



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

MEMORANDUM CIRCULAR

No. 07

Series of 2022

SUBJECT: IMPLEMENTING GUIDELINES ON THE PROVISION OF FUEL DISCOUNT TO FARMERS AND FISHERFOLK

1.0 RATIONALE

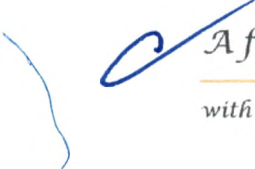
The Department of Agriculture has been extensively promoting mechanization to modernize and enhance productivity in the agriculture and fishery sector. Fuel expenses are therefore one of the most important components of the operating cost in farming and fishing. However, we are confronted with constant increase in prices of oil and oil products which affects agricultural and fishery operations. To cushion the negative impacts of high fuel prices in ensuring food security, the DA instituted several measures and one of which is the fuel discount.

Pursuant to the Special Provision No. 20 of the General Appropriation Act (GAA) FY 2022, the amount of Five hundred million pesos (P500,000,000.00) shall be used to provide fuel discount to farmers and fisherfolk. In compliance with the FY 2022 President's veto message on the said special provision, this Circular is issued by the Department, in coordination with the Department of Budget and Management for the orderly implementation of the fertilizer discount and to ensure that the funds are properly released and utilized for the intended purpose.

2.0 SCOPE AND COVERAGE

This Memorandum Circular provides the general guidance on the identification of qualified beneficiaries nationwide and the implementation arrangements of the Fuel Discount to Farmers and Fisherfolk authorized under FY GAA 2022.

The fuel discount for FY 2022 shall be primarily for all machineries used in corn production from land preparation to postharvest activities as well as motorized boats for fishing operations.


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3.0 GENERAL RESPONSIBILITIES OF DA OFFICES- The implementing DA Offices shall undertake the following duties and responsibilities:

- **DA-Bureau of Agricultural and Fisheries Engineering (BAFE)** - serves as the Program Management Office and perform oversight, monitoring, and evaluation functions and lead the implementation of the Program by providing policy direction and agency coordination among the agencies involved.
- **National Corn Program (NCP) and Bureau of Fisheries and Aquatic Resources (BFAR)** - serve as the Program's implementing agency to work with BAFE in the implementation, monitoring and evaluation of the Program; provide the validated list of beneficiaries and the necessary information in the implementation of the Program; and handle the liquidation of the Fuel Discount Program Fund

4.0 PROGRAM COORDINATION GROUP- A Program Coordination Group under the oversight of the Undersecretary for Operations and Agri-Fisheries Mechanization shall be created to oversee and coordinate the implementation of the Program with the following composition:

Chairman -	Director, Bureau of Agricultural and Fisheries Engineering
Co-Chair -	Director, Field Operations Service
Members -	Director, Bureau of Fisheries and Aquatic Resources Regional Directors-BFAR Regional Corn Program Focal Persons

5.0 BENEFICIARIES

The beneficiaries of the fuel discount are farmers or fisherfolks who own and operate agricultural and fishery machinery/ies individually or through a farmer organization/ cooperative/ association.

5.1 Qualifications for Individual Farmers and/or Farmer's Cooperatives and Associations (FCA):

- 5.1.1 Farmer or farmer-member of FCA must be registered under the Registry System for Basic Sectors in Agriculture (RSBSA);
- 5.1.2 Farmer or FCA must own and operate a functional machinery, with any of the following proof of ownership:
 - 5.1.2.1 Certificate of Agricultural and Fishery Machinery and Equipment Registration from City or Municipal LGU;
 - 5.1.2.2 Certification from Municipal Agriculture Office (MAO) that he/she is owner of a functional agricultural machinery;
 - 5.1.2.3 Sales/Cash invoice/Delivery receipt;
 - 5.1.2.4 Deed of donation, or
 - 5.1.2.5 Memorandum of Agreement (MOA) with Transfer of Property Receipt/Invoice Receipt

5.2 **Specific Qualifications for Individual Fisherfolk and/or members of Fishermen Cooperatives and Associations:**

- 5.2.1 Must be registered under FishR;
- 5.2.2 Must be using motorized bancas with 3 gross tons or below, registered under BoatR; and
- 5.2.3 Must be using legal fishing gears

6.0 MASTER LIST OF QUALIFIED BENEFICIARIES

- 6.1 **FOR CORN FARMERS:** The Regional Program Coordinator, in coordination with the Regional Agricultural Engineering Division (RAED) shall prepare the master list of qualified farmer-beneficiaries from corn production areas.

The master list shall consider the database of the Agricultural and Biosystems Engineering Management Information System (ABEMIS), RSBSA, and submissions from farmers' groups, local agricultural and fishery councils, or LGUs. The DA-RFO shall tap the assistance of the Agricultural and Biosystems Engineering Group of the LGUs and the Office of the City/Provincial/Municipal Agriculturist in the preparation of the master list.

In support to farm consolidation and clustering and to hasten the farm mechanization, the program beneficiaries shall come from mechanized corn farm clusters where there is a need for fuel for their farm machines. The farmer organizations including individual farmers with farm machineries in these corn clustered areas should be enrolled as program beneficiaries and included in the master list.

- 6.2 **FOR FISHERFOLK:** The Bureau of Fisheries and Aquatic Resources (BFAR) - Regional Offices shall prepare a master list of qualified beneficiaries for the fuel discount from the DA-BFAR's BoatR and shall be consolidated by the BFAR- Central Office.

The BFAR and DA-RFOs shall submit the master list to the Bureau of Agricultural and Fisheries Engineering (BAFE) for the updating of ABEMIS, particularly on privately owned machines not enrolled under ABEMIS. Further, the DA-RFOs and BFAR shall provide a master list of beneficiaries to the designated oil companies/fuel stations as reference.

7.0 GENERAL GUIDANCE

- 7.1 **Farm Machinery for Fuel Discount-** The farm machineries for fuel discount are those used for corn production such as pump and engine, tractors, combine harvester, corn sheller, among others. These farm machineries must be functional, located in clustered corn production areas, and accessible to fuel stations. A photo of the machine with the owner must be submitted.

7.2 Fuel Discount Amount- Farmers and fisherfolks shall be given a 30% fuel discount upon purchase of gasoline or diesel fuel from a designated fuel station. The maximum fuel discount is P3,000.00 pesos per farmer or fisherfolk.

7.3 Fuel Discount Cards - The Fuel Discount Cards shall be issued in partnership with the Development Bank of the Philippines and shall be distributed to eligible recipients by the Regional Field Offices on the schedule agreed upon by the parties.

The farmers and fisherfolks shall present the Fuel Discount Card to the designated/contracted oil companies/fuel stations to avail the fuel discount.

7.4 Partnership with Oil Companies/Fuel Stations- Oil companies /fuel stations that will be partnered under the program shall be provided with assistance from the Department of Energy through the DA Regional Offices.

7.5 Fund Allocation- From the Five hundred million pesos (Php 500,000,000.00) fund allocation, Four hundred ninety-two million five hundred thousand pesos (Php 492,500,000.00) shall be used for fuel discount to be paid to the oil companies/fuel stations. The remaining Seven million five hundred thousand pesos (Php 7,500,000.00) may be used for administrative and other operational expenses.

The distribution of the funds to the National Corn Program (NCP) and BFAR are shown in Table 1.

Table 1. Breakdown of Allocation per Implementing Agency

Implementing Agency	Fuel Discount	Admin Cost	Total	Regional Allocation
NCP	246,250,000	3,750,000	250,000,000	To be provided by RAED/Corn Program
BFAR	246,250,000	3,750,000	250,000,000	To be provided by BFAR
Total	492,500,000	7,500,000	500,000,000	

For the effective monitoring and utilization of the fuel discount, the Implementing Agency shall submit a Utilization Report on a monthly and quarterly basis to the Office of the Undersecretary for Field Operations Service (FOS) copy furnished the BAFE Director.


8.0. ADMINISTRATIVE AND OTHER OPERATIONAL EXPENSES (AOOE)- The DA-RFO and BFAR are authorized to deduct one and half percent (1.5%) of the allocated amount for administrative and other operational expenses. The allocation for Administrative and Other Operation Expenses shall be used for the validation, printing of fuel voucher, information campaign, monitoring and other operational expenses. The allowable expenses may include:

- *Hiring of individuals engaged as job orders or contract of service*
- *Transportation expenses including per diem, gasoline, vehicle rental and contracted vehicle*
- *Postage and courier*
- *Communication equipment and allowance (load)*
- *Common office supplies and materials*
- *Purchase of health and medical supplies (e.g. PPEs, tents, etc.)*
- *Training, meetings/workshops related to project activities (meals and kits)*

9.0 PROGRAM MONITORING AND EVALUATION- The Field Operations Service (FOS), BFAR, BAFE at the national and BFAR Regional Office and DA Regional Office through the Field Operations Division (FOD) and Regional Agricultural Engineering Division (RAED), shall conduct monitoring and evaluation of the program. It shall continuously gather feedback on the implementation of fertilizer discount from the concerned internal and external stakeholders.

10.0 EFFECTIVITY. This Memorandum Circular shall take effect immediately upon signing and supersedes all orders, memoranda, and other issuances inconsistent herewith.

Done this 7th day of March 2022.


WILLIAM D. DAR, Ph.D.
 Secretary

DEPARTMENT OF AGRICULTURE

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