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ADMINISTRATIVE CIRCULAR

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SUBJECT : THE IMPLEMENTING RULES AND REGULATIONS (IRR) OF REPUBLIC ACT (RA) NO. 11321 "AN ACT INSTITUTING THE FARMERS AND FISHERFOLK ENTERPRISE DEVELOPMENT PROGRAM OF THE DEPARTMENT OF AGRICULTURE", OTHERWISE KNOWN AS "THE SAGIP SAKA ACT"

WHEREAS, it is the declared policy of the State to achieve sustainable modern agriculture and food security by helping the agricultural and fishing communities to reach their full potential, increasing farmers' and fisherfolk's incomes, and bridging gaps through public-private partnerships, thereby improving their quality of life;

WHEREAS, in pursuance of this policy, the State shall strengthen the farmers and fisherfolk enterprise development program by establishing a comprehensive and holistic approach in the formulation, coordination and implementation of enterprise development initiatives, consolidating the roles of different government agencies involved in farmers and fisherfolk enterprise development, and intensifying the building of entrepreneurship culture among farmers and fisherfolk;

WHEREAS, Congress enacted Republic Act (R.A.) 11321, "*An Act Instituting the Farmers and Fisherfolk Enterprise Development Program of the Department of Agriculture,*" otherwise known as the *Sagip Saka Act*, which was signed into law on April 17, 2019;

WHEREAS, Section 13 of R.A. 11321 provides that the Department of Agriculture (DA), in consultation with the Department of Trade and Industry (DTI) and the Department of Finance (DOF), shall formulate the rules and regulations for the proper implementation of the said Act;

NOW, THEREFORE, this Administrative Circular, containing the said rules and regulations, is hereby issued.

RULE I
GENERAL FRAMEWORK

Section 1. TITLE. - This shall be known as the Implementing Rules and Regulations (IRR) of R.A. No.11321 also known as the *Sagip Saka Act*.

Section 2. DEFINITION OF TERMS

- a. *Accredited Farmers and Fisherfolk Enterprise* – as used in Sections 11 and 12 of the Act, refers to the farmers and fisherfolk enterprise as defined in Section 2 (g) of this IRR which are accredited through the accreditation process to be crafted by the Department of Agriculture (DA) pursuant to Section 11.5 of this IRR.
- b. *Act* – refers to Republic Act No. 11321, otherwise known as the *Sagip Saka Act*.

- c. *Agricultural and Fishery Products* – refer to locally-produced live, fresh, chilled, frozen and processed agriculture and fishery- based products including agricultural and fishery inputs directly produced by local farmers and fisherfolk.
- d. *Agri-fishery Graduates* – as used in Section 4.6, refer to all graduates of either formal or non-formal schooling, including but not limited to graduates of agriculture and fishery related degrees from higher education institutions, DA and Agricultural Training Institute (ATI)-accredited programs, Technical Education and Skills Development Authority (TESDA) program, farm schools, and secondary schools with agriculture and fishery-related course.
- e. *Barangay Micro Business Enterprise (BMBE)* – an enterprise issued with a Certificate of Authority by the Department of Trade and Industry, through the Negosyo Center in the city or municipality where the business is located.
- f. *Consignacion* – as used in Section 4.5, refers to a privately-owned facility where fresh seafood commodities are landed in bulk and traded through auction or “Bulungan System” by traders who may or may not provide financing to sellers.
- g. *Farmers and Fisherfolk Enterprise* – refers to an enterprise engaged in agriculture and fishery-related economic activities, including, among others, producer groups, fisherfolk organizations/groups, cluster of growers or fishers and other similar enterprises whose products are included in the priority commodity value chains, have potential to increase their marketable surplus, and either operational and/or willing to undergo capacity building on enterprise development and management.
- h. *Long-gestating projects* – refers to multi-year projects with an implementation of more than twelve (12) months.
- i. *Marketable surplus* – refers to the quantification of the commodity harvested or product output after domestic or home consumption that may be available for sale.
- j. *Micro, Small and Medium Enterprises (MSMEs)* – any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories: 1) Micro - not more than Php 3,000,000; 2) Small – Php 3,000,001 – Php 15,000,000; and 3) Medium- Php 15,000,001 – Php 100,000,000, subject to any upward adjustment by the MSME Council.
- k. *Negotiated Procurement* – refers to the method of procurement of agricultural and fishery products including agricultural and fishery inputs directly produced by local farmers and fisherfolk, whereby the procuring entity negotiates a contract with farmers and fisherfolk enterprises, as prescribed in Section 11 of this IRR.
- l. *Program* – refers to the Farmers and Fisherfolk Enterprise Development Program of the Department of Agriculture (DA).
- m. *Proponent Group* – refers mainly to the producer groups, such as farmers and fisher groups, cooperatives, associations, Agrarian Reform Beneficiaries Organizations (ARBOs), Peoples Organizations (POs), Irrigators Association (IAs), Rural Based Organizations (RBOs) and other associations and organizations assisted by other government agencies engaged in the commodity value chain and have a legal personality. Proponent group could also include MSMEs (i.e. agri-processors, consolidators, exporters, etc.) who are willing to assist producer groups in vertical

clustering or joint business planning, and forge contract or formal marketing arrangement with producer groups.

- n. *Registry System* – refers to the database of registered/accredited farmers and fisherfolk enterprises on the Farmers and Fisherfolk Enterprise Development Information System (FFEDIS), including the process of registration/inclusion into the FFEDIS.
- o. *Science-based technologies*– refer to innovations or new approaches using a systematic process and analytical tools and parameters in identifying priority agriculture and fishery commodities and in the identification of areas for interventions. Examples of this are the Commodity Prioritization Tool, Vulnerability and Suitability Assessment (VSA, Expanded VSA), Applied Geotagging Technology, Value Chain Analysis and the like.
- p. *Value Chain* – refers to the full range of activities which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final customers, and final disposal after use.
- q. *Vertical Clustering* – refers to formal grouping together of the value-chain actors i.e. producers, traders, processors, end-consumers, who are engaged in the same priority commodity. The instruments that could be used to determine the willingness to voluntarily adopt clustering with other groups are the following: a) Board Resolution approving the intention of the farmers or fishers group to partner with other groups for a joint project; b) Letter of Undertaking; c) Memorandum of Agreement.
- r. *Working Capital* – amount of financing an agribusiness enterprise needs to carry out its day-to-day operations/activities which also serves as its roll-over fund. This varies with the type of business (e.g. production, processing, trading) and the products/services offered.

RULE II THE PROGRAM

SECTION 3. The Farmers and Fisherfolk Enterprise Development Program

3.1 Establishment of the Farmers and Fisherfolk Enterprise Development Program.

- a. *There is hereby established the “Farmers and Fisherfolk Enterprise Development Program,” herein referred to as the Program, which shall refer to the comprehensive set of objectives, targets, and holistic approach in promoting the establishment of enterprises involving agricultural and fishery products. It shall be integrated and be made consistent with the Agriculture and Fisheries Modernization Plan and the Micro, Small and Medium Enterprises Development Plan.*

b. Program Concept

1. The Program shall employ market-driven and market-based approaches in promoting sustainable enterprise development by supporting strategic enabling conditions and strengthening linkages of farmers and fisherfolk enterprises and Micro, Small and Medium Enterprises (MSMEs) to markets, financing, capacity-building and technology to enhance their productivity and income security; bolster their entrepreneurial knowledge, capacity, and competitiveness; rehabilitate and expand their production areas and improve access thereto; and promote their compliance to local and international market standards.

2. *The Program shall make use of science-based technologies in the identification and prioritization of agricultural and fishery products that will be covered.*
3. The Program shall utilize existing tools, approaches and innovations in identifying priority agricultural and fishery products, partners and/or beneficiaries considering the criteria on suitability, market potential, impact on the poor, and number of beneficiaries and growers using the Commodity Prioritization Tool designed under the Philippine Rural Development Project (PRDP).
4. The Program may also introduce new technologies to support the objectives of the Act.
5. Priority agricultural and fishery products are those identified in the Agriculture and Fisheries Modernization Plan (AFMP) as published in the DA website.

c. The Program Implementation Framework

1. The implementation of the Farmers and Fisherfolk Enterprise Development Program shall be consistent with the AFMP and the Micro, Small and Medium Enterprise Development Plan (MSMEDP). The Program shall likewise consider the Philippine Export Development Plan (PEDP). The goal or intended impact of the Program is to ensure sustainability of agriculture and fishery enterprises and expand their economic opportunities. Its desired outcomes are:
 - i. Improved productivity through enhanced business management;
 - ii. Increased enterprise income through expanded access to markets and product development/improvement;
 - iii. Improved maturity level/category of enterprises by upgrading its business processes; and
 - iv. An efficient, effective, timely, and properly documented program implementation.
2. The Program will have the following components with the corresponding activities and expected outputs:
 - a. **Component 1. Enterprise Identification and Assessment.** Under this component:
 - i) A general registration of agriculture and fishery enterprises will be established. Procedure of which is set forth in Section 10 of this IRR.
 - ii) The commodity value chains will be selected based on the priority agricultural and fishery products or commodities of the provinces, regions and at the national level.
 - iii) List of agriculture and fishery enterprises will be selected based on set criteria for assessment of business operations.
 - iv) The identified operational gaps will become the basis in identifying interventions to capacitate the enterprises, through the formulation of an Enterprise Capacity Development Plan (ECDP).
 - v) Under this Component, it is expected that a database or registry of agriculture and fishery enterprises has been established, maturity level of enterprises identified, enterprises prioritized, assessed and its business operational gaps identified, and enterprise capacity development plan prepared.

- b. **Component 2. Provision of Technical and Financial Assistance.** The ECDP shall serve as a basis in identifying the critical interventions for the provision of technical and financial assistance to the enterprises which include the different forms of assistance set forth in Sections 3.2 and 4 of this IRR.
 - i) The identified interventions shall be endorsed to DA operating units and concerned government agencies and shall be provided based on the procedures and guidelines set forth in Sections 5 and 6 of this IRR.
 - ii) The expected output of this Component include enhanced knowledge and skills of enterprise officers, enterprise operation upgraded through provision of production and post-production facilities, equipment and infrastructures, enterprises linked with the markets, business registered/accredited and products registered.
- c. **Component 3. Monitoring and Evaluation.** The Program shall develop a monitoring and evaluation system to determine the progress and evaluate the business operations of the supported enterprises and the implementation of the capacity development plan.

3.2 Forms of Assistance

The forms of assistance to be provided under the Program shall include:

- a. *Improvement of production and productivity, including agricultural extension services, skills development, provision of production inputs, equipment, facilities, and infrastructure for production and post-production activities;*
- b. *Improvement of producers' and enterprises' access to financing in the form of credit, grants and crop insurance;*
- c. *Provision of access to improved technologies through research and development; and*
- d. *Provision of business support and development services, particularly in the areas of access to markets, marketing, and networking.*

3.3. Inventory of programs related to agriculture and fishery enterprises development

- a. All concerned and mandated government agencies shall, within fifteen (15) days upon the effectivity of this IRR, submit their programs and projects related to agriculture and fishery enterprise development for consolidation of DA-Agribusiness and Marketing Assistance Service (AMAS) and for analysis of the Sagip Saka Program Steering Committee (SS-PSC) created under Section 6.3 of this IRR within fifteen (15) days upon the receipt of the said programs and projects. The list shall be updated by the concerned agencies specially when there are new programs or projects to be implemented.
- b. The National SS-PSC shall report to the Farmers and Fisherfolk Enterprise Development Council (FFEDC) as regards the existing programs and projects related to agriculture and fishery enterprises and identify the gaps. The Council shall deliberate the findings and consequently issue the relevant resolutions requiring the concerned agencies to address the needs of agri-fishery enterprises, with the end view of attaining the objectives of the Act. This shall include, but not be limited to, efforts to simplify rules and regulations as well as review of the applicability and relevance of procedural and documentary requirements in

availing the assistance under the Program in line with the Ease of Doing Business Act.

SECTION 4. Coverage of the Program. *The Program shall cover the following areas:*

- 4.1 *Agricultural and fisheries production, including processing of fisheries and agri-based products and farm inputs.* This shall include, but not be limited to, planting materials, nursery development, mariculture and fishpond development or enhancement, materials used in canning, dehydration, manufacturing of fertilizers and pesticides and weaving nets.
- 4.2 *Acquisition of work animals, farm and fishery equipment and machinery.* This shall include, but not be limited to, work animals, tractors, tillers, harvesters and threshers of all applicable power ranges, fishing vessels and gears, aquaculture equipment, fish cages, post-harvest facilities, weighing scales and packaging equipment.
- 4.3 *Acquisition of seeds, fertilizer, poultry, livestock, feeds, and other similar items.* This shall include, but not be limited to, the procurement of high-yielding varieties, inbred seeds, certified seeds, organic and inorganic fertilizers, hybrid animal stock and fish meal.
- 4.4 *Procurement of agricultural and fisheries products for storage, trading, processing, and distribution.* This shall include but not be limited to, procurement, forward-selling, order-taking and contract-growing.
- 4.5 *Construction, acquisition, and repair of facilities for production, processing, storage, transportation, communication, marketing, and such other facilities in support of agriculture and fisheries.* These shall include, but not be limited to, trading post, auction markets/consignacion, hatcheries and nurseries, equipment, spare parts and infrastructure of processing plants, ice plants and cold storage facilities, grain dryers, moisture meters and field testing tools, warehouses, grain silos, reefer vans, barges, trucks and vehicles, information technology (IT) and telecommunication equipment.
- 4.6 *Working capital for agriculture and fisheries graduates to enable them to engage in agriculture and fisheries related economic activities.* These economic activities include, but are not limited to, production, processing and trading of agricultural and fishery products and inputs, and research for enterprise development activities.
 - a. The Agricultural Credit Policy Council (ACPC) shall, within sixty (60) days from the effectivity of this IRR, issue specific guidelines on the financing modalities of working capital loan for agriculture and fisheries graduates.
 - b. The Philippine Crop Insurance Corporation (PCIC) shall provide insurance protection to crops and working capital of enterprises established by the agriculture and fisheries graduates, following the terms and conditions of PCIC's existing fully subsidized agricultural insurance programs, subject to availability of funds.
- 4.7 *Agribusiness activities which support soil and water conservation and ecology enhancing activities.*
 - a. This shall include, but not be limited to, irrigation, soil improvement supplies and materials to increase yields, research and development on environment-friendly technologies and practices, rainwater harvesting systems/structures, extension activities and management consultancy in soil, water and resources conservation.

- b. This shall further include services such as ecotourism/agri-tourism and demo farms showcasing both biodiversity-friendly agricultural practices and products which shall also serve as learning centers.

4.8 *Working capital for long-gestating projects.*

- a. Long-gestating projects shall include those multi-year projects with an implementation of more than twelve (12) months.
- b. Working capital for long-gestating projects shall include, but not be limited to, the cost of labor such as for land preparation and salaries and wages for their staff, employees and consultants, and inputs such as seeds, seedlings, fingerlings, feeds, fertilizers, pesticides.

4.9 *Credit guarantees on uncollateralized loans to farmers and fisherfolk.*

- a. The criteria for credit guarantees shall include, but not be limited to, the following: (a) creditworthiness of the borrowers, (b) competence in project and loan management, and (c) project viability.
- b. The DA shall coordinate with the Philippine Guarantee Corporation for the proper implementation of this provision to encourage partner lending institutions and/or lending conduits to lend to agriculture and fisheries thereby facilitating the provision of credit in the agriculture and fisheries sector.

4.10 For the purpose of Program implementation under this IRR, the DA shall coordinate with and make representation to the Department of Budget and Management (DBM) for the inclusion of the Program's budgetary requirement in the Program Convergence Budgeting (PCB).

SECTION 5. Beneficiaries of the Program

5.1 *The possible proponent groups or beneficiaries of the Program are the following:*

- a. *Existing producer groups whose products are included in the priority commodity value chains and have potential to increase their marketable surplus;*
- b. *Farmer and fisherfolk which have potential to produce marketable surplus and demonstrate willingness to voluntarily adopt clustering with other groups and forge contracts or formal marketing agreements with buyers or private intermediaries;*
- c. *Producer groups or cluster of growers that are either operational and/or show a willingness to undergo capacity building on enterprise development and management; and*
- d. *Micro, small, and medium scale processors, consolidators, exporters, and other enterprises, who are willing to assist producer groups in vertical clustering or joint business planning, and forge contracts or formal marketing agreements with such producer groups. Joint business planning and investments of the producer groups and agro-processors will be supported if it will result in increased engagement of the producer groups in value-adding activities.*

- 5.1.1 *Farmers and fisherfolk must be members of any organization operating in the priority commodity value chain for them to be eligible either as a member of the proponent group or as supplier to the enterprise.*

- 5.1.2 Priority Agricultural and Fishery Products are agricultural and fishery commodities or products, including agricultural and fishery inputs, identified in the Agriculture and Fishery Modernization Plan (AFMP), Micro, Small, Medium Enterprise Development Plan (MSMEDP) and Philippine Export Development Plan (PEDP), including those emerging commodities identified by the Partner Agencies and Local Government Units (LGUs) and endorsed by the Regional Development Councils (RDCs).
 - 5.1.3 Priority Commodity Value Chain refers to the value chain of the priority commodities identified by the provinces, regions, Department of Agriculture's National Programs and related programs of Partner Agencies.
 - 5.1.4 Producer groups or cluster of growers include farmers and fisherfolk enterprises, agriculture and fishery graduates or group of enterprises with existing economic or business activities which may or may not have undergone capacity building on enterprise development and management.
 - 5.1.5 Producer groups or cluster of growers who have no existing operating enterprises can also be beneficiaries of the program, provided that, the group or cluster executes a Board Resolution or a Letter of Intent to express their willingness to undergo capacity building on enterprise development and management and shall eventually undergo such capacity building.
 - 5.1.6 Beneficiaries, which include those identified under Section 5.1 above, who are not included in the Farmers and Fisherfolk Enterprise Development Information System (FFEDIS), may be registered/accredited for the purpose of being qualified to receive the forms of assistance under the Act. However, this does not mean an automatic eligibility in participating in the direct purchase by national and local government agencies.
- 5.2 For this purpose, the DA-Regional Sagip Saka-Program Management Committee (SS-PMC) created under Section 6.4 of this IRR shall select the Program beneficiaries in accordance with the aforementioned provisions of this Section.

RULE III PROGRAM IMPLEMENTATION

SECTION 6. Implementing Agencies and Partner Agencies

- 6.1 *The Department of Agriculture, including its attached agencies, bureaus, and other operating units, shall be the implementing agency of the Program. As such, it shall:*
- a. Provide the overall strategic management and directives to develop and promote farmers and fisherfolk enterprises consistent with the provisions of the Act and this IRR;
 - b. *Tap the assistance, expertise and resources of the following agencies, such as the Philippine Coconut Authority (PCA), National Dairy Authority (NDA), Bureau of Soils and Water Management (BSWM), Philippine Center for Post-Harvest Development and Mechanization (PhilMech), Bureau of Fisheries and Aquatic Resources (BFAR), Agricultural Training Institute (ATI), Agricultural Credit Policy Council (ACPC), and the Bureau of Agricultural Research (BAR). It shall likewise tap the assistance, expertise and resources of other bureaus, attached agencies and corporations not mentioned above, whenever necessary;*

- c. Through the FFEDC, issue relevant, harmonized and streamlined policies relating to the provision of assistance and support services to agriculture and fishery enterprises for the efficient and effective implementation of the Act;
 - d. Through the FFEDC, recommend to relevant agencies, councils and bodies, all policy matters affecting the effective implementation of the Act;
 - e. Through the FFEDC, craft the collaboration and convergence mechanisms to ensure collaboration, coordination, linkage and partnership among implementing agencies, partner agencies and private sectors to support the implementation of the Program. This shall include integration of activities relating to farmers and fisherfolk enterprises, among others; and
 - f. Within fifteen (15) days upon the effectivity of this IRR, establish Focal Units under its respective offices, including attached agencies and bureaus up to regional offices, to ensure appropriate and effective implementation of the relevant provisions of this IRR. The Focal Units shall also ensure appropriate and efficient coordination with other implementing and partner agencies. A Sagip Saka Desk shall be established in all DA bureaus and agencies at the national and regional offices. For DA-Office of the Secretary (OSEC), the Sagip Saka Desk shall be lodged in the AMAS while in the DA-Regional Field Offices (RFOs), the desk shall be lodged in the AMADs. Line agencies which has regional offices shall likewise establish Sagip Saka Desk. Relatedly, these regional offices shall directly coordinate with their respective national office for the implementation of the Program.
- 6.2 The DA, including its attached agencies, bureaus, and other offices, shall include in its Annual Plan and Budget Proposal the activities and funding support for the implementation of the Program.
- a. The programs, projects and activities of the DA and other concerned agencies in the provision of assistance for production and productivity improvement of farmers and fisherfolk enterprises shall be integrated with the Program.
 - b. The existing credit programs of the ACPC shall be integrated with the Program to ensure that the groups of producers and enterprises shall be able to access low interest loans.
 - c. The Loan Facilitation Teams established pursuant to Department Order No. 12, Series of 2018 shall include as member thereof a representative from AMAS/AMAD to ensure credit facilitation for enterprise development related loans.
 - d. The PCIC shall provide insurance protection to the beneficiaries of the Act against losses from perils affecting the enterprise. It shall provide the applicable guidelines to implement the provisions of the Act and this IRR.
 - e. The DA, through the Bureau of Agricultural Research (BAR) and other relevant research and development institutions shall facilitate access to new and improved technologies of accredited producers and enterprises.
 - f. The DA, through DA-AMAS and other relevant agencies shall provide the following assistance among others:
 - i. customized business support services to farmers and fisherfolk enterprises;
 - ii. institutional strengthening through formal capacity-building of farmers and fisherfolk enterprises;

- iii. investment in human capital and matching skills development to meet market demands;
- iv. market promotion through business matching, trade fairs and trade missions, among others; and
- v. strengthening business partnerships between farmers and fisherfolk enterprises and business sector to promote market linkages.

6.3 To implement the Program, there is hereby created a National Sagip Saka Program Steering Committee (SS-PSC).

a. Composition

- Chair: DA Undersecretary
 Alternate Chair: DA Assistant Secretary for Agribusiness
 Vice-Chair: AMAS Director
 Members: Representatives from the following:
- Planning and Monitoring Service (PMS)
 - Project Development Service (PDS)
 - Legal Service
 - Agricultural Training Institute (ATI)
 - Philippine Council for Agriculture and Fisheries (PCAF)
 - High Value Crops Development Program (HVCDP)
 - Rice Program
 - Corn Program
 - National Livestock Program (NLP)
 - National Dairy Authority (NDA)
 - Bureau of Fisheries and Aquatic Resources (BFAR)
 - Philippine Coconut Authority (PCA)
 - Philippine Fiber Development Authority (PhilFiDA)

Attendance of the representatives from units focused on particular commodities shall depend on the topics or agenda of the meeting. The National SS-PSC may invite resource persons from the Focal Units specified in Section 6.1 of this IRR. Resource persons from other national government agencies, DA attached agencies, bureaus and other offices shall be required upon request from the said Committee. This is to foster harmonization of activities and complementation of programs and projects related to enterprise development in the agri-fishery sector.

b. Functions

1. Formulate and implement Farmers and Fisherfolk Enterprise Development Plan;
2. Review implementation guidelines prepared by other agencies as mandated by this IRR and submit for approval of the DA Secretary;
3. If necessary, develop prioritization criteria in the selection of Program beneficiaries for approval of the DA Secretary;
4. Endorse to appropriate agencies/offices/programs the interventions needed based on the Enterprise Capacity Development Plan (ECDP);
5. Ensure that the Farmers and Fisherfolk Enterprise Development Information System (FFEDIS) is established and regularly updated;
6. Approve registration forms and other tools to be used in the implementation of the Program;
7. Prepare the Annual Work and Financial Plan for the approval of the DA Secretary;
8. Establish a Monitoring and Evaluation System by which the Program shall be evaluated;

9. Ensure that the Program is implemented and targets accomplished;
 10. Prepare quarterly report on the implementation of the Program to be submitted to the FFEDC; and
 11. Review existing policies relating to the provision of assistance and support services to agriculture and fishery enterprises. This includes the evaluation and review of existing rules and regulations and the applicability and relevance of procedural and documentary requirements to avail the assistance stipulated in this Program, provided that any proposed revision or amendment of such rules and regulations and procedural and documentary requirements shall be approved by the DA, through the Secretary, as the implementing agency; and
- c. The Secretary of Agriculture shall, within fifteen (15) days upon the effectivity of this IRR and thereafter as may be necessary, issue a Special Order designating the members of the Committee.
- 6.4 For the efficient implementation of the Program at the regional level, there is hereby created a Regional Sagip Saka Program Management Committee (SS-PMC).

a. Composition

Chair: Regional Executive Director (RED)

Members: Representatives from the following:

- Agribusiness and Marketing Assistance Division (AMAD)
- Planning, Monitoring and Evaluation Division (PMED)
- Field Operations Division (FOD)
- Agricultural Training Institute (ATI)
- High Value Crops Development Program (HVCDP)
- Rice Program
- Corn Program
- Livestock Program
- Bureau of Fisheries and Aquatic Resources (BFAR) Regional Office
- Relevant DA agencies in charge of the commodity being discussed

Attendance of the representatives from units focused on particular commodities shall depend on the topics or agenda of the meeting. The Regional SS-PMC may invite resource persons from the Focal Units specified in Section 6.1 of this IRR. Resource persons from other regional government agencies, DA attached agencies, bureaus and other offices shall be required upon request from the said Committee. This is to foster harmonization of activities and complementation of programs and projects related to enterprise development in the agri-fishery sector.

b. Functions

1. Implement and monitor the Farmers and Fisherfolk Enterprise Development Plan;
2. Select Program beneficiaries based on the prioritization criteria provided in Section 5.1 of this IRR;
3. Endorse to appropriate agencies/offices/programs the interventions needed based on the Enterprise Capacity Development Plan (ECDP);
4. Ensure that the Farmers and Fisherfolk Enterprise Development Information System (FFEDIS) is regularly updated;
5. Prepare the Annual Work and Financial Plan for submission to the National SS-PMC;
6. Conduct regular review, monitoring and evaluation of the Program implementation in the region; and

7. Prepare quarterly report on the implementation of the Program at the region to be submitted to the National SS-PMC.
- 6.5 The DA-AMAS shall provide secretariat support to the National SS-PSC and FFEDC.
 - a. The DA-AMAS shall consolidate and submit the programs and projects of different agencies related to agriculture and fishery enterprise development to the National SS-PSC for the analysis of the latter.
 - b. The DA-AMAS shall coordinate with DA-PMS Investment Programming Division (IPD) in facilitating the endorsement of the Program to the National Economic and Development Authority (NEDA) for review and eventually inclusion in the National Priority Plan (NPP).
 - c. Reorganization and Strengthening of the DA-AMAS. The functions of the existing divisions of DA-AMAS and its regional counterpart, DA-AMAD, shall be realigned to better respond to the needs of the enterprises and the industries. In addition, the Agri-Enterprise Registry and Information Division (AERID) shall be created as focal for enterprise registration and other information needs of the industry in relation to the Farmers and Fisherfolk Enterprise Development Information System to be created under Section 10 of this IRR.
 - d. The DA shall, within ninety (90) days upon the effectivity of this IRR, submit an organization modification proposal of DA-AMAS and DA-AMAD to the DBM for review and approval.
 - 6.6 *The DA shall tap the resources under the management of its attached agencies and commodity development programs and require counterpart funding from partner and LGUs and farmers and fisherfolk organizations and enterprises in the form of cash, land, building, labor, or machineries and equipment. Within 60 days upon the effectivity of the IRR, the DA, in coordination with DILG, shall conduct a consultation with the League of Provinces, Cities and Municipalities to come-up with a socialized scheme for counterparting.*
 - 6.7 *The DA, including its attached agencies, bureaus, and other offices, shall likewise collaborate with and secure the technical support and assistance of other departments and their attached agencies and corporations to support enterprise development in the priority commodity value chain, such as the Department of Agrarian Reform (DAR), Department of Environment and natural Resources (DENR), Department of Science and Technology (DOST), Department of Trade and Industry (DTI), and the Department of the Interior and Local Government (DILG). It shall likewise collaborate with relevant agencies not mentioned above for the implementation of the Program.*
 - 6.8 In accordance with the mutually agreed collaboration and convergence mechanism above, implementing partner agencies shall likewise establish Focal Units in its respective offices, attached agencies and bureaus, to ensure appropriate and effective implementation of the relevant provisions of this IRR. Further, as may be recommended by the FFEDC, the DA and its partner agencies shall execute a Memorandum of Undertaking (MOU) or Joint Memorandum Circular (JMC) or any appropriate document containing the details of such collaboration, which shall include but not be limited to the possible establishment of help desk for matters related to the Program.
 - 6.9 The relevant agencies shall also be encouraged to revisit their respective credit programs related to enterprise development to ensure easy access for the accredited producers and enterprises. In addition, the Program shall likewise coordinate with

relevant agencies to ensure that the accredited producers and enterprises can avail of grants.

SECTION 7. Private Sector Partnership

- 7.1 *Partnerships or alliances between farmers and fisherfolk and the private sector may be formed to improve market access of producer groups.*
- 7.2 *The following criteria shall be considered in the selection of private sector partners:*
 - a. *Commitment to enter into marketing contract or a buy-back agreement with the producer's group;*
 - b. *Willingness to undertake technology transfer on the provided goods and/or services;*
 - c. *Financial and organizational capability to undertake the proposed enterprise; and*
 - d. *Established and actual experience in undertaking or implementing the proposed enterprise.*
- 7.3 *Private sector partners may also provide or donate equipment, machineries and other forms of assistance to farmers and fisherfolk engaging in enterprise development.*
- 7.4 *Subject to the selection criteria in Section 7.2 above, the DA, through the National SS-PSC shall, within sixty (60) days upon the effectivity of this IRR, prepare and issue the guidelines and the qualification requirements in recognizing private sector partners of the Program, subject to the approval of the DA Secretary.*
- 7.5 *For this purpose, the DA-PDS shall endeavor to look for donors and seek the support of private sectors in relation to the implementation of this provision.*
- 7.6 *All implementing agencies shall actively promote the Program and encourage private sector partnership.*

SECTION 8. Creation of the Farmers and Fisherfolk Enterprise Development Council

- 8.1 *To oversee the proper implementation of the Program, the Farmers and Fisherfolk Enterprise Development Council is hereby created. It shall be composed of the following:*

Secretary of DA or his duly authorized representative who is at least an Undersecretary, who shall be the Chair;

Representative of the DTI, who shall likewise be at least an Undersecretary;

Representative of the DILG;

Representative of the DOF;

Representative of the CDA;

Representative of a National Organization of Farmers Cooperatives or Associations;

Representative of a National Organization of Fisherfolk Cooperatives or Associations; and

Two (2) representatives from the Agriculture, Food, Restaurant and Business Sector.

- 8.1.1 **Powers and Responsibilities of the Council:**

- a. Set the policies, plans and programs for the agriculture and fishery enterprise development;
 - b. Provide the platform for greater coordination, cooperation and convergence between and among Departments/Institutions in ensuring support to the Program. Ensure that the collaboration and convergence mechanisms are implemented thereby ensuring collaboration, coordination, linkage and partnership among implementing agencies, partner agencies and private sectors to support the implementation of the Program. This may include integration of activities relating to farmers and fisherfolk enterprises, among others;
 - c. Monitor and review the Program implementation; and
 - d. Recommend to relevant agencies, councils and bodies, through the DA Secretary, all policy matters affecting agriculture and fishery enterprises.
- 8.1.2 The members and alternate representatives of the Council, who shall have the authority to decide on behalf of their respective agency, shall be designated by the head of the agencies through the issuance of a Special Order (S.O.). The national organizations' representatives shall be nominated by the respective sectoral committees under the PCAF while the two private sector representatives may come from the Micro, Small and Medium Enterprise Development (MSMED) Council and the Philippine Chamber of Commerce and Industry (PCCI), to be appointed by the DA Secretary.
- The private sector representatives shall serve for a term of one (1) year subject to renewal and re-appointment by the DA Secretary.
- 8.1.3 The Council shall hold quarterly meetings and special meetings when necessary; provided that the Council shall convene its first organizational meeting within thirty (30) days upon the effectivity of the IRR. The presence of fifty percent (50%) plus one (1) of the total membership of the Council shall constitute a quorum. In all cases, the presence of the Chairperson or his duly authorized representative, shall be required.
- 8.1.4 The Council, as it deems necessary, may invite representatives from other DA bureaus, attached agencies and corporations, as well as from other relevant government agencies as resource person.

SECTION 9. Local Councils for Farmers and Fisherfolk Enterprise Development

- 9.1 *The Agriculture and Fishery Councils (AFCs) of the PCAF shall provide the mechanisms for private sector participation in the development processes at the regional, provincial, and city/municipal levels.*
- 9.2 The existing AFC Manual of Operations shall be the basis in providing the mechanism for private sector participation but for the purpose of the implementation of the Program, the existing functions of AFCs shall be expanded to include the following:
- a. Endorse the proposed projects under the Farmers and Fisherfolk Enterprise Development Program;
 - b. Monitor/validate accomplishments of the Program;
 - c. Review and recommend policies based on observations generated from its monitoring;
 - d. Submit reports to the FFEDC through PCAF;
 - e. Create, if necessary, a Technical Working Committee (TWC) for Enterprise Development, specifically for such purpose; and

- f. Submit a work and financial plan to their respective DA-Regional Offices for such activities.

SECTION 10. Farmers and Fisherfolk Enterprise Development Information System

10.1 *The DA, through the AMAS, shall maintain a Farmers and Fisherfolk Enterprise Development Information System to assist the government in formulating plans and programs on enterprise development, and to enable producer groups, the private sector, the LGUs and potential donors to respond to the needs of the local and world markets and in generating resources for further enterprise development. The information system shall contain a list of possible and implemented programs and projects, a registry of agricultural and fisheries enterprises, and a roster of private companies engaged in these enterprises or have expressed interest in participating in the Program, and other information that may be identified by the Department or by the Council.*

a. Design and Development of the FFEDIS. – The DA-AMAS, in close collaboration with the DA Information and Communications Technology Service (DA-ICTS) and other concerned agencies, shall initially design and develop a beta version of a web-based Farmers and Fisherfolk Enterprise Development Information System (FFEDIS) within ninety (90) days upon the effectivity of the IRR. They shall spearhead the creation of a systems development team (SDT) which will do the planning, analysis, construction, deployment, upgrading and maintenance of FFEDIS in collaboration with other stakeholders.

- 1) The existing information systems of DA and other agencies may also be utilized or enhanced for this purpose. The FFEDIS should eventually interface with the National Farmers and Fisherfolks Information System (NFFIS) which updates the Registry System for the Basic Sectors in Agriculture (RSBSA). The design of the system shall also consider its possible linking with other agri-fishery relational databases.
- 2) All beneficiaries of DA and other relevant agencies, such as but not limited to CDA, DTI, DAR, DOLE, DSWD, DENR, DOST, LBP, DBP, ACPC, among others, shall be endorsed to DA-AMAS and DA-ICTS to be included in the registry.

b. Formulation of Guidelines and Protocols. – The DA-AMAS, in close collaboration with the DA-ICTS and other concerned agencies, shall formulate a set of guidelines and protocols which will serve as specific procedures for the development and operationalization of the FFEDIS.

- 1) It shall include the detailed procedures on the conduct of business process analysis with other stakeholders to determine the database structure/ data requirements, data harmonization, as well as the functional requirements, features and specifications of the system.
- 2) The policies on data population/ updating, setting-up of enrolment centers, data privacy compliance, granting of access privileges, enrolment/ registration procedures, data validation and other protocols shall also be included in the guidelines.

10.2 In addition to the registry system, DA-AMAS, in coordination with DA Banner Programs and other stakeholders, may also institute planting permitting system for the purpose of gathering planting intention information as basis of production plans of farmers and agri-enterprises.

- 10.3 In developing and creating the FFEDIS, the DA-AMAS, ICTS and other relevant agencies shall be guided by the relevant provisions of R.A. No. 10173 or the Data Privacy Act to protect the fundamental human right to privacy while ensuring free flow of information to promote agri-fishery enterprise development.

SECTION 11. Direct Purchase by National and Local Government Agencies

- 11.1 *To promote and support farmers and fisherfolk enterprise development, national and local government agencies shall directly purchase agricultural and fishery products from accredited farmers and fisherfolk cooperatives and enterprises: Provided, That said agricultural and fishery products are necessary in the performance of their respective mandates.*

11.1.1 Under this Section, accredited farmers and fisherfolks cooperatives and enterprises shall mean to be those that are eligible to participate in a direct purchase by national and local government agencies.

11.1.2 Registration with the FFEDIS is not an accreditation and is not tantamount to a finding of eligibility, nor is it a guaranty that an enterprise may participate in a negotiated procurement without first being determined to be eligible for that particular negotiated procurement.

- 11.2 *For purposes of this Act, the procurement by national and local government agencies of said agricultural and fishery products, including agricultural and fishery inputs directly produced by local farmers and fisherfolk, shall be exempted from the application of the bidding process prescribed under relevant government procurement laws: Provided that said agencies shall undergo a negotiated procurement under the applicable guidelines of the Government Procurement Policy Board (GPPB).*

11.2.1 The negotiated procurement referenced above shall refer to any of the negotiated modes of procurement provided under the 2016 revised IRR of RA No. 9184 and such other rules or guidelines on negotiated procurement that may be issued by the GPPB.

11.2.2 The eligibility requirements under the applicable negotiated modality of procurement under the 2016 revised IRR of RA No. 9184 are the criteria required to determine whether or not a farmer or fisherfolk enterprise beneficiary may be eligible to participate in the direct purchase by national and local government agencies.

- 11.3 For purposes of this provision, within thirty (30) days upon the effectivity of this IRR, all national and local government agencies shall provide a list to the DA-AMAS of all their agricultural and fishery products requirements in various government programs to include, among others, the following:

- a. Production inputs distribution (e.g. seeds, seedlings, planting materials, fertilizers, pesticides, etc.)
- b. Health and Nutrition Programs (e.g. Feeding Programs)
- c. Relief operations
- d. Catering for the government for a considerable number of participants as may be determined by the Council
- e. Market testing and promotion of agricultural and fishery products
- f. Market stabilization
- g. Livelihood development programs, wholesale marketing or other similar activities to support the farmers and fisherfolk enterprises.

The DA-AMAS, through the DA-AMAD, shall actively collaborate with all national and local government agencies to ensure the implementation of this provision.

- 11.4 For the proper implementation of this provision, the GPPB, in consultation with DA and other concerned agencies, shall review existing procurement guidelines and manuals and, if deemed necessary, amend said existing guidelines and manuals or issue new guidelines specific for the Program within sixty (60) days upon the effectivity of this IRR. The said guidelines shall include, among others, procedural and documentary requirements to implement this Section of the IRR.

For purposes of implementing the provisions relevant to procurement under the Act, any amendments or enhancements on procurement rules shall be approved by the GPPB in consultation with the DBM, Commission on Audit (COA) and all implementing agencies and stakeholders concerned.

- 11.5 The DA, in consultation with other relevant agencies, shall, within sixty (60) days upon the effectivity of this IRR, taking into consideration the existing accreditation guidelines of different agencies, craft a simplified and specific guidelines to implement the accreditation of farmers and fisherfolk cooperatives and enterprises under the Act.

SECTION 12. Tax Incentives and Exemptions

The provisions of any general or special law to the contrary notwithstanding:

- 12.1 *Gifts and donations of real and personal properties shall be exempted from donor's tax.*

Conditions or Terms of Availment:

- a. The donor must donate to the beneficiaries enumerated in Section 5 of this IRR.
 - b. The gifts or donations must be of personal or real property that are directly related to the implementation of the Program as provided under the applicable provisions of Sections 3 and 4 of the Act consistent with its objectives to develop enterprises for the farmers & fisherfolk towards a sustainable modern agriculture and food security.
- 12.2 *The LGUs shall exempt structures, buildings, and warehouses utilized for the storage of farm inputs and outputs from real property tax: Provided, that the assessed value of the property does not exceed Three million pesos (P3,000,000.00). For this purpose, the DA and DILG, within sixty (60) days from the effectivity of the IRR, shall execute a Joint Memorandum Circular to implement this provision.*
- 12.3 *The Land Bank of the Philippines shall provide preferential rates and special window to accredited farmers and fisherfolk enterprises. For this purposes, the Land Bank of the Philippines, in consultation with the Council and the ACPC, shall, within sixty (60) days from the effectivity of this IRR, provide guidelines to implement this provision.*
- 12.4 *Exemptions from income tax may be provided for income arising from the operations of the enterprise; Provided, that the farmer and fisherfolk cooperatives and enterprises shall register as barangay micro-business enterprises pursuant to Republic Act No. 9178, otherwise known as the "Barangay Micro-Business Enterprise (BMBEs) Act of 2002".*
- a. Unless otherwise adjusted after review by the MSMED Council, as mandated under R.A. 6977, as amended by R.A. 8289, for the cooperative and enterprise to avail of the income tax exemption stated herein, the following criteria must be present:

- 1) The accredited business entity or enterprise must be the intended beneficiaries as enumerated under Section 5 hereof.
 - 2) Have a total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than Three Million Pesos (P3,000,000.00), subject to revision of the appropriate government agency or council.
- b. For purposes of Sections 12.1 and 12.4, the BIR, in consultation with DA, DTI and other relevant agencies, shall, within sixty (60) days from the effectivity of this IRR, issue guidelines to include, among others, procedural and documentary requirements for the availment of exemption from income tax and donor's tax for gifts and donations given to registered farmers and fisherfolk enterprises.

RULE IV MISCELLANEOUS PROVISIONS

SECTION 13. Amendatory Clause. This IRR may be amended or modified accordingly by the DA in consultation with the DTI and the DOF as the need arises.

SECTION 14. Implementing Guidelines. All guidelines to be issued after the effectivity of this IRR shall be posted in the DA website.

SECTION 15. Separability Clause. If any provision of this IRR is declared invalid or unconstitutional, the other provisions not affected by such declaration shall remain in full force and effect.

SECTION 16. Repealing Clause. All administrative circulars, rules and regulations and other issuances inconsistent with the foregoing provisions are hereby repealed or modified accordingly.

SECTION 17. Effectivity. This IRR shall take effect immediately upon its publication in the Official Gazette or in at least two (2) newspapers of general circulation. The National Administrative Register of the UP Law Center shall be provided a copy of this IRR.

APPROVED:

WILLIAM D. DAR, Ph.D.
Secretary