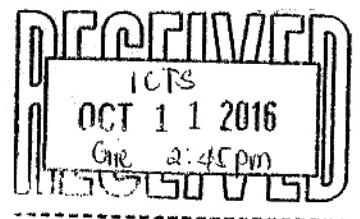




Republic of the Philippines
Department of Agriculture
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
Quezon City 1100, Philippines



15 September 2016

Memorandum Order

No. 25

Series of 2016

SUBJECT: GENERAL GUIDELINES IN THE PROVISION OF AGRICULTURAL PRODUCTION POSTHARVEST AND PROCESSING FACILITIES

This Memorandum Order provides general guidelines for the provision of agricultural production, postharvest and processing facilities under the Regular Program of the Department.

I. Scope

The guidelines shall cover the provision of agricultural facilities listed under Major Final Output (MFO) No. 5 Agricultural and Fishery Machinery, Equipment and Facilities Support Services (AFMEFSS), to qualified recipients. Facilities to be used for technology demonstration, pilot testing or research and development shall be covered by the supplemental guidelines to be issued by the DA-RFOs.

The DA-RFOs shall identify agricultural facilities for the target areas based on the Farm Mechanization Masterplan of the Region/Province.

II. Eligibility

The *qualified recipient* should meet the following requirements:

1. Must be an organized Farmer's Group or other related groups engaged in agriculture production and processing duly registered at SEC/CDA/DOLE/DTI;
2. Must be currently engaged in rice, corn, high-value crop, organic farming, livestock and poultry production;
3. For facilities intended for business operation, the recipient must be currently engaged in trading, consolidating or any activity necessary to sustain the operation of the facility;
4. Must be willing and able to provide the prescribed equity. Land equity shall be supported with proof of ownership/possession such as copy of Title/Tax declaration (in the name of the recipient) or Deed of Donation (with copy of Title /Tax Declaration) or copy of Usufruct Agreement for at least 25 years with copy of Title/Tax Declaration; and not in any way subject to pawned;
5. Must be willing to shoulder the cost of operation and maintenance starting from the date of turnover and beyond warranty period; and
6. Must be willing to participate in training courses.

Further, the *proposed site* should have the following eligibility:

1. The size of the service area or volume of production must be equivalent or more than the capacity of the requested facility;
2. For postharvest and processing facilities, the proposed site shall have an existing power and water supply that conforms to the facility requirement or the prospective recipient has a pending application to electric/water cooperative/company;
3. Accessible to all types of transport/hauling vehicle;
4. No peace and order issue;
5. No Right-of-Way issue;
6. Environmental-compliant; and
7. Proposed site should not be located in geo-hazard and flood-prone area.

iii. Minimum Requirements

The qualified recipients shall submit the following documents:

1. Letter of Intent and Board Resolution stating the need for the facility and the capacity of the applicant/ prospective recipient to manage the facility signed by all members of Board of Directors;
2. List of farmer-members with signatures and their corresponding agricultural /cultivated area;
3. Profile of the Association;
4. Record or any proof that the recipient is engaged in trading or any other business operation;
5. SEC/CDA/DOLE/DSWD Certificate of Registration and Good Standing or equivalent certification from the DA-RFO;
6. Proof of ownership/donation/lease of lot or Usufruct Agreement (at least 25 years agreement);
7. MAO/CAO/PAO endorsement; and
8. Facility Utilization Proposal (Annex B) that indicates the production area or volume of production, capacity of requested facility, period of operation, access scheme of members and generation of funds for the maintenance and repair of the facility, among others; and
9. Location map showing geotagged location of facility and service area.

IV. Mechanics of Implementation

1. The letter of intent and other supporting documents to avail the facility shall be submitted to DA-RFOs;
2. The Regional Banner Program, RAED and AMAD shall validate the institutional and financial capability of the potential project recipient as well as the threshold gap, technical, environmental and social feasibility of the area based on the documents submitted and site visit;
3. As a spin-off of social assessment, the DA-RFO in collaboration with the LGU shall conduct social preparation in the community, if necessary;
4. The DA-RFOs shall select and approve the recipients;
5. The DA-RFOs shall execute a corresponding MOA (specifying detailed arrangements) with the approved recipients prior to the start of construction of the facility;
6. It shall be specified in the MOA that the recipient shall provide equity in the form of land, secure all legal documents, attend training courses, and assume the operation and maintenance costs of the facility;
7. Technical specifications for the agricultural postharvest and processing facilities shall be referred to PAES. A Reference Manual of Agricultural Machinery and Equipment (Compendium) shall be provided to the RFOs for guidance;
8. For technologies that are adopted from PhilMech, PhilRice, BPI, NMIS and other concerned agencies, a modular design with specifications and bill of materials shall be provided to DA-RFOs;
9. The Program of Works (POW) and Detailed Engineering Design (DED) shall be signed and sealed by a Professional Agricultural and Biosystems Engineer in consonance with Article IV Section 27 of RA 10915;
10. Prior to the start of the construction of the facility, the DA-RFOs shall assist the recipient in securing the building permit and the Environmental Compliance Certificate(ECC)/Certificate of Non-Coverage (CNC). No construction shall commence unless the said documents are already secured by the recipient;
11. Testing and commissioning of the constructed facilities shall be conducted by the DA-RFOs. The cost of testing shall be at the expense of the contractor/supplier. The DA-RFOs in coordination with the recipient shall assist in the sourcing of the test materials.
12. No acceptance report shall be signed by the DA-RFOs unless the facility has already complied with the desired performance and set standards. A Test Report shall be secured by the DA-RFOs for file keeping.
13. Constructed facilities shall be granted with warranty in accordance with the provisions in RA 9184. The DA-RFO shall assist the recipient on the availment of warranty and after sales service from the contractor/supplier;

14. The DA-RFOs shall conduct geo-tagging and regular monitoring before, during, and after the construction of the facility.
15. Training on the operation and maintenance of the facility shall be conducted by the contractor and/or supplier while the DA-RFO-AMAD shall conduct training on business management, organizational development and the orientation on social and environmental requirements, all in coordination with other concerned offices;
16. The Business Plan Formulation of the recipient shall be assisted by DA-AMAD;
17. Costs on operation and maintenance of the facility shall be shouldered by the recipient. Likewise, repair/rehabilitation shall be assumed by the recipient beyond warranty period. Furthermore, the recipient may apply for insurance of the facility in the Philippine Crop Insurance Company (PCIC) of which DA shall shoulder the premium for the first year of operation;
18. In case of force majeure, the DA-RFO shall exert effort in utilizing savings for the rehabilitation of facilities.

V. Supplemental Guidelines

1. All DA-RFOs and DAF-ARMM are hereby authorized to formulate detailed supplemental guidelines to address peculiar situations of a particular region or to clarify further those indicated in the Memorandum Order. A copy of all regional issuances for supplemental guidelines shall be officially furnished to the National Program Secretariat within seven (7) working days from the date of its release.
2. The DA Secretary may authorize the DA-RFOs to adopt and implement other modalities or schemes in the provision of agricultural production, postharvest and processing facilities.

VI. Reporting and Monitoring

The regular monitoring and reporting systems of the Department shall cover the implementation of this intervention.

VII. Effectivity

This Memorandum Order shall take effect immediately upon signing and shall supersede other issuances that are inconsistent herewith.

Approved:

EMMANUEL F. PIÑOL
Secretary

DEPARTMENT OF AGRICULTURE
In replying pls cite this code.
For Signature: S-09-16-0485
Received: 09/23/2016 09:18 AM

APL

Facility Utilization Proposal

Date of Request: _____

ABSTRACT OF REQUEST

Facility requested: _____

Capacity of the facility: _____

Proposed No. of hrs/day of operation: _____ No. of days operated/year: _____

PROFILE OF REQUESTING PARTY

Name of the Proponent (FAs/FOs): _____

Address: _____

Contact Person & Contact Number: _____

No. of Members: _____ Number of Intended Beneficiary Members of the Facility: _____

Registration: SEC CDA DOLE Others _____ Year registered: _____**PROFILE OF SERVICE AREA**

Location and Coordinates: _____

Crops Planted	Existing		Potential		Cropping per year
	Area, ha	Yield, MT/yr	Area, ha	Yield, MT/yr	

OTHER INFORMATIONWith available area for the facility: Yes No, Size of the Area (sq. meter): _____Land Ownership (Machinery Shed): Owned Donated Lease Others: _____Source of O & M Funds: Service fee Organizational fund, Others: _____With trained operators: Yes No, Remarks: _____

Other Available Agricultural Machinery and Equipment or Facility Received from the Government: _____

Availability of three-phase power supply: Yes No Remarks: _____Availability of water supply: Yes No Remarks: _____Road network connection: Barangay Municipal Provincial National Remarks: _____Road condition: PCCP All weather road, Remarks: _____

Business operation(s): _____

Prepared by: _____

 (Requesting Party)

Validated by: _____

 (RFO Representative)