



June 14, 2018

Department Circular

No. 14
Series of 2018

SUBJECT: REVISED GUIDELINES FOR THE ESTABLISHMENT, OPERATION AND MONITORING OF ORGANIC DEMONSTRATION AND TRAINING FARMS

WHEREAS, Section 2 of Republic Act No. 10068 (RA 10068) or the Organic Agriculture Act of 2010 states that nationwide educational and promotional campaign for the use and processing, as well as the adoption of organic agricultural system as a viable alternative is essential in achieving the over-all objective of the Act to promote, propagate, develop further and implement the practice of organic agriculture in the Philippines;

WHEREAS, Section 22 of RA 10068 provides for establishing and strengthening national, regional, provincial and community based learning centers to further highlight and showcase organic farming technologies and best practices that are consistent with the Philippine National Standards;

WHEREAS, Administrative Order No. 10 Series of 2012 or the Guidelines for the Selection of Organic Demo and Training Farms was approved by the Secretary of Agriculture to facilitate the selection of organic demonstration and training farms;

WHEREAS, in line with the need to refine the said guidelines and to further complement the Department's initiatives under the National Organic Agriculture Program, the National Organic Agriculture Board deemed it necessary to revise Administrative Order No. 10 Series of 2012 or the Guidelines for the Selection of Organic Demo and Training Farms.

IN VIEW THEREOF, this Circular replaces Administrative Order No. 10 Series of 2012, providing the Revised Guidelines for the Establishment, Operation, and Monitoring of Organic Demonstration and Training Farms.

**ARTICLE I
OBJECTIVES**

The main objective of the revised guideline is to lay down the criteria, rules, and regulations for the selection of sites for the establishment, operation and monitoring of Organic Demonstration and Training Farms.

ARTICLE II SCOPE AND COVERAGE

This guideline establishes the rules applied by Department of Agriculture for establishing organic demonstration and training farms in areas identified by the Department of Agriculture - Regional Field Offices (DA-RFO) in collaboration with interested proponents.

ARTICLE III DEFINITION OF TERMS

Section 1. As used in this Department Circular, the following terms shall be understood to have the meaning correspondingly provided below:

1.1. Certification

procedure by which OCB provides written attestation that food or inputs, or production systems conform to applicable PNS relevant to organic agriculture and other regulatory requirements. Certification may be, as appropriate, based on a range of inspection activities, which may include, but not limited to, continuous inspection, auditing of quality assurance systems, and examination of finished products

1.2. Organic Certificate

document issued by an officially accredited OCB based on a decision following review, attesting that the entity fulfills specified requirements as stated in applicable PNS relevant to organic agriculture and other regulatory requirements

1.3. Organic Certifying Body (OCB)

an officially accredited body, responsible for verifying that a product sold or labeled as "organic" is produced, processed, prepared, handled and imported according to the applicable Philippine National Standards (PNS) relevant to organic agriculture and other regulatory requirements

1.4. Organic Demonstration and Training Farms

farms that serve as demonstration of organic agriculture practices and training ground for farmers and the general public

1.5. Philippine National Standards

a document established by consensus, and approved by the DA BAFS as the case for agriculture and fishery commodities including the agriculture machineries, that provides for common and repeated use, rules, guidelines or characteristics for products or related processes and production method. This includes but not limited to PNS for organic agriculture, PNS for organic aquaculture, PNS for

organic soil amendments, PNS for organic biocontrol agent, PNS for organic milled rice, PNS for organic aquaculture.

1.6. Small farmers

natural persons dependent on small-scale subsistence farming as their primary source of income and whose sale, barter or exchange of agricultural products do not exceed a gross value of One hundred eighty thousand pesos (P180,000) per annum based on 1992 constant prices. An inter-agency committee composed of the Department of Agrarian Reform (DAR), the Department of Trade and Industry (DTI), the Department of Finance (DOF) and the National Economic and Development Authority (NEDA) and headed by the DA may conduct periodic review and adjustments of the income level to take into account the effects of changes in inflation, devaluation and consumer price index

1.7. Small fisherfolks

persons directly or personally and physically engaged in taking and/or culturing and processing fishery and/or aquatic resources as their primary source of income and are using fishing boats of 3 gross tons or less. They are also known as municipal fisherfolk.

ARTICLE IV ELIGIBILITY CRITERIA

Section 1. Priority areas for the establishment of organic demonstration and training farms are of the following:

- 1.1. Convergence initiative sites as identified by the Department of Agriculture, Department Agrarian Reform, Department of Environment and Natural Resources, and Department of Interior and Local Government through the National Convergence Initiative for Sustainable Rural Development;
- 1.2. Sites that are accessible to the general public;
- 1.3. Existing farms that have been certified organic by officially accredited organic certifying bodies or have on-going application for third-party organic certification; and
- 1.4. Existing farms that have structures allowing for the conduct of trainings and/or workshops/ seminars.

Section 2. The maximum size of the lot for organic demonstration and training farms shall not exceed 3 hectares.

Section 3. Eligible proponents or recipients of the assistance for the establishment of demo and training farms include:

- 3.1 Government institutions;
- 3.2 Local Government Units;

- 3.3 State Colleges and Universities;
- 3.4 Civil Society Organizations (CSOs) such as Non-Government Organizations (NGOs), and People's Organizations (POs);
- 3.5 Cooperatives; and
- 3.6 Indigenous People's Organizations.

Section 4. The proponent should satisfy the following criteria to qualify for the project:

- 4.1 Legal documents establishing proof of ownership of the land (i.e. titles, CLOA, stewardship agreement, etc.)
- 4.2 Attestation or letter signifying that the lot shall be dedicated for sole use as organic demo farm, and shall not be converted to any other purpose within 5 years from its establishment;
- 4.3 Willingness to host or accommodate farmer trainees;
- 4.4 Willingness to provide counterpart for the project in the form of manpower and labor for the operation and maintenance of the demo and training farms; and
- 4.5 For CSOs, should be accredited by the Department of Agriculture for entitlement to organic funds.

ARTICLE V GENERAL PROCEDURES

Section 1. The following outlines the various stages for the establishment, operation, and monitoring of organic demonstration and training farms.

1.1	Submission of Requirements	The proponent shall submit the duly accomplished application form and relevant documentary requirements.
1.2	Application Review and Evaluation	The DA-RFO shall screen and evaluate the submitted documentary requirements of the proponent. The assessment report shall be submitted to the Regional Executive Director for approval.
1.3	Approval	The DA RFO through its Regional Executive Director, shall have the authority to decide on the approval of the proposal.
1.4	Financing and Operation	<p>All approved project proposals shall be given Project Code for documentation purposes.</p> <p>The Proponent shall be notified immediately of the approval.</p> <p>The proponent shall be required to sign a Memorandum of Agreement (MOA) with the DA RFO. Operation of the Organic Demonstration and Training Farm shall</p>

		follow the agreements of both parties as stipulated in the MOA and the guidelines.
1.5	Monitoring	The organic demonstration and training farm shall be subjected to monitoring by the DA-RFO to check its compliance to the MOA and the guidelines.

ARTICLE VI APPLICATION AND EVALUATION

Section 1. The proponent shall submit the following requirements for the establishment of organic demonstration and training farm:

- 1.1. Letter addressed to the Regional Executive Director signifying intent to establish organic demonstration and training farm;
- 1.2. Application Requirements (Annex A);
- 1.3. Project Proposal (Annex B); and
- 1.4. Other documentary requirements as may be required by applicable laws and government accounting and auditing rules and regulations.

Section 2. The submitted project proposal and documents shall be evaluated by the DA-RFO. The DA RFO may tap other bureaus and attached agencies for the evaluation of project proposals (e.g. Bureau of Animal Industry for livestock and beekeeping, Bureau of Plant Industry for crops, Bureau of Fisheries and Aquatic Resources for aquaculture/mariculture). Conformity of submitted documents with Annexes A and B as well as all other provisions of this Circular shall be checked.

Section 3. The assessment report shall be submitted to the Regional Executive Director for approval.

ARTICLE VII APPROVAL AND FINANCING

Section 1. All approved project proposals shall be given Project Code for documentation purposes.

Section 2. The Proponent shall be notified immediately of the evaluation result.

Section 3. The Proponent shall be required to sign a Memorandum of Agreement (MOA) with the DA RFO

Section 4. Organic Demonstration and Training Farms shall be given an amount that shall not exceed One Million Five Hundred Thousand Pesos (PhP 1,500,000.00) which includes establishment of structures/housing facilities, provision of inputs/stocks and training expenses.

Section 5. The project fund covers the five (5) years operation of the demonstration and training farms.

Section 6. Release of funds and disbursement procedures shall follow existing government accounting, auditing rules and regulations.

ARTICLE VIII

OPERATION OF ORGANIC DEMONSTRATION AND TRAINING FARMS

Section 1. Operation of organic demonstration and training farm shall start after the completion of its establishment.

Section 2. Farm Inputs

- 2.1. All inputs such as organic seeds, livestock/poultry/aquaculture stocks and minimal farm structure shall be provided initially by the project. Subsequent organic seeds and stocks should be produced by the proponent. Farm labor for cultivation (plowing, harrowing, weeding, etc.) or animal raising shall be the farmer's equity, except of the farm is established in a government lot. Labor cost for the construction of animal farm houses shall be provided by the project.
- 2.2. In addition, sheds for bio-composting and related structures and units of equipment shall be at the expense of the project. After the project, such facilities will be turned over to the owner of the area/techno demo provided that the project is successful.
- 2.3. In its second year and thereafter of operation, project funds shall be limited only to the cost of trainings of farmers and technicians.

Section 3. Produce

- 3.1. Income from the produce or sale of crops, bio-control agents/sprays, organic fertilizers, vermicompost, other organic formulations, and animals/fishery products shall accrue to the owner of the lot.
- 3.2. For government projects, the harvested crops or animals/fishery products and organic inputs shall be disposed of in accordance with existing government regulations.
- 3.3. In case of crop failure due to force majeure, upon verification, the project may, shoulder the expenses, subject to the approval of the DA RFO concerned for the contribution of the demo and training farm and will not charge the owner for the cost of the stocks.

Section 4. Access

- 4.1. The owner of the demo and training farm shall allow full access to interested farmers to visit the farm within the reasonable time of the day. No fees, such as entrance fees, shall be charged to the visitors.
- 4.2. The cost for training shall be provided free by the owner. However, visitors should abide by the rules and guidelines to be drafted by the project re: proper decorum, garbage disposal, collection/gathering of anything in the demo area.

Section 5. Training Activities

- 5.1. The farm shall endeavor to conduct formal or informal training by at least thirty (30) farmers every quarter.
- 5.2. Expenses for the training shall be at the expense of the project. No fees shall be collected from the trainees.

Section 6. Third-Party Organic Certification

- 6.1. The owner of the demo and training farm shall maintain its organic certification within the duration of the project.

ARTICLE IX MONITORING AND POST-EVALUATION OF ORGANIC DEMONSTRATION AND TRAINING FARMS

Section 1. Established organic demonstration and training farms shall establish a record keeping system demonstrating and highlighting organic farming management practices (i.e. farm diary, inputs, harvest records, sales records, etc.). Likewise, photo documentation is encouraged. The said documents will be open to the public.

Section 2. Farm Managers/Responsible officers are required to give information and/or updates of the farm status to the DA-RFO in a quarterly basis. These updates/news shall be posted in the dedicated website for organic agriculture. Likewise, the responsible officers shall also inform the DA-RFO of their activities, seminars and/or trainings in the farm. Managers and officers of the demo farms shall also furnish the National Organic Agriculture Program – National Program Coordinating Office (NOAP-NPCO) copies of the said documents.

Section 3. The DA-RFO shall also conduct quarterly monitoring of the operational and financial aspect of the organic demonstration and training farms. Monitoring of farms shall obtain the following:

- 3.1. Actual usage of total funds released;
- 3.2. Status of implementation/completion of project;
- 3.3. Status of project operation;

- 3.4. Competitiveness aspect of the project
- 3.5. Employment generated and other social benefits gained;
- 3.6. Value-added on project; and
- 3.7. Other relevant information.

Section 4. Project monitoring and completion reports shall be submitted by the DA-RFO to the NOAP-NPCO and to the NOAB through the Secretariat.

Section 5. All projects must submit a completion report. Completion reports are due within two (2) months after the completion of the project as indicated by the proponent in their project proposal. DA through NOAB shall be notified of projects that have failed to provide a completion report. A project is deemed completed when all the expenses has been liquidated according to relevant COA Circular and DA Administrative Orders.

Section 6. Proponents whose projects have not met the Monitoring and Completion Report requirements shall be ineligible to submit any future project proposal for prioritization.

ARTICLE X PENALTY CLAUSE

Section 1. Should the proponent desires to terminate the project, all project inputs must be returned to the government or to be transferred to another willing proponent. A written notice to terminate shall be filed by the project proponent with the concerned DA-RFO within thirty (30) days prior to the date of intended termination.

Section 2. The DA-RFO shall, likewise, terminate the project after due notice to the proponent if the project after evaluation, dismally fails to accomplish the desired outputs and the agreements based on the signed Memorandum of Agreement.

Section 3. Aside from waiving the right to continue managing the operation of the demo and training farm, the proponent shall likewise refund to the DA the total amount of the latter's counterpart fund.

ARTICLE XI SEPARABILITY CLAUSE

Should any provision of this Department Circular or any part thereof be declared invalid, the other provisions, so far as they are separable, shall remain in force and effect.

ARTICLE XII REPEALING CLAUSE

All rules and procedures or parts of said rules and procedures of pertinent guidelines inconsistent with this Department Circular are hereby repealed by this Department Circular.

ARTICLE XIII EFFECTIVITY

This Department Circular shall take effect fifteen (15) days after its publication in the Official Gazette and/or in a newspaper of general circulation and its filing with the National Administrative Register of the University of the Philippines Law Center.

APPROVED BY:

EMMANUEL F. PIÑOL
Secretary



DEPARTMENT OF AGRICULTURE
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ANNEX A
Application Requirements

I. From the Private Sector/Non-Government Organizations/People's Organization/Cooperatives

A. Those with at least three years of operation

1. Board Resolution/Letter of Intent citing request for funding assistance indicating total project cost, requested funding assistance and counterpart funding. Designated representative who shall transact with DA for and in its behalf shall also be identified;
2. Registration certificate from: Securities and Exchange Commission (SEC); Cooperative Development Authority (CDA); Department of Trade and Industry (DTI); Department of Labor and Employment (DOLE); Department of Social Welfare and Development (DSWD); or any other appropriate agency (to include by-laws);
3. Notarized certification from appropriate entities that the proponent had successfully implemented projects before and/or is currently implementing successful projects (or that it has the institutional capability to implement projects);
4. List of/details on projects previously undertaken and/or currently being undertaken (to include proofs of undertaking);
5. Audited financial statements during the last three years of operation; and
6. Certification from a Government Financing Institution that proponent is of good credit standing (no past due loan/record of property foreclosure), or its equivalent, if applicable.

B. Those with less than three years of operation

1. Those items in (Section I A of this Annex), where applicable;
2. Audited financial statements for the last two (2) years of operation, if applicable;
3. Proof that the organization is professionally managed by a competent staff;
4. Endorsement or proof of project feasibility from any appropriate government office, if applicable.

C. Small Farmers/Fisherfolks/organizations, cooperatives, federations and/or consortia of these groups

1. Letter of Intent citing request for funding assistance indicating total project cost, requested funding assistance and counterpart funding if applicable. Designated representative who shall transact with DA for and in its behalf shall also be identified;
2. Needs assessment report and proof that the organization has experienced staff to manage the project;
3. Endorsement or proof of project feasibility from any relevant government office; and
4. Attestation of support in implementation from any relevant government office, is encouraged.

II. From the Government Sector

A. Local Government Units

1. Sanggunian Resolution and/or corresponding LGU decree citing request for funding assistance, proposed counterpart contribution and designated representative who shall transact with DA for and in its behalf;
2. Certification from the Bureau of Local Government Finance (BLGF) the availability of the proposed counterpart contribution;
3. Proof that the project is within and/or included in the approved Area/Local/Provincial Development Plan.

B. State Universities and Colleges, Government Corporations and Other Government Agencies

1. Board Resolution/Letter of Intent citing request for funding assistance, proposed counterpart contribution and designated representative who shall transact with DA for and in its behalf,
2. Proof that the project is within and/or included in the proponent's charter/mandate.
3. List of Counterpart schemes/financing mechanisms (e.g. land area and existing facilities, staff and other resources), and proof of ownership for land, and contract for staff.

ANNEX B

Project Proposal Template

1.0 Project Title : _____

2.0 Project Type : ☐ Research and development
☐ Certification and Accreditation;
☐ Advocacy and Policy;
☐ Marketing infrastructure;
☐ Provision of market information;
☐ Retraining and extension services; and
☐ Infrastructure
☐ Other (please specify: _____)

3.0 Proponent(s)

3.1 Type(s) : Government Sector Group

- ☐ LGU
- ☐ Government Corporation
- ☐ State University and College
- ☐ Other Government Agency
- ☐ Other (please specify: _____)

Private Sector Group

- ☐ CDA-Registered (Cooperative/Federation)
- ☐ SEC-Registered Non-Stock/Profit (PO/NGO/Foundation)
- ☐ SEC-Registered Stock/Profit (Corporation/Association)
- ☐ DTI-Registered (Single Proprietor/Registered Business)
- ☐ Other (please specify: _____)

3.2 Name : _____

3.3 Address : _____

4.0 Coverage

4.1 Location: Specify particular region(s), province(s), municipality(ies), city(ies) where the:

4.1.1 Main project activities is/are located; and

4.1.2 Intended market is/are.

4.2 Product: Specify the type of agricultural/fishery product(s) or support service(s) the project shall be involved

5.0 Duration

5.1 Implementation. The target number of months or years the project shall be implemented must be specified

6.0 Funding Requirement

8.1.9 Information on other important considerations as identified in RA 10068, such as the following:

- a. involvement of, and impacts on, particular interest groups such as women's groups, tribal minorities, small and marginalized farmers/fisherfolk, etc.;
- b. significance of the project in alleviating poverty; and
- c. participation of private sector groups in project identification, formulation, development, and implementation.

8.2 Objectives:

8.2.1 Development objectives, which represent a broader goal such as defined in NOAP and relevant DA Plans and Programs. These should also pertain to various performance indicators such as increased organic agricultural productivity, farm incomes, and levels of support services provided, etc.

8.2.2 Immediate objectives, which should be able to indicate what the project itself is expected to achieve, including the desired impacts of the project on the principal beneficiaries, the project area, and the organic agricultural sub-sectors involved. They must also in turn collectively contribute to the achievement of the development objectives.

8.3 Beneficiaries. Depending on the objectives of the project, the beneficiaries should be classified into:

8.3.1 Primary (direct) beneficiaries;

8.3.2 Secondary (indirect) beneficiaries. *(The institutional organizational and entrepreneurial capacity of the target beneficiaries before and after project implementation including how the project beneficiaries shall sustain the generation of project benefits even after the termination of financing support should also be discussed here.)*

8.4 Location. It should specify the influence area of the project, or the magnitude of the geographic area where project impacts shall be directly and indirectly felt. A location map of the proposed project site should also be included.

8.5 Scope. This refers to the magnitude of work to be done within the activity, resource and time boundaries of the project. The scope should be presented in terms of the following:

8.5.1 Components, where the immediate objectives of the project should be transformed into major project components, indicating among others, the

specific outputs, activities, resource requirements, and time frame of activities per project component; and

8.5.2 Strategies, where the operational schemes to be employed in the conduct of specific activities to attain the desired outputs during project implementation should be presented and thoroughly discussed in this section. This should include how the project benefits shall be delivered by the proponents to the intended beneficiaries.

8.6 Implementation Schedule. A Bar Chart of activities on a quarterly or monthly basis by project component should be presented, given the following format¹:

Activities	Year _				Year _				Year _			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Project Component # 1												
Activity 1												
Activity 2												
Etc.												
Project Component # 2												
Activity 1												
Activity 2												
Etc.												

8.7 Budgetary Requirements². The budgetary requirements of the project must be presented in detail, or by breaking down the project into the major project components/activities with the corresponding expenditure requirements of each, given the following format:

Component/Activity	DA Funds	Counterpart Fund	From Other Sources	Total

¹

The bar chart of activities may also be translated into a **CPM** (Critical Path Method) and **PERT** (Programme Evaluation Review Technique) format if applicable to show how the different project activities are interrelated/linked and dependent upon each other.

² Please note the usual government audit and accounting system in preparing the proposed budgetary requirements.

8.8 Work and Financial Plan. The work and financial plan of the project must be presented in detail given the following format:

Project Title:	Proposed Title of the Project as seen in the project concept note
Project Site/s:	Proposed site
Project Proponent:	Name of the organization seeking for funds
Total Project Cost:	Amount requested + Local Counterpart
Amount Requested:	Amount being requested from DA
Local Counterpart:	Local counterpart should be greater than or equal to 20% of the requested amount
Funds from Other Sources	If applicable only

Development Objectives	As seen in Submitted Annex C
Project Objectives	As seen in Submitted Annex C

[illegible]

ACTIVITIES	Year 1				YEAR 2		Deliverables	Expense Item/Unit	Computation details	Total Project Cost	DA Funds	Counterpart Fund	Funds From Other Sources
	1 st QTR	2 nd QTR	3 RD QTR	4 TH QTR	1 st QTR	2 nd QTR							
details													
ACTIVITY 2													
details													
Sub-total										----	----	----	----
Total										----	----	----	----