



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

## MEMORANDUM CIRCULAR

No. 24  
Series of 2021

**SUBJECT: IMPLEMENTING GUIDELINES OF KADIWA COLD CHAIN  
PROJECT FOR CHILLED/FROZEN MEAT**

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### I. Background

The reduction in local pork supply brought about by the effects of the African Swine Fever (ASF) has resulted in the spike of local pork prices in the wet markets at the National Capital Region (NCR) and nearby areas. Retail prices, however, of frozen pork (*kasim*) in supermarkets were observed to be generally cheaper than fresh pork in wet markets. Such cheaper frozen pork is not available in the wet markets due to lack of proper cold chain equipment which is required when selling chilled and frozen meat.

In May 2021, the President issued Proclamation No. 1143, declaring state of calamity throughout the Philippines due to the ASF outbreak. It calls all government agencies and sectors to work towards the objectives of ensuring availability, adequacy, and affordability of pork products.


In order to address the worsening supply situation of pork and stabilize prices, the President approved Executive Orders No. 133 and 134 to temporarily increase the minimum access volume of pork and reduce tariff rates;

To ensure that chilled and frozen meat are likewise accessible to low-income consumers who normally buy at wet markets and other non-supermarket outlets, a **Kadiwa Cold Chain Project** was launched to provide cold chain equipment in the wet markets and other meat outlets for use by meat vendors/retailers.

### II. Objectives

The Project's goal is to modernize the food distribution system in traditional wet markets to ensure availability of affordable and safe pork and pork products to the consuming public.

The Project's objective is to ensure safe distribution and handling of both local and imported chilled and frozen pork in the wet markets and other non-supermarket outlets.

 *A food-secure Philippines*  
with prosperous farmers and fisherfolk



### III. Project Description

The Project shall entail the following: (a) food safety and meat handling training for wet markets meat vendors and LGU personnel; (b) provision of cold chain equipment and freezer van to LGU Kadiwa stores and public wet markets; and (c) technical assistance services to LGU personnel, vendors, retailers and other handlers of chilled and frozen meat.

**Coverage Area.** The project shall be implemented in the National Capital Region (NCR) and other areas that are experiencing spike in price of local pork due to reduction of supply brought about by the African Swine Fever (ASF).

**Food Safety and Meat Handling Training.** To capacitate the meat vendors on basic food safety and meat handling, the Department of Agriculture-National Meat Inspection Service (DA-NMIS) shall provide the said training to the selected meat vendors and LGU personnel. This shall be funded by the Department of Agriculture-National Livestock Program's (DA-NLP) Livestock Extension Program through the Department of Agriculture-Bureau of Animal Industry (DA-BAI) as implementer.

**Provision of chilling equipment and freezer van.** As post-training complement provision, cold chain equipment and freezer van shall be provided to the beneficiaries. The BAI shall facilitate the transfer of funds, through a memorandum of agreement (MOA) to identified LGUs for the latter to procure the cold-chain equipment and freezer van.

**Specifications.** The specifications provided by DA-NMIS and indicated in the MOA shall be followed.

**Distribution.** The equipment and freezer van procured by the LGUs shall be distributed to meat vendors in their public wet markets and to other non-supermarket retail outlets such as Kadiwa partner cooperatives and associations to be used for free.

The cold chain equipment and freezer van shall be turned-over to the project beneficiaries as donated assets by the LGU after a year of project implementation or earlier upon liquidation by the LGU of the transferred fund.

**Technical Assistance.** In addition to the conduct of orientation and training on the proper handling of chilled and frozen meat, the DA-NMIS shall continuously monitor compliance of the beneficiaries. The DA-AMAS shall provide coordinative support to the LGUs in market matching and coordinate the orientation activities/meetings with the DA-NMIS, DA-BAI, stakeholders and pork/meat chain players.



#### IV. Mechanics of Implementation

##### A. Determination of LGU Partners, Project Sites, and Number of Chillers/Freezers and Freezer Van on a first come, first serve basis

The eligible LGUs are those that comply with the following criteria:

1. Send letter of intent to avail of the project together with a Sangguniang Bayan Resolution;
2. Have no unliquidated fund from the BAI Accounting Office; and
3. Willing to enter into a Memorandum of Agreement (MOA) with DA-BAI.

The allocation and distribution of the cold chain equipment and freezer van to LGUs shall be based on the following:

1. Number of public wet markets identified by the LGUs and validated by DA-AMAS/AMAD;
2. Number of eligible project beneficiaries per public wet market per LGU;
3. Number of Kadiwa stores identified by the LGUs; and
4. Number of eligible project beneficiaries per FCA/ CBO.

The LGU shall include the following criteria in the selection of project sites where the equipment will be located:

1. Strategically located and accessible to consumers;
2. The markets identified must be among the major markets within its coverage area;
3. Availability of a suitable and secured area for the chillers/freezers; and
4. With 24-hour stable power and water supply including other utilities.

##### B. Project Beneficiaries

Eligible project beneficiaries are those meat vendors/retailers, community-based organizations, and farmers cooperatives and associations who satisfy the conditions below:

1. **Meat Vendors** – meat stall owners/operators in wet markets with business permits or licensed by the LGUs;
2. **Community-based organizations (CBOs)** – cooperatives or associations registered with the appropriate agency (CDA or SEC) operating in NCR and/or nearby cities/municipalities, whose membership is open to various sectors of the community and

engaged in selling of any or all of basic necessities as defined in Section 3 of RA 7581 ("The Price Act"); and

3. **Farmers Cooperatives and Associations (FCAs)** – cooperatives or associations registered with the appropriate agency (CDA or SEC) composed primarily of farmers, fisherfolk, producers, farmworkers, or agrarian reform beneficiaries that are engaged in supplying and selling agricultural commodities in NCR and nearby cities/municipalities.

The **CBOs/FCAs** must be **Kadiwa partners** recognized by DA-AMAS/RFO-AMADs and DA-accredited CSOs pursuant to DA-Administrative Order No. 13, s. 2020.

Moreover, the project beneficiaries shall be considered by the LGU with the DA-AMAS based on the following:

1. The MV, CBO, and FCA are engaged in business in the selected market;
2. Must be willing to receive and maintain in good operating condition the cold chain equipment and freezer van and to sell chilled/frozen meat;
3. Willing to undergo an orientation and training;
4. Commit to pay the electrical consumption of the equipment, in case this is not assumed by the LGU; and
5. Willing to submit regular reports for purposes of project monitoring.

The LGU shall endorse the list to DA-AMAS, however, subject for review, final selection, and allocation of the DA-BAI, and approved by the Secretary. Only those finally selected and provided with allocation shall be given cold chain equipment and freezer van.

#### **C. The Type of Cold Chain Equipment and Freezer Van**

The specifications of cold chain equipment and freezer van to be procured and distributed to project beneficiaries shall be determined by DA-NMIS and DA-AMAS after consultation with LGUs and meat vendors. This is to ensure that the equipment and freezer van specifications are in accordance with the standards on handling chilled and frozen meat and its suitability for use in the wet market setting.

#### **D. Procurement of Cold Chain Equipment and Freezer Van**

The funding from the DA-NLP Livestock Extension Program shall be utilized by way of donation (Object of Expenditure) by the DA-BAI, being the implementing unit where the said funds have been sub-allotted.





After determining the exact needs and allocations per participating LGU, the DA-BAI shall facilitate the transfer of funds through a MOA to the qualified LGUs. The LGUs shall undertake the procurement of the equipment and freezer van, subject to existing procurement law (Republic Act No. 9184) and its Implementing Rules and Regulations.

**E. Maintenance, Use, and Safe Handling of the Cold Chain Equipment and Freezer Van**

Upon receipt of the equipment and freezer van, the MV/CBO/FCA shall be responsible for the proper use, maintenance and safety thereof, the cost of which shall be borne by the recipient, and shall undergo training on Safety, Use, and Handling mechanics of equipment and freezer van to be discussed by Bureau of Agriculture Fishery Equipment (BAFE).

DA-AMAS and DA-NMIS shall conduct periodic inventory and monitoring of the physical condition and operation of the equipment and freezer van for one-year and furnish DA-BAI with such monitoring reports.

**F. Adherence to Food Safety Regulations and Suggested Retail Price (SRP)**

- 1) The DA-NMIS shall regularly monitor the compliance of meat vendors/retailers with the food safety regulations including requirements on the use of accredited Meat Transport Vehicles (MTVs).
- 2) The DA-NMIS shall expedite the processing and issuance of MTV accreditation certificates.
- 3) Only DA-NMIS accredited refrigerated "Meat Vans" shall be utilized to deliver local or imported meats in Metro Manila and nearby areas. The accredited MTVs shall be issued "Food Pass" stickers by DA-AMAS to ensure their unhampered deliveries.
- 4) The beneficiaries shall abide by the Suggested Retail Prices (SRPs) or any other promulgation issued by the government concerning prices pursuant to the Price Act and other pertinent laws. The DA Bantay Presyo Task Force shall ensure compliance thereof by the meat vendors/retailers.

**G. Delivery and Distribution of Chilled/Frozen Meat**

The market matching activities shall be undertaken by DA-AMAS and RFO-AMADs in order to ensure a sustainable meat supply. In addition, the following shall be observed:

- 1) Only accredited Meat Vans of suppliers/wholesalers shall deliver the meat according to their assigned LGUs and/or organizations retailers/partners. Each participating LGU/organization will be provided with the list of accredited suppliers of chilled/frozen meat for linkage with the market meat vendors/retailers;
- 2) The DA-AMAS shall provide the participating LGUs the list of meat wholesalers/suppliers that are willing to supply chilled/frozen meat in the project sites. The list will include the commodity, supplier/seller, and meat volume; and
- 3) The partner LGU shall monitor the operation of the distributed cold chain equipment and freezer van in the identified sites/outlets to ensure smooth operations and facilitate the entry of Meat Vans in delivery area.

The concerned DA offices (NMIS, BAI, AMAS, RFOs and other DA offices) are authorized to use its existing transport facilities (e.g. reefer vans) and operating budgets to support the activities of the cold chain project, such as provision of transportation allowance to FCA/CBO personnel, transport expenses, and other incidental expenses required in mobilizing partner suppliers of chilled/frozen meat.

#### **V. Funding**

An initial allocation from DA-NLP, sub-allotted to DA-BAI, shall be used in the project. Part of the allocated amount shall be utilized by DA-BAI to fund the training and the post-training provisions. Additional funds may be allocated for the project subject to funds availability.

#### **VI. Effectivity**

This implementing guideline shall take effect immediately upon signing and shall supersede other issuances inconsistent herewith.

Done this 9th day of November 2021.

**Approved:**



**WILLIAM D. DAR, Ph.D.**

Secretary

