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MEMORANDUM CIRCULAR

No. 41

Series of 2023

SUBJECT : REVISED IMPLEMENTING GUIDELINES ON THE PROVISION OF INCENTIVES FOR PARTICIPATORY GUARANTEE SYSTEM – ORGANIC CERTIFYING BODIES (PGS-OCBs)

I. RATIONALE

The National Organic Agriculture Program (NOAP) has been providing third-party organic agriculture certification assistance since 2017. This assistance is done on a reimbursement basis. The farm beneficiaries are eligible to benefit from the renewal of certification assistance up to three (3) times. Thereafter, the farms are expected to shoulder their certification renewal cost.

This assistance helped increase the number of certified organic farms in the country, albeit not sustainable due to the high cost of third-party certification including the renewal fees. Thus, Republic Act (RA) 11511, or the amended Organic Agriculture Act of 2010, included the Participatory Guarantee System (PGS) in its amendment as an alternative to the third-party certification system. The PGS Certification will give our organic agriculture producers access to localized and affordable certification that will allow them to legally label and sell their produce as organic.

Section 25 of the Organic Agriculture Act, as amended by RA 11511, states that the government shall assist organic input producers and organic farmers through the provision of adequate financial, technical, marketing, and other services and resources including subsidies for certification fees and other support services to facilitate organic certification. Further, as provided under the Implementing Rules and Regulations (IRR) of RA 11511, small farmers/ fisherfolks, along with indigenous people, and agrarian reform beneficiaries (ARBs), including cooperatives and micro, small and medium enterprises (MSMEs), shall be prioritized in the provision of incentives.

There is a need to revisit and amend Memorandum Circular 20, series of 2021, which was previously issued as the implementing guidelines on the provision of incentives to PGS-OCBs to refine the provisions and make them more responsive to the current state of organic agriculture and the operation of PGS-OCBs.

Thus, this Memorandum Circular is issued as the revised implementing guidelines for the provision of incentives for the Participatory Guarantee System - Organic Certifying Bodies (PGS-OCBs).



II. DEFINITION OF TERMS

For this Memorandum Circular, the following terms are defined as follows:

- (a) *Organic Certifying Body (OCB)* refers to a legal entity accredited by a government agency to perform inspection and certification activities. It is responsible for verifying that a product sold or labeled as “organic” is produced, processed, prepared, or handled according to relevant guidelines.
- (b) *Participatory Guarantee System* refers to a locally-focused quality assurance system which is developed and practiced by people actually engaged in organic agriculture. It is built on a foundation of trust, social network and knowledge exchange. It is used to certify producers and farmers as actual and active practitioners of organic agriculture.
- (c) *Small farmer/ fisherfolk* refers to those utilizing not more than five (5) hectares of land for the single purpose or a combination of agricultural crop production, aquaculture production, and poultry/ livestock raising, provided that poultry/ livestock raising shall not have more than the following:
 - a. Poultry - 1,000 poultry layers or 5,000 broilers
 - b. Swine/ native pigs - 10 sow level or 20 fatteners
 - c. Cattle - 10 fatteners or 5 breeders
 - d. Dairy - 10 milking cows
 - e. Goat, sheep, and other small ruminants - 50 heads
 - f. Bee colonies - less than 500 colonies for stingless bees or less than 200 colonies for honey bees
 - g. Other animals permitted to be raised, the limits of which are to be determined by the National Organic Agriculture Board (NOAB)

III. COVERAGE AND SCOPE OF ASSISTANCE

The provision of cash incentives shall be accessible to qualified PGS-OCBs as assistance to support their operation. The Program shall provide cash incentives amounting to three thousand pesos (PhP3,000.00) to PGS-OCBs for every small farmer certified holding at least five thousand (5,000) sq.m., or for every group of small farmers certified with an aggregate land holding of at least five thousand (5,000) sq.m..

The provision of cash incentives to PGS-OCBs shall be based on the review and evaluation of the Department of Agriculture – Regional Field Offices (DA-RFOs) by the requirements herein set forth.



IV. ELIGIBLE RECIPIENTS

The eligible recipients of the cash incentives are the Participatory Guarantee System – Organic Certifying Bodies (PGS-OCBs) accredited by the Bureau of Agriculture and Fisheries Standards (BAFS).

V. DOCUMENTARY REQUIREMENTS

The PGS-OCB must submit the following to facilitate availment of the cash incentive:

1. Letter of request addressed to the DA Regional Executive Director;
2. Accomplished application form;
3. Copy of Certificate of Accreditation from BAFS;
4. Copy of Participatory Organic Certificate (POC) issued;
5. Farm profile and map; and
6. Photos of farm inspections showing the land and farmer certified, preferably geo-tagged.

VI. MECHANICS OF IMPLEMENTATION

1. The DA-RFOs and NOAP-NPCO shall include this memorandum circular as a topic in the information caravan;
2. The PGS-OCB shall submit their letter of request addressed to the DA Regional Executive Director, an accomplished application form, along with the other documentary requirements to the DA-RFO;
3. PGS-OCB must ensure to have an active or valid Certificate of Accreditation at the time the POC is issued to its farmer member/s to claim the cash incentive;
4. DA-RFOs shall review and evaluate the submitted documents;
5. The DA-RFOs shall release the PGS-OCB cash incentives based on the favorable result of their review and evaluation;
6. The amount of the cash incentives shall be based on the size of the area certified according to Section III of the Memorandum Circular, and subject to the availability of funds;
7. The DA RFO shall include in its annual budget proposal an allocation for cash incentives based on the validated targets by the PGS-OCBs.

VII. FUNDING SOURCE

Funding for the provision of incentives to PGS-OCBs shall be charged primarily to the National Organic Agriculture Program Fund. Local Government Units (LGUs) are likewise encouraged to allocate funds as assistance for the operations of the PGS-OCBs and for the PGS certification requirements of their farmer or fisherfolk constituents.

VIII. APPLICABILITY

These revised guidelines shall apply retroactively from the start of operation of the first PGS-OCBs accredited by BAFS in 2022.

IX. AMENDMENTS TO THE GUIDELINES

The DA, upon approval by the National Organic Agriculture Board (NOAB), may modify, amend, revise and/or make further issuances as it may deem necessary and appropriate to implement and/or supplement these guidelines.

X. EFFECTIVITY CLAUSE

This Memorandum Circular shall take effect fifteen (15) days following completion of its publication in a newspaper of general circulation or the Official Gazette, a copy filed with the U.P. Law Center, and its posting in the Department of Agriculture website.

Done this 29th day of August, 2023

DOMINGO F. PANGANIBAN
Senior Undersecretary



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