutrient content.

B. *Soil Conditioner/Soil Amendment* — Any organic or inorganic nutrient that is applied to the soil to modify certain soil physical properties such as structure, moisture retaining capacity, shrinking and swelling capacity or resistivity to crusting or to improve soil chemical, and biological conditions. Strictly, a fertilizer is also an amendment but the term is more commonly used for materials applied for their fertilizing value.

C. *Raw Materials* — Any organic or inorganic material used in the production of intermediate or finished fertilizer products.

D. *Plant Growth Regulatory (Promoter)* — Any organic or inorganic compound, natural or synthetic, which in low concentration promotes or modifies any physiological process in plants.

II. Coverage

The import duty incentive for imported fertilizer shall cover finished fertilizer, raw materials, intermediates and additives that are used in the production of fertilizer intended to support the Gintong Ani Program and other related programs of the Department of Agriculture and are geared toward increased food production and achieve food security.

III. Exception and Qualification

As agreed between DOF and DA/FPA, the following fertilizer grades are not covered under IDI scheme:

a. Locally produced grades in adequate quantity, of good quality and at a price competitive to the world market;

- 1) 14-14-14
- 2) 16-20-0
- 3) 18-46-0