



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

29 October 2020

ADMINISTRATIVE ORDER

NO. 34
Series of 2020

SUBJECT : SUSPENSION OF THE ISSUANCE OF SANITARY AND PHYTOSANITARY IMPORT CLEARANCE (SPSIC) TO FARMERS' COOPERATIVES AND ASSOCIATIONS, INCLUDING IRRIGATORS' ASSOCIATIONS FOR COMMERCIAL PURPOSES

WHEREAS, the current Covid-19 Pandemic has seriously affected the transport and movement of food supply, leading to unstable prices of food available in the market and posing a threat to food security;

WHEREAS, the recent bountiful rice harvest has led to a depressed price of palay, threatening to negate productivity gains with the loss in farmers' income. This has led to farmers clamoring for a stop in rice importation

WHEREAS, the above depressed price of palay was aggravated by the availability of enough supply of locally produced and imported rice.

WHEREAS, to mitigate the situation, the Department of Agriculture has ordered the National Food Authority to increase local rice procurement and encouraged LGUs and private companies to procure farmers' produce.

WHEREAS, it has been noted that contrary to the purpose of farmers' cooperatives and associations (FCAs) and irrigators' associations (IAs), many FCAs and IAs have been engaged in importing rice instead of procuring local rice from local farmers. FCAs and IAs imported almost half of the volume of imported rice in 2019.

WHEREAS, adding insult to injury, has been numerous reports that the SPSICs issued for importing rice have been misused or abused by unscrupulous traders and businesses using farmers' cooperatives and irrigators' associations as fronts. Taking advantage of the privileges provided by law to the cooperatives to avoid their legal responsibilities and evade taxes.

WHEREAS, the above-said report led to the Senate Resolution No. 536, calling for an inquiry and investigation regarding the reports on the misuse or abuse of the SPSICs and the privileges enjoyed by cooperatives under the law by unscrupulous traders and businesses.

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WHEREAS, according to Section 3, Chapter 1, Title IV, Book II of Executive Order No. 232, s. 1987 (Administrative Code of the Philippines), the Department of Agriculture shall:

"xxx

(2) Be responsible for the planning, formulation, execution, regulation, and monitoring of programs and activities relating to agriculture, food production and supply;

(3) Promulgate and enforce all laws, rules and regulations governing the conservation and proper utilization of agricultural and fishery resources;

xxx."

WHEREAS, according to Section 3, of the R.A. No. 11494 (Bayanihan to Recover as One Act), it is a State Policy to:

"xxx

(e) Mitigate the economic cost and losses stemming from the COVID-19 pandemic;

(i) Promote and protect the collective interest of all Filipinos in these challenging times;

xxx"

WHEREAS, the above premises and the Senate inquiry and investigation has prompted the Department of Agriculture to consider banning FCAs and IAs in the issuance of SPSIC.

NOW, THEREFORE, considering the preceding premises and in consideration of due process, and for the protection of the farmer cooperatives and associations, including irrigators' associations, from the undue influences of unscrupulous traders and businesses, and for the maintenance of food security, the following is hereby ordered:

1. The issuance of Sanitary and Phytosanitary Import Clearance (SPSIC) to FCAs, including IAs, for commercial purposes, shall be suspended until further notice.
2. The application, and the processing of the same, of FCAs, including IAs, for SPSICs for commercial purposes, shall be likewise suspended until further notice.
3. The Bureau of Plant Industry (BPI) is hereby instructed to conduct an investigation, and consultations with the affected stakeholders, to come up with new policies and rules to avoid circumvention of the laws and to protect not only the farmers and their cooperatives from exploitation and abuse but the welfare of all Filipinos.

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All existing Department rules, orders, circulars, or regulations inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

This Administrative Order shall take effect immediately after publication.

Done this 30th day of October 2020.


WILLIAM D. DAR, PhD.
Secretary



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