

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **5412**



Introduced by REP. JOSE T. PANGANIBAN, JR.
of ANAC-IP Partylist

EXPLANATORY NOTE

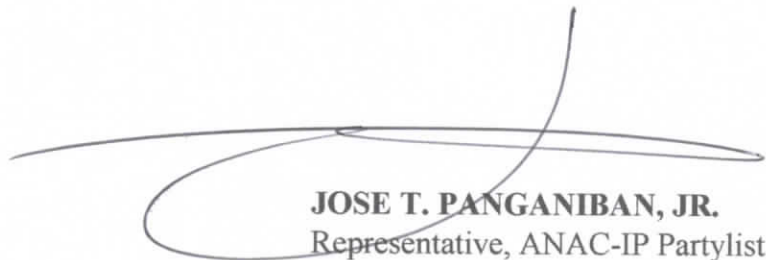
The enactment of Republic Act 10068 otherwise known as the Organic Act of 2010 intends to promote, propagate, develop and further implement the practice of organic agriculture in the Philippines to improve soil fertility and degradation, increase farm productivity, reduce farm source pollution, further protect the health of the farmers, consumers and the general public as well as save on imported in-organic farm inputs. As the trends towards healthier lifestyle continues to grow and gain support among consumers, the interest in organic farming in the country is also expeditiously gaining its momentum despite the challenges and hurdles towards shifting from conventional farming to organic farming. From a baseline data of 14,120 hectares in 2006, the National Organic Agriculture Program (NOAP) was able to devote an estimated area of 101,278 hectares to organic farming in 2013. According to report from Ifoam and the Research Institute of Agriculture, Philippines ranked 7th with 0.8 percent share of organic agriculture to total land area of 3.4 million hectares in Asia in 2013.

Organic agriculture offers good opportunities to ensure food security and nutrition. It promotes the use of natural and farm-based resources and inputs which abound within the community, and therefore, it does not require high input cost among farmers. Amidst all the wonderful advantages of raising organic farming, local farming community is yet to totally embrace organic agriculture due to major challenges confronting small farmers and communities at the farm and institutional levels. Most of them are confronted with constraints such as lack of technical knowledge, for example organic farming practices and production methods, lack of market information like which products to grow, which market and distribution channels to choose, competition, market access, etc. Another hurdle among small farmers with 1.5 to 2 hectares arable land is the lack of financial and technical capacity to meet the certification required by the Organic Agriculture Act of 2010 where a third party certifier is require to issue certification of organic farms to facilitate labelling and marketing of farm produce to supermarkets. Because of certification standards, big supermarket could

not just accept organic food products which are not labelled accordingly resulting in problems on marketing arrangements with traders. In this case, small farmers are obliged to transport their organic products in the nearest market within their communities and oftentimes mixed with conventional products resulting in price similarity. One major concern of organic farming is the insufficient supply of organic inputs and fertilizers since the practice is laborious which implies more capital to meet labor requirements in producing organic inputs, and sometimes, they could not follow the recommended rate due to insufficient supply.

The bill seeks to address the challenges and issues in the implementation of the Organic Act of 2010. The wider option for organic agriculture in our country would only be possible if appropriate institutional support system will be set up by concerned government agencies. This will include the provision of technical assistance to improve the technical capability and capacities of small farmers, effective linkage between producers and the consumers to ensure sustainable marketing of organic produce in the markets and measures to address the issue of certification in order to fit the needs of small farmers.

In view of the foregoing premises, the enactment of this measure is earnestly sought.



JOSE T. PANGANIBAN, JR.
Representative, ANAC-IP Partylist

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HOUSE BILL NO. 5412

Introduced by **Rep. JOSE T. PANGANIBAN, JR**
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AN ACT
STRENGTHENING THE IMPLEMENTATION OF THE NATIONAL ORGANIC
AGRICULTURE PROGRAM BY ENHANCING REGULATORY CAPACITY,
ESTABLISHING COORDINATING OFFICES, AUGMENTING HUMAN
RESOURCE COMPLEMENT AND REPEALING REPUBLIC ACT NO. 10068, AND
APPROPRIATING FUNDS THEREFOR.

Be it enacted by the Senate and the House of representatives of the Philippines in Congress assembled.

SECTION 1. *Short Title.*

SEC. 2. *Declaration of Policy.* It is hereby declared the policy of the State to promote, propagate, develop further and implement the practice of organic agriculture in the Philippines that will cumulatively address sustainable development goals and the adverse impact of climate change by enhancing the condition and enriching the health of the soil, reduce pollution and destruction of the environment with respect to nature, prevent the depletion of natural and available resources, increase farm productivity by optimizing locally available farm inputs, and further protect the health of farmers, consumers, and the general public through implementation of an effective regulatory management system. Towards this end, a strengthened implementation of the National Organic Agriculture Program, enhanced regulatory capacity, established institutional arrangement, and promotion of organic agriculture production, post-production, and marketing systems including those that are community-based together with a nationwide educational and promotional campaign for their use and processing as well as adoption of organic agriculture system as a viable alternative and means to ensure food security shall be undertaken.

The State recognizes and supports the central role of the farmers, fisherfolks, indigenous peoples, and other relevant stakeholders at the grassroots in this program.

SEC. 3. *Definition of Terms.* For purposes of this Act, the following terms shall be defined as follows:

- (a) **Certification** - procedure by which organic certifying bodies, or recognized organic certifying bodies and other organic guarantee system providers provide written or

equivalent attestation that food, non-food, or inputs including their control systems conform to the applicable Philippine National Standards (PNS) relevant to organic agriculture and other regulatory requirements. [Modified Definition: RA 10068 and PNS/BAFS 07:2016]

- (b) **Civil Society Organizations (CSOs)** - non-market and non-state organizations outside of the family in which people organize themselves to pursue shared interests in the public domain. Examples include community-based organizations and village associations, environmental groups, women's rights groups, farmers' associations, faith-based organizations, labour unions, co-operatives, professional associations, chambers of commerce, independent research institutes and the not-for-profit media [Organisation for Economic Co-operation and Development (OECD)]
- (c) **Commercialization** - process of introducing a new agricultural and fishery technology either as product, process or service that has undergone the intensive innovative activities of assessment, promotion and transfer for economic benefit [RA 10068]
- (d) **Designating authority** - agency within the Department of Agriculture (DA) to provide recognition to organic certifying body, accredited certifying body, and other organic guarantee system provider, suspension or withdrawal of recognition, or removal of their suspension [Modified Definition: ISO 17000:2004]
- (e) **Formal education** - systematic and deliberate process of hierarchically-structured and sequential learning corresponding to the general concept of elementary, secondary and tertiary levels of schooling including education for those with special needs [RA 10068]
- (f) **Geographical scope** - market reach of other organic guaranteed products, wherein producer may directly link with consumers or indirectly through an intermediary, that are found within national borders [PGS Guidelines]
- (g) **Licensing** - process by which authority approve an application, of a person, corporation, cooperative, agriculture or fishery establishment, or other juridical persons, for authority to operate an establishment or to engage in any activity, for the purposes of producing organic food, non-food, and input products, in the primary production and postharvest stages of the food supply chain to produce safe primary and postharvest animal and plant food and inputs. It includes facilities involved in activities related to agrochemicals and other inputs in the primary and postharvest stages of production. The approval will require proving capability to operate a facility or establishment or to engage in activities in the primary production and postharvest stages of the food supply chain and covered by the license. [Food Safety Act 2011]
- (h) **Market matching** - activities to match market requirements with product attributes [B.F. Campbell. PRODUCT/MARKET MATCHING SYSTEM: A computer-assisted approach to tourism planning]

- (i) **Non-formal education** - any organized systematic educational activity carried outside the framework of the formal system to provide selected types of learning to a segment of the population [RA 10068]
- (j) **[Official organic certifying body** - an entity administered by a government agency having jurisdiction empowered, and recognized to certify organic production system against applicable PNS relevant to organic agriculture and other regulatory requirements [Modified Definition: Codex CAC/GL 34-1999]]
- (k) **[Officially recognized organic certifying body** - an entity which have been formally approved or recognized by the designating authority. [Modified Definition: Codex CAC/GL 32]]
- (l) **Organic Operator** - an individual or a business enterprise that is responsible for ensuring that production, processing, manufacturing, distribution, wholesale, retail, trade, importation and/or exportation of organic agriculture products meets, and continues to meet, applicable PNS relevant to organic agriculture and other regulatory requirements [Department Circular No. 6 Series of 2015 or Revised Guidelines for the Official Accreditation of Organic Certifying Bodies]
- (m) **Organic** - a labeling claim with written or equivalent attestation that a product has been produced, prepared, processed, and handled in accordance to the applicable PNS relevant to organic agriculture and other regulatory requirements [RA 10068 and PNS/BAFS 07:2016)
- (n) **Organic Agriculture (OA)** - a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects [IFOAM]
- (o) **Organic certifying body (OCB)** - a conformity assessment body that conforms with the principles of ISO/IEC 17065 or accredited by the Department of Trade and Industry-Philippine Accreditation Bureau (DTI-PAB), and recognized to certify organic production system against applicable PNS relevant to organic agriculture and other regulatory requirements.
- (p) **Organic guarantee system provider** - a group, association, cooperative, or federation that assembles farmers and fisherfolks who sell their products directly, and has an organized process to guarantee organic production systems and the credibility of the interaction of people or organizations, based on participation, compromise, transparency and trust, and is designated by the government [Modified Definition of Social Control Organization: Brazilian Law]
- (q) **Organic input** - organic materials allowed for organic agriculture production and processing such as seeds, plant propagation materials, plant protection and pest management agents (e.g. biocontrol agents), organic soil amendments (e.g. organic fertilizers, compost/soil conditioners, microbial inoculants, plant supplements,) feeds,

processing aids, which are used to comply with the requirements of applicable PNS relevant to organic agriculture and other regulatory requirements [RA 10068]

- (r) **Organic integrity** - adherence to the principles, objectives and standards for organic production [PNS/BAFS 07:2016]
- (s) **Recognition** - governmental authorization of an organic certifying body to perform certification activities, and other organic guarantee system providers to provide guarantee on organic production systems in order to assure conformance of operators to the applicable PNS relevant to organic agriculture and other regulatory requirements [Modified Definition: ISO 17000:2004]
- (t) **Registration** - process by which DA enter information about agriculture and fishery operators engaged in the primary production and postharvest stages of the food supply chain including facilities involved in activities related to agrochemicals and other inputs in the primary and postharvest stages of production, in an official list or official system for entering names and information of the DA. [IRR of RA 10611/Food Safety Act]
- (u) **Small farmers** - natural persons dependent on small-scale subsistence farming as their primary source of income and whose sale, barter or exchange of agricultural products do not exceed a gross value of One hundred eighty thousand pesos (P180,000) per annum based on 1992 constant prices. An inter-agency committee composed of the Department of Agrarian Reform (DAR), the Department of Trade and Industry (DTI), the Department of Finance (DOF) and the National Economic and Development Authority (NEDA) and headed by the DA may conduct periodic review and adjustments of the income level to take into account the effects of changes in inflation, devaluation and consumer price index [RA 10068 and Magna Carta for Small Farmers]
- (v) **Small fisherfolks** - persons directly or personally and physically engaged in taking and/or culturing and processing fishery and/or aquatic resources as their primary source of income and are using fishing boats of 3 gross tons or less. They are also known as municipal fisherfolk [Modified Definition of Municipal Fisherfolks: RA 8550 or The Philippine Fisheries Code]
- (w) **Surveillance** - activities conducted to verify the integrity and continued conformance of organic food, non-food and inputs in the market to applicable PNS relevant to organic agriculture and other regulatory requirements. [Department Circular No. 6 Series of 2015 or Revised Guidelines for the Official Accreditation of Organic Certifying Bodies]
- (x) **Verification** - activities conducted to verify continued conformance of registered organic operators to applicable PNS relevant to organic agriculture and other regulatory requirements [Modified Definition: ISO 9000]

SEC. 4. Coverage. The provisions of this Act shall apply to the development and promotion of, and adoption of relevant and appropriate organic agriculture technologies and

interventions, and implementation of effective regulatory management system supporting organic agriculture and shall include, but not limited to, the following:

- a. Policy formulation and development, enforcement, review and revision of regulations which include, licensing and registration, recognition, certification and labeling of organic food, non-food and input products to ensure consumer protection and facilitate market access;
- b. Strategic direction formulation for effective implementation of the NOAP;
- c. Research, development, and extension through development of technology transfer mechanism which include commercialization of relevant and appropriate organic agriculture technologies;
- d. Promotion and encouragement of establishment of facilities, equipment and processing plants that would accelerate the production and commercialization of organic food, non-food and input products;
- e. Implementation of NOAP, and its corresponding projects and activities, including the provision and delivery of production and post-production support services, and irrigation network services with focus on the farmers, fisherfolks and other stakeholders promoting gender and development; and
- f. Market development and trade facilitation.

SEC. 5. *National Organic Agriculture Program.* There is hereby a strengthened, expanded and comprehensive National Organic Agriculture Program (NOAP), herein referred to as Program, through the implementation of effective regulatory management system; promotion, commercialization of relevant and appropriate organic agriculture technologies; cultivation and adoption of production and post-production technologies which have already been developed, or are to be developed; continuing research and upgrading thereof; development of technology transfer mechanism; capacity building of farmers and the education of consumers thereon; the extension of assistance to local government units (LGUs), civil society organizations (CSOs) and other stakeholders including individuals and groups who are practicing and promoting these technologies, as well as those who are willing to undertake other pertinent activities; and documentation, monitoring and evaluation of the program leading to consumer protection and facilitation of market access.

The DA shall designate the National Organic Agriculture Program-National Program Coordinating Office (NOAP-NPCO) under the Field Operations Service (FOS) to manage the implementation of the Program and undertake regular progress monitoring and impact evaluation to ensure that interventions are responsive to the needs of the stakeholders.

SEC. 6. *National Organic Agriculture Board (NOAB).* The National Organic Agriculture Board, hereinafter referred to as “NOAB” or “Board”, shall continue its duties and functions as the policy-making body that provides general strategic direction and guidelines for the implementation of the Program. The NOAB shall be attached to the DA. The NOAB shall ensure the full participation of CSOs and the general public through coordination and stakeholders’ consultation strategies such as, but not limited to, sectoral or area-wide public consultative meetings.

SEC. 7. *Composition of the NOAB.* The NOAB shall consist of:

- a. The Secretary of Agriculture, or the duly authorized permanent representative, with a

- rank of Undersecretary, as Chairperson;
- b. The Secretary of the Interior and Local Government, or the duly authorized permanent representative, as Vice Chair;
 - c. The Secretary of Science and Technology, or the duly authorized permanent representative;
 - d. The Secretary of Environment and Natural Resources, or the duly authorized permanent representative;
 - e. The Secretary of Education, or the duly authorized permanent representative;
 - f. The Secretary of Agrarian Reform, or the duly authorized permanent representative;
 - g. The Secretary of Trade and Industry, or the duly authorized permanent representative;
 - h. The Secretary of Health, or the duly authorized permanent representative;
 - i. Small farmer/fisherfolk representatives for the Luzon, Visayas and Mindanao practicing organic agriculture/aquaculture for at least three (3) years;
 - j. CSO representative involved in organic agriculture/aquaculture for at least three (3) years;
 - k. Representative from private sector or agribusiness firms involved in organic agriculture/aquaculture for at least three (3) years; and
 - l. Representative from agricultural colleges and universities, or the duly authorized alternate representative, as members.

The designated aforementioned representatives of the various departments shall be occupying positions not lower than a director level and shall be on a coterminous basis.

The representatives of small farmers, CSOs, and private sector or agribusiness firms, and academe shall be designated/appointed by the Secretary of Agriculture from among nominees submitted by the respective national organizations or academic institutions. These representatives must be involved or practicing organic agriculture, supportive, and committed to the implementation of policies and Program provided under this Act.

The existing NOAB created pursuant to Republic Act No. 10068 shall continue to function until the new NOAB created herein has been constituted pursuant to Section 8 hereof.

SEC. 8. *Organization of the NOAB.* The DA shall issue guidelines for the selection of the non-government representatives (i.e. small farmers, CSO, private sector or agribusiness firms, and academe).

The Chairperson shall call the members of the NOAB, or a majority thereof if not all have been designated, to a meeting to organize themselves and prescribe its rules and procedure for the attainment of the objectives of this Act. A majority of all the members of the NOAB shall constitute a quorum.

Funds shall be provided to ensure the operationalization of the NOAB and execution of its duties and functions. The NOAB shall also determine its budget, including, but not limited to, travel expenses, allowances and per diems of its non-government members when attending official NOAB meetings or attending to matters assigned to them subject to accounting and auditing rules and regulations.

SEC. 9. *Duties and Functions of the NOAB.* The NOAB shall have the following duties and functions:

- a. Provide general strategic direction for the Program;
- b. Formulate and review existing policies and endorse appropriate revisions thereof to further strengthen the organic agriculture sector;
- c. Oversee the development, implementation, review and progress monitoring of the Program, including its annual plans, to ensure consistency with defined goals and objectives;
- d. Provide recommendations and policy directives on organic agriculture regulations towards implementation of an effective regulatory management system;
- e. Collaborate with appropriate government agency to carry out and implement identified projects and activities;
- f. Collaborate and work towards active partnership with private sectors (e.g. CSOs or agribusiness firms) and the academe towards building of competency and development of technology transfer mechanism; and

Perform such functions as may be necessary for its effective operations and for the continued enhancement, growth and development of organic agriculture.

SEC. 10. *The Bureau of Agriculture and Fisheries Product Standards (BAFPS) of the DA and Its Powers, Duties, and Responsibilities.* The BAFPS of the DA shall be strengthened and empowered in terms of establishing functional divisions and incremental staffing to serve as the national technical and administrative secretariat of the NOAB with the member agencies providing additional staff support as the need arises.

The BAFPS, in addition to its existing functions and responsibilities shall perform the following functions, duties and responsibilities for purposes of this Act:

- (a) Implement organic agriculture programs and projects approved by the NOAB;
- (b) Update the NOAB on the status of the programs, projects and activities undertaken for the development and promotion of organic agriculture;
- (c) Create effective networking with the various stakeholders involved in organic production; and
- (d) Perform such other functions, duties and responsibilities as may be necessary to implement this Act and as directed by the NOAB.

SEC. 11. *The Bureau of Agriculture and Fisheries Standards (BAFS).* The BAFS of the DA shall strengthen and empower the established functional division for organic agriculture through incremental staffing to perform as the National Technical and Administrative Secretariat of the NOAB, and a Regulatory Agency for Organic Agriculture.

The BAFS, as the national technical and administrative secretariat of the NOAB, shall have the following duties and functions:

- a. Provide technical and administrative support to the NOAB and its Technical Committees to ensure effective and efficient performance of its functions;
- b. Coordinate and collaborate with the NOAP-NPCO and other relevant government agencies in ensuring that approved NOAB policies, projects and activities are implemented in accordance with results of relevant assessments and reviews; and
- c. In collaboration with NOAP-NPCO, provide regular update to the NOAB on the

status of the Program implementation and other activities undertaken to address policy needs.

Likewise, the BAFS shall perform the following duties and functions relative to organic agriculture:

- a. Designating authority for the recognition of organic certifying bodies (OCBs), accredited organic certifying bodies and other organic guarantee system providers;
- b. Regulatory body for the registration and licensing of organic input operators;
- c. Verification body for the purposes of registration and licensing of organic input operators;
- d. Surveillance body for organic food and non-food products, and inputs in collaboration with relevant regulatory agencies and/or DA RFOs; and
- e. Networking arm tasked to create effective and strengthened linkages with domestic stakeholders towards increased adoption of organic standards, and international collaborators to harmonize and update national standards and relevant regulatory mechanisms with international best practices.

SEC. 12. National Program Coordinating Office (NOAP-NPCO). To manage the effective implementation of the Program, the DA-FOS shall be further strengthened and empowered in terms of establishing a functional division and incremental staffing; to serve as the NPCO; and shall perform the following duties and functions:

- a. Develop roadmap and its corresponding annual work and financial plan in coordination with the DA implementing agencies and DA-RFOs in consultation with the concerned stakeholders to implement projects and activities pursuant to the NOAP and those identified by the NOAB;
- b. Conduct systematic assessment to evaluate the performance of the Program;
- c. Conduct periodic progress monitoring and impact evaluation to ensure that interventions are responsive to the needs of the stakeholders;
- d. Create effective networking with international donors and partners to implement projects and activities;
- e. Update the NOAB on the status of the Program, and relevant projects and activities undertaken for the development and promotion of organic agriculture including submission of policy recommendations;
- f. Develop and manage effective strategies for technology transfer mechanism in order to build competency, which may include activities related to advocacy and promotion of relevant and appropriate organic agriculture technologies and activities including nationwide conferences, in partnership with ATI and relevant stakeholders; and
- g. Perform such other functions, duties and responsibilities as may be necessary to implement this Act and as directed by the NOAB.

In a likewise manner, a NOAP-Regional Program Coordinating Office (NOAP-RPCO) with incremental staffing and with other Divisions providing additional staff as the need arises, shall be established in the DA-RFOs to serve as regional program coordinating office.

The DA, through the NOAP-NPCO and upon approval of the NOAB, shall render an annual report to both Houses of Congress on the accomplishment of the program. A review on the

viability of the program shall be made by the concerned agencies after three (3) years of its implementation.

SEC. 13. *Organic Agriculture and the Protection of the Environment.* The NOAB, in collaboration with relevant government agencies, shall constantly devise and implement ways and means towards promoting conservation and protection of the environment through identification and protection of organic agriculture overlay zones, utilization, management and conservation of soil and water resources, biodiversity conservation and cumulatively addressing adverse impacts of climate change.

The NOAB, in partnership with relevant government agencies, CSOs, private sector and academe, shall explore a range of options and measures, identify, assess, prioritize and implement actions, including development of policy measures, demonstration and scaling up of activities, especially relevant to sustainable environmental protection and climate change adaptation and mitigation interventions to combat desertification and restore degraded land and soil, with a view of improving resilient agricultural systems while harnessing co-benefits and ensuring food security.

SEC. 14. *The Responsibilities of Local Government Units.* Every provincial governor shall establish and/or strengthen existing provincial technical committee in coordination with and assistance from the DA-RFO to implement activities in line with the NOAP within each province.

Every municipal mayor shall likewise establish and/or strengthen existing municipal technical committee in coordination with and assistance from the DA-RFO to implement activities in line with the NOAP within each municipality.

The designated OA Focal Person for the Province and/or the City/Municipality shall serve as the technical and administrative secretariat of the LTC.

The LTC shall have the following duties and functions:

- a. Develop a roadmap for the implementation of projects and activities related to organic agriculture in the locality based from the NOAP and those identified by the NOAB;
- b. Formulate ordinance and policies supportive of organic agriculture;
- c. Translate the NOAP for local adaptation as a strategy in ensuring food security, addressing adverse impacts of climate change towards enhancing building of resilience of agricultural systems while contributing to eradication of poverty and health and wellness of consumers;
- d. Appropriate at least 5% of the local development fund for organic agriculture interventions;
- e. Designate Focal Persons and Agricultural Extension Worker (AEW) specific for organic agriculture;
- f. Provide incentives to OA focal persons, AEWs, technicians, farmers, and fisherfolks;
- g. In collaboration with relevant government agencies (e.g. Department of Environment and Natural Resources (DENR), Department of Interior and Local Government (DILG), etc.) identify and include organic agriculture overlay zones in the Comprehensive Development Plan (CDP), Comprehensive Land Use Plan (CLUP) and Provincial Development and Physical Framework Plan (PDPFP);
- h. Collaborate and contribute to the regular monitoring activities and impact evaluation conducted by the NOAP-NPCO to evaluate the implementation of the NOAP;

- i. To provide developmental support towards the establishment of other organic guarantee system providers in the locality; and
- j. Create effective networking with local and international donors and partners to implement projects and activities.

SEC. 15. *Organic Certification.* The integrity of organic food and non-food products shall be guaranteed by OCBs, recognized OCBs, and other organic guarantee system providers. The DA shall establish government OCBs compliant to relevant international standards for conformity assessment.

SEC. 16. *Recognition of Organic Certifying Bodies (OCBs) and Other Organic Guarantee System Providers.* The BAFS shall provide recognition to legal entities to provide guarantee on the integrity of the organic production system. Recognition shall be given to OCBs, accredited OCBs and other organic guarantee system providers. The BAFS shall also be tasked to formulate the separate regulations, guidelines and corresponding rules and procedures, based on national and international standards and guidelines, in the recognition of OCBs and other guarantee system providers.

As the agency mandated to handle the accreditation of certification bodies, inspection bodies, and testing and calibration laboratories, the Philippine Accreditation Bureau (PAB) of the DTI shall: (a) formulate accreditation policies and guidelines which shall govern the accreditation of OCBs [to ISO 17065]; and (b) grant or deny accreditation of OCBs and suspend or withdraw such accreditation in accordance with established policies and guidelines. (RA No. 10817)

SEC. 17. *Registration and Licensing of Organic Food, Non-food, and Input Operators.* The DA shall be responsible for the registration and licensing primary and post-harvest organic food, non-food, and input operators. Likewise, the DOH-FDA shall be responsible for the registration and licensing processed and pre-packed organic food and non-food operators.

The BAFS, in collaboration with the relevant regulatory agencies of the DA, and the Food and Drugs Administration (FDA) of the DOH, shall establish guidelines and procedures for the registration and licensing of organic food and non-food operators including accreditation of organic researchers.

All operators of organic inputs, except for seeds, plant propagation materials, and stocks, shall be duly licensed and registered with BAFS in order to engage in the business of exporting, importing, manufacturing, formulating, distributing, supplying, repacking, storing, commercially applying, selling, or marketing, of any organic inputs. Likewise, all certified integrated organic farms shall be registered with BAFS.

The BAFS, in collaboration with the relevant regulatory agencies, shall also maintain and manage a database of registered and licensed organic food and non-food operators. The database shall be established and shall be used to monitor the registration and license status of these operators.

SEC. 18. *Verification and Surveillance of Registered Organic Food, Non-food and Input Operators.* The BAFS, in collaboration with the relevant regulatory agencies, shall be responsible for the conduct of verification activities of registered and licensed primary and post-harvest organic food, non-food, and input operators. The DOH-FDA shall be responsible for the conduct of verification activities of registered and licensed processed and pre-

packaged organic food operators. Likewise, BAFS shall conduct post-market surveillance of organic food, non-food and input products in the market in collaboration with the DA RFOs.

The BAFS, with the relevant regulatory agencies and DOH-FDA, shall develop guidelines and procedures for the conduct of verification and surveillance activities in consultation with relevant stakeholders, and establish a verification team for the purpose thereof.

SEC. 19. *Importing and Exporting Organic Products.* The BAFS, in coordination with the DOH-FDA and other relevant regulatory agencies, shall develop guidelines for the regulation of imported organic food, non-food and input products; and develop guidelines in collaboration with the DTI-PAB for the recognition of international OCBs and their issued certificates thereof. In order to be traded within the country, any imported organic food, non-food and input products must conform with these relevant regulations and guidelines. The DA shall be responsible for the regulation of imported primary and post-harvest food, non-food and input products. The DOH-FDA shall be responsible for the regulation of imported processed and pre-packed organic food products.

Any imported products subjected to quarantine treatment not compatible with this Act and relevant regulations shall not be allowed to be labeled nor sold as organic products.

Organic food, non-food and input products intended for export market shall conform with the importing country requirements.

SEC. 20. *Labelling and Movement of Organic Products.* Products from third-party certified and guaranteed organic production systems shall be allowed to be labeled and sold as organic. Third-party certified products shall be allowed movement in the domestic and international markets. Guaranteed products shall be allowed movement within the approved geographical scope.

The label of organic produce shall contain the name, logo or seal of designated OCB or other organic guarantee system provider, and the respective Official Organic Mark.

First- and second-party certified products shall be prohibited from being labeled as organic.

SEC. 21. *Enforcement, and Consumer Protection and Advocacy.* The BAFS shall organize an inter-agency task force to be composed of relevant DA regulatory agencies and formulate guidelines for the enforcement of Section XX (Labelling and Movement of Organic Products). The inter-agency task force shall collaborate and coordinate with the Fair Trade Enforcement Bureau (FTEB) of DTI, Bureau of Local Government Supervision (BLGS) of DILG, and the DOH-FDA with regard to the development and enforcement of organic labeling regulations relevant to their mandates.

SEC. 22. *Handling and Retailing of Organic Products.* Organic food, non-food and input products shall be protected at all times from being mixed with non-organic products and from coming into contact with materials and substances unauthorized for use in organic production.

Organic food, non-food and input products retailed in the domestic market shall comply with the provisions herewith as well as applicable PNS for organic retailing and relevant guidelines.

The BAFS shall formulate rules and guidelines for certification of handlers and retailers, including restaurateurs and prepared food suppliers, of organic food, non-food and input products.

SEC. 23. *Market Development and Trade Promotion.* The Agribusiness and Marketing Assistance Service (AMAS) of the DA, in collaboration with DTI and other relevant agencies, shall develop and implement market development and trade promotion programs for organic agriculture, including but not limited to the following:

- a. Develop marketing agenda for organic agriculture
- b. Establishment, sustainability and monitoring of organic trading posts, and stall/outlets;
- c. Development of market information system;
- d. Promotion of organic food, non-food and input products; and
- e. Facilitation of market matching activities.

SEC. 24. *Research, Development and Extension.* The Bureau of Agricultural Research (BAR), as the lead agency, shall coordinate with the other agencies of the DA, the Department of Agrarian Reform (DAR), the Department of Science and Technology (DOST), the Department of Education (DepED), Commission on Higher Education (CHED), the Department of Interior and Local Government (DILG), the Department of Environment and Natural Resources (DENR), the strategic agricultural-based state universities and colleges (SUCs), including private organizations, to formulate and implement a unified and integrated organic agriculture RD&E agenda plan for the national to the ground level. The organic agriculture RD&E agenda plan shall include, but not limited to the following:

- a. Research, development, and extension, and commercialization of relevant and appropriate organic agriculture technologies; and
- b. Conduct research to support market development and policy formulation.

The BAR shall, likewise, operationalize an organic agriculture RD&E network, composed of the DA agencies, DTI, DILG, research and educational institutions, LGUs, CSOs and the recognized association of organic food, non-food, and input operators, agricultural engineers, veterinarians, agriculturists, chemists, fish technologists, soil technologists, food technologists, and organic farmers and fisherfolks group and/or associations. The RD&E network shall assist in addressing the needs and gaps of the industry with policy guidance of the NOAB.

National and regional organic RD&E centers shall be organized, established and integrated as a major component of the existing RD&E centers of DA, the DOST, the DENR, SUCs and the [LGUs]. These will be strengthened and enhanced to spearhead the integrated program to develop and promote organic agriculture throughout the country.

SEC. 25. *Organic Agriculture in the Formal and Non-formal Education.* The DA through ATI, DepED, DOST, CHED and Technical Education and Skills Development Authority (TESDA), in coordination with other concerned government agencies, CSOs and private institutions, shall strengthen the integration of organic agriculture in school curricula at all levels, and other learning platforms.

SEC. 26. *Incentives.* The government shall extend incentives for the production and propagation of organic food, non-food and input products. Incentive shall also be provided to farmers whose farms have been certified and/or guaranteed as conformant to the PNS. Further, the DA may give cash reward and project grants in recognition of the outstanding organic farm/s in the country. The DA, the DAR, the DOST, the DILG, the DTI, the DepED, the Department of Finance (DOF), the Land Bank of the Philippines (LBP), and other

government lending and non-lending institutions, shall also assist organic operators and through the provision of adequate assistance in the form of technical, financial, marketing and other services. These include, but shall not be limited to, the following:

- a. Exemption from the payment of duties on the importation of agricultural equipment, machinery and implements as provided under Republic Act No. 9281, which amends Republic Act No. 8435 or the Agriculture and Fisheries Modernization Act (AFMA);
- b. Identification by LGUs of local taxes that may be offered as incentives to organic production;
- c. Provision of preferential rates and special window to organic operators by the LBP, Agricultural Credit Policy Council (ACPC), Philippine Crop Insurance Corporation (PCIC) and other government and non-government lending institutions;
- d. Provision of technical and financial support services relevant to access organic certification and registration;
- e. Zero-rated value-added tax (VAT) on transactions involving the sale/purchase of organic food, non-food and input products; and
- f. Income tax holiday and exemption for seven (7) years, starting from the date of registration of organic operators on all income taxes levied by the National Government.

The tax incentives shall be given to organic operators either certified or guaranteed by recognized OCBs and other organic guarantee system providers, respectively. The BAFS shall, likewise, provide the official list to the DOF. Provided that the said incentives shall be available only to micro, small and medium enterprises as defined under Section 3 of Republic Act No. 9501 or the Magna Carta for Micro, Small and Medium Enterprises.

SEC. 27. Appropriations. The DA shall allocate at least 10% of its annual budget in the General Appropriations Act (GAA) for the implementation, monitoring and evaluation of the NOAP and the operation of the NOAB. In relation to this, the NOAB member agencies, concerned DA agencies and other DA agencies and other departments, Government-Owned and Controlled Corporations (GOCC), Government Financial Institutions (GFIs), and LGUs are encouraged to allocate a separate and distinct fund from their annual budget for organic agriculture.

The DA through the NOAP-NPCO is hereby authorized to solicit and accept assistance or facilities in the form of grants from international donors and partners to implement projects and activities, and to utilize these funds and resources for purposes of this Act, subject to the usual budget, accounting and auditing rules and regulations.

SEC. 28. Penal Provisions. The DA in collaboration with the DILG, DTI, DOH, and Department of Justice (DOJ) shall develop and implement guidelines, rules and regulations for policing of organic food, non-food and input products. Any person who willfully and deliberately violate any provision of Sections XX, XX, XX and XX shall upon conviction, be punished a fine of not less than fifty thousand pesos (P50,000.00) but not more than one hundred thousand pesos (P100,000.00) and suspension of appropriate authorization for one (1) month. If the offender is a corporation or a juridical entity, the official who ordered or allowed the commission of the offense shall be punished with the same penalty. If the offender is in the government service, he shall in addition, be dismissed from the office.

The DA regulatory agencies shall ensure the inclusion of the penal provisions in their respective regulations. The DA, through its regulatory agencies and in collaboration with DILG, DTI, and DOH, shall organize an enforcement team authorized to issue after proper notice and hearing which shall be summary in nature except in instances when the continued operation a "Cease and Desist Order" to any person, firm, or corporation engaged, in the business of production, processing, packaging, storing, labeling or retailing of any mislabeled organic food, non-food and input products found to be in violation of any of the provisions of this Act. Products will be confiscated and disposed of as provided in the Implementing Rules and Regulations at the expense of the operator if the product is found to be in violation thereof.

SEC. 29. *Implementing Rules and Regulations.* The NOAB shall adopt rules and regulation to implement the provisions of this Act within ninety (90) days from the effectivity of this Act and submit the same to the Committee on Agriculture and Food for review and approval. In the drafting of the implementing rules and regulations.

SEC. 30. *Congressional Oversight Committee.* The Committee on Agriculture and Food shall be the congressional oversight committee for purposes of this Act. The Committee shall review and approve the implementing rules and regulations of this Act and also perform the following functions:

- a. Monitor and ensure the proper implementation of this Act.
- b. Review the proper implementation of the programs on organic agriculture and the use of its funds;
- c. Review the performance of the NOAB; and
- d. Such other functions it deems necessary.

SEC. 31. *Separability Clause.* If any provisions of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SEC. 32. *Repealing Clause.* All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 33. *Effectivity.* This Act shall take effect fifteen (15) days following its publication in a newspaper of general circulation and in the Official Gazette, whichever comes first.

Approved.