



Republic of the Philippines
OFFICE OF THE SECRETARY
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MEMORANDUM CIRCULAR

No. 44
Series of 2023

**SUBJECT : AMENDMENT TO MEMORANDUM ORDER (MO) NO. 17 SERIES OF 2023
RE: REVISED GENERAL GUIDELINES ON THE ESTABLISHMENT OF RICE
PROCESSING CENTERS (RPC) UNDER THE RICE BANNER PROGRAM**

I. RATIONALE

Based on the Special Provision No. 11 of the General Appropriations Act (GAA) for FY 2023, Php 10,127,342,000 was appropriated to the DA for the construction of facilities and procurement of machinery and equipment. Php 1 Billion of this amount was allocated for the establishment of the RPCs under the National Rice Program.

The establishment of the RPCs is one of the strategic interventions of the Department to improve efficiency in the rice post-production system through the reduction of postharvest losses, improvement in the quality of milled rice, enhance effective distribution and marketing system, and maximize utilization of rice by-products. This will also complement or can serve as Agricultural Machinery and Equipment Service Centers being established under Section 9 of RA No. 10601.

In February 2023, the DA Memorandum Order No. 17, Series of 2023 was issued providing the Revised General Guidelines on the Establishment of RPC under the National Rice Program. However, during various consultations with the DA Offices and the site validations of the proposed sites, there are recommendations to improve the revised guidelines of the RPC.

This amendment to the revised guidelines is hereby issued to guide the DA Regional Field Offices, National Rice Program, Field Operations Service (FOS), Agribusiness and Marketing Assistance Service (AMAS), Agricultural Training Institute (ATI), Philippine Center for Postharvest Development and Mechanization (PHilMech) and the Bureau of Agricultural and Fisheries Engineering (BAFE) for the efficient implementation of the RPCs.

II. SCOPE

The guidelines shall cover the planning, procurement, implementation, operation, maintenance, monitoring, and evaluation of RPCs funded under the National Rice Program FY 2023 and onwards.

The interventions may consist of any of the following:

1. Upgrading of existing DA-funded RPCs¹;
2. Construction of new RPCs; and
3. Complementation support to RCEF-funded Rice Processing System (RPS).

¹ Upgrading of existing DA-funded RPCs includes the construction of an additional warehouse, provision of machinery/equipment, and expansion of its capacity.

III. OBJECTIVES

The establishment of RPCs aims to reduce postharvest losses in rice, provide consumers with quality milled rice and create business and independent oriented Farmer's Cooperative and Associations (FCAs) and/or Local Government Units (LGUs). Specifically, the project aims to:

1. Ensure farmers access to palay drying facility especially during inclement weather conditions thus preserving the quality of harvested paddy and ensuring the attainment of at least 65% milling recovery and the production of high-grade quality milled rice;
2. Provide farmers with direct access to modern rice milling facilities capable of producing premium, well-milled, and regular-milled rice based on the required preference of consumers; and
3. Enhance the technical, financial, entrepreneurial and managerial capacities of farmer's organizations.

IV. ELIGIBILITY OF RECIPIENTS

1. The qualified recipients shall be either of the following:
 - a. Farmer Cooperative and Association (FCA) with at least 70% of the members registered to Registry System for Basic Sectors in Agriculture (RSBSA);
 - b. Local Government Unit (LGU);
 - c. Joint venture of LGU or FCA.
2. be located in an area with a volume of production of at least equivalent to the capacity of the RPC being proposed;
3. For FCAs, be currently engaged in an economic enterprise preferably in palay/rice production, machinery custom servicing, drying, milling, trading, and any other agriculture-related enterprise. For LGUs, must be engaged in any local economic enterprise and/or have a local enterprise office.
4. provide land equity supported with proof of ownership/possession, free from liens and encumbrances and not in any way subject to mortgage;
5. commits to secure all legal documentations, e.g. Environmental Compliance Certificate, Permit to Operate, etc., and shall have full accountability for any problem or issue arising from it;
6. have the capacity to shoulder the cost for the application/processing/installation of the counterpart components necessary for the establishment and operation of the RPC as stated in Section VII; and
7. with existing and/or willing to hire a Professional Management Team (e.g. Manager, Field Classifier, Quality Assurance Officer, Machine Operator, Warehouseman, Bookkeeper, Cashier, Marketing Officer, Agricultural and Biosystems Engineer (ABE), etc.). The Machine operator must have Rice Machinery Operations National Certificate (NC) II, Drying and Milling Plant Servicing NC III or be willing to undergo such training and assessment by the accredited Technical Vocational and Training

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(TVET) Assessment Center of Technical Education and Skills Development Authority (TESDA).

V. DOCUMENTARY REQUIREMENTS

The candidate recipient shall submit the following documents to support the need for the RPC:

1. Letter of Intent and Board Resolution signed by the majority of the Board members, stating the following:
 - a. Justification or explanation for the need and appropriateness of constructing/upgrading the RPC in the area;
 - b. Commitment to shoulder the undertakings in Section IV; and
 - c. Authorized representative to sign any legal documents/ documentary requirements with the Department of Agriculture on the project.
2. Record or any proof that the candidate recipient is engaged in an economic enterprise or related business operation (e.g. Business/Mayor's Permit/DTI Registration/Contract Agreement, Local Council Ordinance, Official Receipt, FFEDIS² Certification, etc.);
3. Audited Financial Statement/Annual Audit Report from Commission on Audit (COA) for the last two (2) years or Certificate of Availability of Funds for LGUs;
4. Authenticated proof of land ownership such as copy of Title (registered in the name of the recipient) or duly notarized Deed of Sale/Deed of Donation/ Usufruct Agreement for at least 20 years (with a copy of the Title of the proposed site location);
5. Endorsement or Certification from the LGUs stating (a) the alignment of the request to local development plans such as local Agricultural and Fisheries Mechanization Program, Agriculture and Fisheries Modernization and Industrialization Plan (AFMIP), Local Commodity Investment Plan, among others, and (b) deficit status of drying and milling facilities in the municipality/city/province;
6. Document or certification that the proposed RPC site is located in an agro-industrial/ industrial area (e.g. Comprehensive Land Use Plan, Zoning Ordinance, etc.);
7. Business Plan with complete information required in the suggested template shown in Annex A;
8. Map of the service area showing the location of the proposed RPC, existing and potential production area, and any nearby rice milling facility; and
9. Site Development Plan, if applicable.

Additional documents required for Farmer Cooperatives and Associations:

² FFEDIS - Farmers and Fisherfolk Enterprise Development Information System

1. Profile of the organization and its members (List of officers and members with corresponding farm addresses, areas, and RSBSA number],

Additional documents required for LGUs:

1. Certification of No Unliquidated Funds from DA;
2. Proof of creation of Agricultural and Biosystem Engineering Office or engagement of Agricultural and Biosystem Engineer; and
3. For the use of public forest lands, a copy of the Special Land Use Agreement for a period of at least 20 years or Certificate of No Objection issued by the Department of Environment and Natural Resources (DENR).

The checklist of requirements is attached as Annex B. The DA RFO may request additional documentary requirements as deemed necessary.

VI. SELECTION CRITERIA FOR THE RPC LOCATION

The proposed location should be technically feasible, economically viable, socially acceptable, and environmentally sound. The qualified recipient should have the technical, financial, and institutional capacity to operate and maintain the RPC. The selection and prioritization of the area and the recipient shall be based on the submitted documents, validation and audit to be conducted by BAFE, Field Operation Service (FOS), Agribusiness and Marketing Assistance Service (AMAS) and DA Regional Field Offices (DA-RFOs). It shall satisfy the parameters and criteria indicated in the Site Validation Form.

RPCs for upgrading, in particular, shall satisfy the following requirements:

1. be currently continuously operating and has positive financial status;
2. have sufficient and potential source of raw materials;
3. have stable and potential market engagements;
4. have an existing three-phase system;
5. have the capacity to provide adequate/ additional working capital;
6. have sufficient professional manpower complement; and
7. undertake regular RPC repair and maintenance.

VII. RPC COMPONENTS

1. Each RPC shall include the following mandatory components/accessories to ensure its functionality and competitiveness:
 - a. Warehouse (milling, drying and storage area) and office;
 - b. Multi-stage Rice Mill (complete with mist polisher, color sorter, grader, weighing scale, dust collector and bagger);
 - c. Recirculating Dryer (with pre-cleaner and retrofitted with biomass furnace)
 - d. Hauling Truck

- e. Three-Phase Electrical Connection
- f. Moisture Meter
- g. Weighing scale
- h. Generator Set

Additional components such as Multi-Crop Drying Pavement (MCDP), forklift, truck scale, combine harvester, solar power source, silo, etc. can be included if all mandatory components/accessories are already provided.

The RPC components/accessories may already be existing or to be funded either by DA, recipient, and/or other locally and foreign-funded projects.

2. The recipient shall provide the following components as their counterpart, but not limited to:
 - a. Lot
 - b. Perimeter Fencing
 - c. Permits and Licenses
 - d. Operational and Maintenance Fund, and Working Capital
 - e. Pallets
3. Site development can be wholly or partly assumed by the recipient as part of their counterpart depending on the scope and extensiveness of the earth/civil works.

VIII. MECHANICS OF IMPLEMENTATION

Pre-Implementation Stage

1. The candidate recipients shall submit the letter of intent of their needed assistance together with the other documentary requirements, as stated in Section V of this Guidelines, to the ABE Office, and if not yet established, to the Agriculturist Office of the Municipal, City Provincial LGU and shall be endorsed by Local Chief Executive to the DA-RFO-Office of the Regional Executive Director. All documents will be forwarded subsequently to the Field Operations Division (FOD) and Regional Agricultural Engineering Division (RAED) for evaluation.
2. The RAED in coordination with the LGU ABE Office or Agriculture's Office shall document and conduct actual site validation of the request of the candidate recipients. The FOD, Planning, Monitoring and Evaluation Division (PMED), and Agribusiness and Marketing Assistance Division (AMAD) shall provide technical assistance to the RAED in evaluating the institutional and financial capability of the potential project recipients as well as the threshold gap, technical, market, environmental, and social feasibility of the proposal.
3. The DA-RFO (RAED with FOD, AMAD, PMED) shall evaluate and rank recipients in order of prioritization based on the submitted documents and results of validation and prioritization parameters.
4. The RAED shall prepare site-specific Detailed Engineering Design (DED), Program of Works (POW), and technical specifications based on the modular design prepared by BAFE or PHilMech (for RCEF-funded RPS). In addition, the RAED shall review the DED and POW and technical specifications prepared by the proponent, as applicable.



It shall coordinate with the LGU-ABE Office or Agriculture's Office and assist in securing building permits with the Local Building Officials.

5. The RAED shall ensure that the design addresses climate resiliency and Good Manufacturing Practices (GMP) for the entire production process from paddy receiving to storage and transport, with the end view of providing safe and good quality rice products suitable for human consumption. Moreover, the design of the building should match the dimensions and the space requirement of the drying and milling machine. The design should also be duly coordinated with the prospective recipient.
6. Technical specifications of the dryers and rice mills and other auxiliary components of the RPC as well as the warehouse shall conform with the Philippine National Standards/Philippine Agricultural and Biosystems Engineering Standards or other applicable standards.
7. All DED, POW, and technical specifications of the RPCs shall be submitted to BAFE for final review and subsequent endorsement to the Banner Program for programming and funding.
8. A National Audit Team composed of BAFE, FOS, and AMAS will be created to conduct re-validation of the completeness of the documentary requirements, the readiness of the sites and recipient in terms of the availability of documentary permits, working capital, three-phase electrical connection, among others. The Audit Team will prepare the list of documents and proofs, which will be submitted by the candidate recipient during the audit. It will conduct the revalidation prior to procurement.
9. The DA-RFO and the candidate recipient shall ensure that the community has been consulted prior to the establishment of the RPCs to address possible concerns and as part of the social preparation.
10. The candidate recipient is responsible for securing all necessary permits such as, but not limited to, Environmental Compliance Certificate (ECC) including the fees and taxes. The DA-RFOs and the LGUs shall assist the recipient in securing such permits. The construction will not commence unless ECC, building permit and other certifications needed for construction are secured.
11. The AMAD shall provide technical assistance to the recipient in the preparation of the RPC Business Plan, and in identifying the target markets and forging supply and marketing contracts. For recipient-LGUs, the Business Plan should indicate partnership with FCAs for the supply of palay.
12. The BAFE, in coordination with the Rice Banner Program and RAEDs shall ensure a robust pipeline of implementation-ready RPC proposals (with a feasibility study, DED, POW, and business plan) for funding under GAA 2024 and onward.

Implementation

13. It should be stipulated in the procurement documents (i.e. Instruction to Bidders, Special Conditions of Contract, etc.) that

- a. Recirculating dryers shall be AMTEC tested while the rice mill shall be subjected to system testing.
 - b. The cost of testing (i.e. raw material, fuel/electricity, AMTEC testing) shall be at the expense of the contractor/ supplier. The DA-RFO, in coordination with the recipient, shall assist in the sourcing of the test materials.
 - c. The machinery suppliers shall provide warranty and after-sales service in accordance to PNS/BAFS PABES 192:2016. Warranty for the machinery component of the project shall be at least two (2) years upon the acceptance of the procuring entity of the machinery. The suppliers shall also be required to schedule at least four (4) follow-up visits to the recipient within the warranty period. The first visit shall check if the RPC is properly operated. The succeeding visits shall check if the RPC is properly maintained. The last visit shall also include recalibration of the RPC machine.
 - d. Contractors shall submit Contractor's All-Risk Insurance (CARI).
14. Constructors Performance Evaluation System (CPES) shall be undertaken by DA CPES-IU, in coordination with the accredited DA Constructors Performance Evaluators (CPEs) to evaluate the infrastructure component of the RPC.
 15. A Memorandum of Agreement (MOA) shall be executed prior to the construction of the RPC. The MOA shall specify the detailed arrangements during the construction of the facility and the operational phase of the project. In particular, the recipient shall provide equity in the form of land, secure all legal documents, attend training, assume the operation and maintenance cost, and regularly report the operational status and level of utilization of the machines and facilities. Other salient provisions of the MOA shall include: (i) impositions and conditions to strictly ensure that the machinery, equipment, and facilities will only be used for their intended purposes; (ii) machinery and equipment may be recalled or re-assigned to LGU or another FCA if non-operational, under-utilized, or unutilized; and (iii) means or remedies in case the facilities are used for purposes in violation of the subject MOA. A proforma of the Memorandum of Agreement (MOA) is attached as Annex C.
 16. The recipient shall submit to DA-RFO the following enabling documents prior to the issuance of the Award of Contract:
 - a. Proof of availability of counterpart funds for the working capital, operation and maintenance, and other RPC related expenses (e.g. LGU ordinance or Board Resolution appropriating funds thereof, credit line application, etc.);
 - b. Business Plan duly approved by DA-RFO and Local Council/Board;
 - c. Approved organizational structure of the RPC Management Team;
 - d. Environmental Compliance Certificate; and
 - e. Application on the installation of three phase line, if any.
 17. No acceptance report shall be signed by the DA-RFO unless the facility has already complied with the required performance and set standards. The RAED shall issue an Acceptance/Compliance Report, which shall serve as a basis (of the Inspectorate Team) in accepting the delivered machinery and structure. The report shall likewise form part of the Deed of Donation.

18. No RPC shall be turned over unless the recipient submitted the (a) Operation and Maintenance Plan, (b) names of the RPC Management Team, including the Operator's National Certification credentials; (c) Mayor's Permit, (d) DENR's Permit to Operate, (e) supply and marketing agreement or other equivalent document, (f) RPC Bank Account; and (g) sample of Official Receipt.

To ensure proper operation and management, the RPC Organizational Structure and Manpower Complement shall be composed of at least a (a) Manager, (b) Field Classifier, (c) Quality Assurance Officer, (d) Machine Operators, (e) Warehouseman, (f) Bookkeeper/Cashier, (g) Marketing Officer and (h) Agricultural and Biosystems Engineer.

Monitoring and Evaluation

19. The BAFE in coordination with AMAS and FOS - Field Programs Coordination and Monitoring Division (FPCMD) shall craft an Implementation Monitoring Form to determine the physical and financial status of implementation as well as Operation Monitoring Form to assess the utilization, operation, and maintenance, business operation and marketing activities of the RPCs. The monitoring forms shall be distributed to the DA-RFOs for their monitoring.
20. The RAED in coordination with the LGU shall conduct geo-tagging activities and regular monitoring during, and after the construction of the RPC. Implementation monitoring shall be undertaken at least once a month while operational monitoring using the IMMAS shall be conducted annually within three (3) years after the turnover.
21. Based on the monitoring reports, BAFE and MED shall randomly select samples for the project assessment and evaluation.
22. Monitoring reports shall be uploaded in the Agricultural and Biosystems Engineering Management Information System (ABEMIS) for consolidation, evaluation, verification and planning purposes.

Operation and Maintenance

23. Training on the operation, repair, and maintenance of the RPC shall be conducted by the contractor, in collaboration with the RAED and other concerned offices. An Operator's Manual shall also be provided containing full information on the method of installation and operation of the RPC.
24. The DA-RFO, in collaboration with ATI, other concerned partner institutions and other government agencies, shall provide capacity building and marketing assistance to enhance the technical and marketing skills, competencies and linkages of the RPC recipients, and sustain the facility. It shall engage/mobilize the following offices:
- a. AMAD for the conduct of business development, enterprise monitoring and market linkages;
 - b. Regional ATI for capacity development (record keeping, operation and maintenance, etc.);
 - c. FOD for complementary support services such as provision of production inputs and machinery; and

- d. Regional TESDA for the provision of training and assessment for the Rice Machinery Operations NC II, Drying and Milling Plant Servicing NC III and other appropriate National Certifications.
- e. The cost of operation and maintenance of the RPC as well as the repairs beyond the warranty period shall be shouldered by the recipient. Furthermore, the DA-RFO shall encourage the recipient to avail insurance for the machinery and facilities from the Philippine Crop Insurance Corporation (PCIC).
- f. In case of natural disaster and other unforeseen circumstances during and after the warranty period, the recipient and/or Local Government Unit shall inform the DA-RFO on the status and damages of the RPC. The BAFE/RAED in coordination with DRRM Team shall conduct damage assessment to evaluate and appraise the extent of the damage. The damage assessment with geotagged photos can be used as documentary support for the repair and rehabilitation of the facility or for accessing insurance claims.
- g. The RAEDs shall engage the LGU Offices to provide assistance in ensuring the proper operation and maintenance of the RPCs.

Engineering and Administrative Overhead Expense

The RAEDs are entitled to deduct Engineering and Administrative Overhead (EAO) expenses not exceeding one percent (1%) of the project funds following the DA-DBM JMC. No. 4, S. 2021 "Guidelines on the Utilization of Engineering and Administrative Overhead (EAO) Expenses for the Implementation of Agricultural and Fisheries Infrastructure Projects in the Department of Agriculture".

IX. IMPLEMENTING STRUCTURE

A RPC Program Steering Committee (RPC-PSC) shall be constituted by representatives from FOS, BAFE, PHilMech, ATI, AMAS and PMS, with the following functions:

1. Provide direction and formulate policies for the program;
2. Monitor the over-all performance of the Program;
3. Act on issues or concerns relative to program implementation;
4. Cause the conduct of program evaluation;
5. Perform other duties as may be assigned relative to the implementation of the program.

The PSC shall be composed of the following:

Chairperson:	Undersecretary for Rice Industry Development
Vice Chairperson:	Director IV, BAFE
Members:	Director IV, FOS
	Director IV, PHilMech
	Director IV, ATI
	Director IV, AMAS
	Director, PMS

The members of the PSC may designate their Alternate representative.

BAFE shall serve as the RPC Program Management Office with the following functions:

1. Oversee the planning, implementation, and monitoring and evaluation of the RPC;
2. Ensure that policies, operational systems, procedures and guidelines approved by the PSC are implemented;
3. Coordinate with concerned program partner institutions for the conduct of training and business planning workshops for the RPC recipients;
4. Provide technical and secretariat support to the PSC;
5. Establish and maintain a monitoring system for the program; and
6. Consolidate and prepare quarterly progress report for subsequent submission to PSC and DA-OSEC.

X. SUPPLEMENTAL GUIDELINES

All DA-RFOs are hereby authorized to formulate supplemental guidelines to address peculiarity in the region/program or to clarify further those indicated in this Memorandum Circular. The request for the approval of the Supplemental Guidelines shall be submitted to BAFE for review and subsequent endorsement to the Office of Secretary for approval.

XI. REPEALING CLAUSE

This Circular in effect amended the DA Memorandum Order No. 17 Series of 2023. All existing issuances, rules, and regulations, or parts thereof, in conflict with, or inconsistent with any provisions of this Circular are hereby repealed, modified, or amended, accordingly.

XII. EFFECTIVITY

This Memorandum Circular shall take effect immediately upon approval.

Done this 7th day of September 2023.


LEOCADIO S. SEBASTIAN, Ph.D., CESO I
Undersecretary for Rice Industry Development



DA-CO-OSEC-MC20230907-00029

Annex B. Checklist of Requirements

Requirements	Presence/ Absence	Means of Verification	Findings/ Recommendations
Documentary Requirements			
<u>Initial Submission</u>			
Letter of Intent			
Board Resolution signed by the majority of the Board Members			
Record or proof that the recipient is engaged in economic enterprise or related business operation			
Audited Financial Statement/Annual Audit Report from COA for the last two (2) years or Certificate of Availability of Funds for LGUs			
Authenticated proof of land ownership			
Endorsement or Certification from the LGU stating (a) the alignment of the request to local development plans and (b) deficit status of drying and milling facilities in the municipality/city/province			
Document or certification that the proposed RPC site is located in an agro-industrial/ industrial area (e.g. Comprehensive Land Use Plan, Zoning Ordinance, etc.)			
Business Plan			
Map of Service Area showing the RPC location and existing and potential production and any nearby rice milling facility			
Proponent's Organizational Profile including the existing business enterprises, list of officers and members with corresponding farm addresses, areas, and RSBSA number			
Approved organizational			

structure of the RPC Management			
Availability of Three-Phase Line			
Additional Requirement for Farmer Cooperatives and Associations:			
Profile of the organization and its members (List of officers and members with corresponding farm addresses, areas, and RSBSA number]			
Additional Requirement for Local Government Units			
Certification of No Unliquidated Funds from DA			
Proof of creation of Agricultural and Biosystem Office or engagement of Agricultural and Biosystems Engineer			
In case of public forest land, a copy of the Special Land Use Agreement for period of 20 years or Certificate of No Objection issued by DENR			
<u>Prior to Issuance of Award of Contract</u>			
Proof of availability of counterpart funds for the working capital, operation and maintenance, and other RPC related expenses			
Environmental Compliance Certificate			
Memorandum of Agreement (MOA)			
Approved Business Plan			
Permit to Cut Trees, if any			
<u>Prior to Turn-over</u>			
Operation and Maintenance Plan			
RPC Management Team (Indicative names) including the Operator's credentials			
Mayor's Permit			
Permit to Operate			

Supply and marketing agreement or other equivalent document			
RPC Bank Account			
Official Receipt			
Loan Credit Approval or Letter of Guarantee specifying the purpose of the said loan (if applicable)			



MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This MEMORANDUM OF AGREEMENT entered into by and between:

The **DEPARTMENT OF AGRICULTURE – REGIONAL FIELD OFFICE NO. _____**, a line agency of the government with office address at, herein represented by its **Regional Director, (name of Executive Director) _____** hereinafter referred to as "**DA RFO _____**"

-and-

The **LOCAL GOVERNMENT UNIT OF _____** represented by its _____ with office address at _____, herein referred to as the "**LGU**".

-and-

The _____ with office address at _____ is represented by its _____ hereinafter referred to as "**RECIPIENT**".

WITNESSETH

WHEREAS, the "DA RFO ____" supports and undertakes activities to assist and promote the agriculture and fishery postharvest development in the country;

WHEREAS, the "DA RFO ____" is the primary agency of the DA in the region and has the administrative and technical capability to effectively implement DA Mechanization Program particularly the Rice Processing Center (RPC).

WHEREAS pursuant to such project, the DA RFO ____ allocated the amount of _____ (Php 50,000,000.00) as the cost of construction and installation of the components of the RPC.

WHEREAS, the "RECIPIENT" is among stakeholders of the rice industry, qualified to receive the facility and willing to collaborate in the implementation and operation of the project.

NOW, THEREFORE, for and in consideration of the foregoing premises and consideration, the parties hereto agree to implement the project with the following considerations:

A. The "DA RFO ____" shall

1. Procure and deliver the component facilities necessary to operate the Rice Processing Center with the following project components;
2. Conduct validation on the eligibility and capability of the recipient to operate the center for a long-term period;
3. Monitor and supervise the construction and installation of all the component facilities;
4. Assist in the overall performance of the component systems necessary to operationalize the facility;
5. In coordination with the supplier and other government agencies, train the



“RECIPIENT’s” staff to operate and maintain the machine;

6. Monitor the utilization, operation, and maintenance of the facility;
7. Recall the components of the facilities or re-assign to LGU or another qualified FCA if the facility is non-operational, under-utilized, or unutilized and/or in case of violation of the provisions of MOA

B. The “LGU” shall

1. Assist the recipient in securing permits required for the construction and installation of RPC components;
2. Assist the recipient in the operation of the RPC; and
3. Assist the recipient in identifying market linkages of the milled rice.

C. The “RECIPIENT” shall

1. Be a Farmer Cooperative and Association (FCA)/ Local Government Unit (LGU)
2. Be located in area with a volume of production of at least equivalent to the capacity of the RPC being proposed;
3. Currently engaged in an economic enterprise preferably in palay/rice production, machinery custom servicing, drying, milling, trading, and any other agriculture-related enterprise Provide land equity supported with proof of ownership/possession, free from liens and encumbrances and not in any way subject to mortgaged;
4. Be currently engaged in an economic enterprise preferably in palay/rice production, machinery custom servicing, drying, milling, trading, and any other agriculture-related enterprise or must be engaged in any local economic enterprise and/or have a local enterprise office.
5. Commits to secure all legal documentations, e.g. Environmental Compliance Certificate, Permit to Operate, etc., and shall have full accountability for any problem or issue arising from it;
6. Have the capacity to shoulder the cost for the application/processing/installation of the counterpart components necessary for the establishment and operation of the RPC as stated in Section VII; and
7. Have good financial standing and capacity to shoulder the cost for the application/processing/installation of the counterpart components necessary for the establishment of the RPC.
8. With existing and/or willing to hire a Professional Management Team (e.g. Manager, Field Classifier, Quality Assurance Officer, Machine Operator, Warehouseman, Bookkeeper, Cashier, Marketing Officer, Agricultural and Biosystems Engineer (ABE), etc.). The Machine operator, in particular, must have Rice Machinery Operations National Certificate (NC) II, Drying and Milling Plant Servicing NC III or be willing to undergo such training and assessment by the accredited Technical Vocational and Training (TVET) Assessment Center of Technical Education and Skills Development Authority (TESDA);
9. Shoulder the working capital for the operation and maintenance cost of the facility;
10. Maximize the utilization of the facility in accordance to its intended purpose and shall access and use by a willing farmer to patronize the project without discrimination;
11. Keep and maintain records of transactions accessible to the monitoring and evaluation team of the project;

12. Be responsible for the security of the RPC;
13. Allow the "DA RFO ____" to recall the components of the facilities or re-assigned to LGU or another qualified FCA if the facility is non-operational, under-utilized, or unutilized and/or in case of violation of the provisions of MOA;

This Agreement takes effect immediately on the date of signing by both parties.

IN WITNESS THEREOF, the parties through their duly authorized representatives hereunto affix their signatures this _____ day of _____ at _____.

**DEPARTMENT OF
AGRICULTURE REGIONAL
FIELD OFFICE NO. ____**

**LOCAL GOVERNMENT UNIT
OF _____**

RECIPIENT

By:

By:

By:

Regional Executive Director

Local Chief Executive/Mayor

Cooperative, Chairperson

Signed in the Presence of:

Name and Position

Name and Position

Name and Position



ACKNOWLEDGMENT

Republic of the Philippines)
 Province of)
 Municipality of)

BEFORE ME, a Notary Public for and in _____, this _____ day of _____, 2022, personally appeared the following persons presenting to me competent proof of their identity:

<u>NAME</u>	<u>PROOF OF IDENTITY</u>	<u>DATE/PLACE ISSUED</u>
RFO EXECUTIVE DIRECTOR	_____	_____
LCE, LGU	_____	_____
COOPERATIVE, CHAIRPERSON	_____	_____

personally known to me and to me known to be the same persons who executed the foregoing Memorandum of Agreement consisting of seven (7) pages, including this page wherein this Acknowledgement is written and acknowledged to me that the same are their free act and deed, and has been signed on each page thereof by the parties and their witnesses.

WITNESS MY HAND AND SEAL, on the place above written.

Doc. No. _____

Page No. _____

Book No. _____

Series of _____

Notary Public

Until _____

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Issued on _____

at _____