



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

**MEMORANDUM CIRCULAR**

No. 20

Series of 2021

**SUBJECT : IMPLEMENTING GUIDELINES ON THE PROVISION OF INCENTIVES FOR PARTICIPATORY GUARANTEE SYSTEM – ORGANIC CERTIFYING BODIES (PGS-OCBs)**

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**I. RATIONALE**

The National Organic Agriculture Program (NOAP) has been providing third-party organic agriculture certification assistance since 2017. This assistance is done on a reimbursement basis and the farm is eligible for assistance for the renewal of certification for up to three (3) times. Thereafter, the farms are expected to shoulder their certification renewal cost.

This assistance helped increase the number of certified organic farms, albeit not sustainable due to the high cost of third party certification including renewal fees. Thus, Republic Act 11511, or the amended Organic Agriculture Act of 2010, included the Participatory Guarantee System (PGS) in its amendment as an alternative to the third party certification system. The PGS certification system will allow our organic agriculture producers to legally label and sell their produce as organic.

Under Section 25 of the Organic Agriculture Act, as amended by Republic Act 11511 stated that states that the government shall assist organic input producers and organic farmers through the provision of adequate financial, technical, marketing, and other services and resources including subsidies for certification fees and other support services to facilitate organic certification. Further, as provided under the Implementing Rules and Regulations of RA 11511, small farmers/fisherfolks, along with indigenous people, agrarian reform beneficiaries (ARBs), including cooperatives and micro, small and medium enterprises (MSMEs), shall be prioritized in the provision of incentives in accordance with the provisions of the Act.

The provisions under this Memorandum Circular discuss the rules and procedures for the provision of incentives for the Participatory Guarantee System-Organic Certifying Body (PGS-OCB).

**II. DEFINITION OF TERMS**

For the purposes of this Memorandum Circular, the following terms are defined as follows:

- (a) *Organic Certifying Body (OCB)* refers to a legal entity accredited by a government agency to perform inspection and certification activities. It is responsible for verifying that a product sold or labeled as “organic” is produced, processed, prepared, or handled according to relevant guidelines.



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- (b) *Participatory Guarantee System – Organic Certifying Body (PGS-OCB)* refers to organic certifying bodies duly accredited by the Bureau of Agriculture and Fisheries Standards;
- (c) *Small farmer/fisherfolk* refers to those utilizing not more than five (5) hectares of land for the single purpose of, or a combination of the following purposes for, agricultural crop production, including rice and corn, aquaculture, and poultry/livestock raising: *Provided*, that poultry/livestock raising shall not have more than the following:
- Poultry – 1,000 poultry layers or 5,000 broilers
  - Swine/native pigs – 10 sow level or 20 fatteners
  - Cattle – 10 fatteners or 5 breeders
  - Dairy – 10 milking cows
  - Goat, sheep and other small ruminants – 50 heads
  - Other animals permitted to be raised, the limits of which are to be determined by the National Organic Agriculture Board (NOAB).

### **III. COVERAGE AND SCOPE OF ASSISTANCE**

The provision of cash incentives shall be accessible to qualified PGS-OCBs as assistance to support their operation. The Program shall provide cash incentives amounting to three thousand pesos (P3,000.00) to PGS-OCBs for every small farmers certified or consolidated group of small gardeners consisting of at least three (3) hectares. Further, only small farmers certified by the PGS-OCBs will be counted in the provision of cash incentives.

The provision of cash incentives to PGS-OCBs shall be based on the evaluation and assessment of the DA-RFOs in accordance with the requirements herein set forth.

### **IV. ELIGIBLE BENEFICIARIES/PARTNERS**

The Program may only provide cash incentives to PGS-OCBs accredited by the Bureau of Agriculture and Fisheries Standards (BAFS), which are qualified for assistance under this Memorandum Circular. PGS-OCBs shall enter into a Memorandum of Agreement (MOA) with the Department of Agriculture – Regional Field Offices (DA-RFOs) for the provision of cash incentives to PGS-OCBs.

### **V. DOCUMENTARY REQUIREMENTS**

#### **A. APPLICATION FOR INCENTIVES**

1. Letter of Intent addressed to the Regional Executive Director;
2. Application form provided by the NOAP;
3. Accreditation certificate from BAFS;
4. PGS Manual of Operations;
5. Valid business permit.

#### **B. CLAIM FOR INCENTIVES**



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2. Land title or any valid document with an indicated measurement of land;
3. Farm profile and farm map;
4. Any instrument of authority of the farmer over the farm being certified as PGS;
5. Photo of farm inspections with geographic coordinates/geotagged farms;
6. Field inspection report;

## **VI. MECHANICS OF IMPLEMENTATION**

1. The DA-RFO and NOAP-NPCO shall conduct an information caravan on the provision of cash incentives to potential PGS-OCBs;
2. Proponents shall submit their Letter of Intent addressed to the Regional Executive Director and application form to the DA-RFOs;
3. DA-RFOs shall conduct the evaluation and assessment of the proposal and documentary requirements;
4. The approved proposal shall be covered with a Memorandum of Agreement (MOA) with the DA Regional Field Office specifying the roles and responsibilities of the parties. The MOA shall also indicate the maximum area to be certified for the year based on DA-RFO budget;
5. Cash incentives will only be provided a year following the application for cash incentive assistance and based on actual areas certified;
6. The DA-RFOs shall allocate a budget for incentive for PGS-OCB certification;
7. Deadline for submission of claims is every October of the year.

## **VII. ROLES AND RESPONSIBILITIES OF THE PARTIES**

The parties under the Memorandum of Agreement are the PGS-OCBs, DA-RFOs and NOAP-NPCO. Below are the roles and responsibilities of the parties respectively:

### **A. PGS-OCBs**

1. Submits letter of intent with list of targeted organic farms/areas and application form provided by the NOAP to DA-RFO to apply for the provision of incentives for PGS-OCBs;
2. Undertakes planning on the expansion and development of PGS organic agriculture per province together with the DA-RFOS and OA stakeholders;
3. Maintains and submits to DA-RFOs and BAFS an annual directory of PGS certified farms and farmers;
4. Submits all documentary requirements for the approval of the provision of incentives;
5. Issue receipt for incentives received.

### **B. DA-RFOs**

1. Undertakes information campaign for the provision of cash incentives in their respective regions;
2. Together with PGS-OCBs and other OA stakeholders, undertakes planning on the expansion and development of PGS organic agriculture per province;
3. Accepts applications from PGS-OCBs and endorses them to the NOAP for further assessment and evaluation.



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4. Enter into a MOA with the PGS-OCBs whose applications are approved;
5. Releases the incentives to the PGS-OCBs whose applications are approved;
6. Monitors the operation of the PGS-OCBs and PGS farms by conducting site visitation; and
7. Conduct monitoring and evaluation of the provision of incentives for PGS-OCBs in their region.

**C. NATIONAL ORGANIC AGRICULTURE PROGRAM (NOAP)**

1. Undertakes information campaign with the DA-RFOs on the provision of cash incentives in the regions;
2. Monitor the implementation of provision of cash incentives to PGS-OCBs, as well as provide analysis on the operations of the PGS-OCBs.

**VIII. MONITORING AND EVALUATION**

The DA-RFOs shall monitor the implementation of the provision of incentives for PGS-OCBs using unified planning and monitoring tools and templates, and submit quarterly reports to the NOAP-NPCO. The NOAP-NPCO, together with BAFS shall consolidate the reports from the DA-RFOs annually and evaluate the implementation of the provision of incentives for PGS-OCBs.

Further, the NOAP-NPCO shall provide an annual consolidated report to the National Organic Agriculture Board (NOAB) for their information.

**IX. FUNDING SOURCE**

Funding for the provision of incentives shall be charged primarily to the National Organic Agriculture Program Fund. Local Government Units (LGUs) are likewise encouraged to allocate funds as assistance for the PGS Certifications of their farmer or fisherfolk constituents.

**X. EFFECTIVITY CLAUSE**

This Guideline shall take effect immediately upon signing and shall supersede other issuances inconsistent herewith.

Done this 22nd day of September, 2021.

**WILLIAM D. DAR, PhD**  
Secretary