



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

Memorandum Order

No.: 65

Series of 2022

**SUBJECT : AMENDMENT TO THE IMPLEMENTING GUIDELINES OF THE
FY 2022 FERTILIZER DISCOUNT VOUCHER SUPPORT UNDER
THE NATIONAL RICE PROGRAM**

This issuance is an update and/or amendment to the previous issuances relative to the implementation of fertilizer discount voucher project of the National Rice Program. Specifically, the following are added to the concerned provisions of the implementing guidelines:

I. RATIONALE

With the goal of cushioning the potential impacts of under application of urea fertilizer to palay production and ultimately food security, the DA shall provide fertilizer vouchers to eligible beneficiaries which will be used in acquiring urea fertilizers. The use of fertilizer vouchers offers an alternative to farmers with lowered purchasing power to buy a sufficient volume of urea recommended for their rice area.

A supplemental fund sourced from an unprogrammed regular agency fund, over and above the 2022 General Appropriations Act (GAA) budget has been released to enable rice farmers to meet the recommended urea fertilizer thereby, securing rice production in the country. This fund shall be used by beneficiaries as a discount on the retail price of urea fertilizers.

II. OBJECTIVES

The activity aims to ensure the timely availability of the needed fertilizer for rice production in the targeted areas through the distribution of fertilizer vouchers.

However, specifically for the DS 2022-2023, the project aims to:

1. Enable rice farmers to supplement the requirement for urea fertilizer for their rice production;
2. To mitigate the impacts of the projected decline in production due to low usage of urea fertilizer and attain the target yield of 4.22 mt per hectare of palay for 2023;
3. Stabilize the rice supply situation in the country despite challenges in the price of commercial fertilizers.

III. SCOPE

The project shall cover regions that has planted with inbred and hybrid rice seeds except the National Capital Region (NCR) and the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM).

IV. IMPLEMENTATION SCHEME

In determining the voucher value on a per cropping season, the amount or fund source is divided into the number of hectares to be served under this Project as complementation to the inbred and hybrid seed distribution program of the Rice Program.

The 2022 Wet Season implementation is funded under the 2022 GAA while the 2022-2023 Dry Season implementation will be funded under the 2022 GAA and the unprogrammed funds.

a. 2022 Wet Cropping Season

For 2022 Wet Season cropping, the fertilizer vouchers shall be used by the farmer-beneficiaries to claim the inorganic fertilizers, organic fertilizers, foliar fertilizers, biological fertilizers, or biological stimulants at accredited merchants. This discount voucher shall have a value equivalent Php1,131/ha for inbred, and Php2,262/ha for hybrid. Discount vouchers are one-time use only and may be claimed at any accredited fertilizer merchants in their preferred area. All these inorganic fertilizers, foliar fertilizers, biological fertilizers, and biological stimulants must be registered under the Fertilizer and Pesticide Authority (FPA). All organic fertilizers must be registered under the Bureau of Agriculture and Fisheries Standards (BAFS).

Inorganic fertilizer grades that can be claimed under the project are as follows: Complete (14-14-14; 16-16-16), Urea (prilled or granular, 46-0-0), Ammonium Sulfate (21-0-0), Ammonium Phosphate (16-20-0), Muriate of Potash (0-0-60), and other grades that may be allowed by DARFO.

b. 2022-2023 Dry Cropping Season

For the 2022-2023 Dry Cropping Season, this one-time use urea fertilizer vouchers shall be used by the farmer-beneficiaries to claim urea fertilizers at their preferred DA-accredited dealers, distributors, and outlets. Discount voucher value shall be computed based on the rice farm area (refer to Section D.i.2). Urea fertilizers to be claimed must be registered under the Fertilizer and Pesticide Authority (FPA).

B. Accreditation of Merchants

The accreditation shall be valid until the end of the year from issuance of accreditation, and shall be renewed annually based on their compliance in the project implementation. For merchants serving nearby municipalities of

different regions, they must secure another accreditation from the DA-RFOs they serve.

The merchant shall enter into an Agreement with the concerned DA-RFO for the implementation of the project which shall also reflect non-disclosure and data processing clauses following concerns regarding the Data Privacy Law. The agreement shall also include the obligation of the merchant to inform and ensure that the staff that will be involved in the project will secure all data to be treated confidential and will refrain from disclosing any information without proper authorization.

D. Voucher Process

i. Beneficiary Selection, Voucher Generation and Distribution

1. Beneficiary Selection

Rice farmers registered in the Registry System for Basic Sectors in Agriculture (RSBSA), encoded in the Farmers and Fisherfolk Registry System (FFRS), and will be planting during the 2022-2023 dry cropping season shall be eligible for this project. Farmers tilling two (2.0) hectares and below shall be prioritized in the program.

2. Voucher Generation and Distribution

To determine the voucher value for assistance to be given this 2022-2023 Dry Season, the following computations shall be observed:

- a. For farmers tilling 0.5 hectares and below

Rice Farm Area (ha)	Voucher Value (PhP)
0.5 and below	3,300.00

- b. For farmers tilling 0.51 hectares to 2.0 hectares:

$$\text{Voucher Value} = \text{rice farm area} \times \text{P6,600.00}$$

In the event of excess funds which can still be utilized for this project, farmers tilling more than two (2.0) hectares can avail of this fertilizer support, wherein fertilizer voucher shall be computed at P6,600.00 per hectare, still following the computation as shown above. The rice farm area must not exceed the farm area encoded in the FFRS of the said farmer-beneficiary.

To facilitate faster and smoother distribution of vouchers and claiming of fertilizer, the following activities may be conducted by the DA-RFOs in coordination with the LGUs:

- a. Mass distribution of vouchers through the conduct of

- caravans
- b. Distribution Schedule of Mapped out DA-accredited merchants on a barangay/municipality basis
 - c. Claiming of vouchers through FCA representative (refer to Section D.ii. No. 5 for further details)

In cases that the LGU do not have sufficient logistical and manpower resources, the DA-RFO may lead the distribution of fertilizer vouchers, in close coordination with the concerned LGU.

ii. Claiming of Vouchers

4. Farmer-beneficiary or the representative shall have his/her photo taken with the claimed fertilizer/s.

5. Farmer Cooperatives and Associations may be authorized to claim fertilizer of their farmer members provided that a duly signed resolution nominating the FCA's authorized representative, and the list of member beneficiaries is passed and submitted as part of the documentary requirements.

VI. TIMELINES

The following expiration of the validity of funds must be noted:

- 2022 General Appropriations Act is until December 31, 2023
- 2022 Unprogrammed Appropriation amounting to Php 4.1 Billion Pesos is until December 31, 2022

For fertilizer vouchers generated for the following cropping season under the following fund sources, the deadline of activities are as follow:

<i>2022 Wet Season</i>		
Activity	GAA FY 2022	Unprogrammed Appropriations
Claiming of fertilizer using the voucher	December 11, 2022 (Sunday)	
Payment to Merchants	April 28, 2023 (Friday)	
<i>2022-2023 Dry Season</i>		
Generation of fertilizer vouchers	February 17, 2023 (Friday)	November 28, 2022 (Monday)
Claiming of fertilizers using the voucher	March 17, 2023 (Friday)	December 11, 2022 (Sunday)
Payment to Merchants	April 28, 2023 (Friday)	December 29, 2022 (Thursday-Last Banking Day)



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In case of extension and/or changes in the timelines, a memorandum duly signed by a competent authority may be issued indicating the adjustments to the abovementioned timelines.

VII. ROLES AND RESPONSIBILITIES

A. DA-Field Operations Service

9. Secure approval or authority from the Bureau of Treasury to utilize and maintain the existing Program Fund Accounts of DA-RFOs for this project

B. DA- Information, and Communications Technology Service (ICTS)

6. Submit the DA-RFO endorsed *good-for-payment* transactions to DBP through a Secure File Transfer Protocol (SFTP) or other electronic means mutually agreed upon by the Parties

7. Issue an IMP and FIMS manual specific for this Project, five working days after the approval of this Memorandum Order, to include the following concerns:

- Users and Functions
- Accreditation of Fertilizer Dealers, Distributors, Outlets, and FCAs
- Beneficiary Selection, Voucher Generation, Voucher Distribution and Voucher Cancellation
- Claiming of Vouchers
- Settlement
- Payment Discrepancies
- Error Handling and Troubleshooting

C. DA-Regional Field Office (DA-RFO)

6. Mobilize its concerned personnel to coordinate with interested dealers to participate in the implementation of the project with the following requirements:

f. Enter into a data sharing and non-disclosure agreement with the DA-RFO for the implementation of the projects;

g. Secure from DBP the system-generated reports (Credited and Refunded Transactions) to DA to be transmitted thru the Secured File Transfer Protocol (SFTP) provided by DBP or other electronic means mutually agreed upon by the Parties;

h. Ensure that DBP shall automatically refund to the DA account all rejected transactions net of the service fee; and

i. Receive from DBP the monthly status report (credited and refunded transactions) to DA within 15 days from the preceding month.

7. Spearhead distribution of fertilizer vouchers in case the LGU do not have sufficient logistical and manpower resources to cover and serve their farmer beneficiaries.

VIII. LIQUIDATION OF FUNDS

Liquidation shall be in compliance with relevant Commission on Audit (COA) rules on Accounting and Liquidation as may be applicable.

IX. MONITORING AND EVALUATION

The reporting, monitoring, and evaluation system which includes Rapid Outcome Evaluation shall be led by the Field Programs Coordination and Monitoring Division (FPCMD). Reports shall be submitted to the Office of the Secretary, complete with observations and/or recommendations

The following section is also added to the implementing guidelines:

XIV. LEGAL BASIS AND SOURCES OF FUND

The funds for this project shall be sourced from the balance of the FY 2022 GAA implementation of the 2022 Fertilizer Discount Voucher during the 2022 wet season, FY 2022 GAA targets for the 2022-2023 Dry Season, and the FY 2022 Unprogrammed Funds directly released by the DBM to the DA-RFOs through the Special Allotment Release Orders (SAROs) dated 02 September, 2022.

All other provisions unchanged in MO No. 22, 35, and 43, Series of 2022 shall remain in order. This Memorandum Order shall take effect immediately and shall remain in force unless revoked in writing. All orders, memoranda, and other issuances inconsistent herewith are deemed revoked.

Done this 17th day of October 2022.

DOMINGO F. PANGANIBAN
Senior Undersecretary



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