



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

MEMORANDUM CIRCULAR

No. 25

Series of 2022

SUBJECT: CONSOLIDATED GUIDELINES ON THE IMPLEMENTATION OF COMMUNITY-BASED SWINE PRODUCTION, REPOPULATION, AND EXPANSION UNDER THE INTEGRATED NATIONAL SWINE PRODUCTION INITIATIVES FOR RECOVERY AND EXPANSION (INSPIRE) PROGRAM

WHEREAS, in the exercise of the mandate of Section 7, Chapter 2, Book IV of Executive Order No. 292 entitled: Instituting the Administrative Code of 1987, the Secretary of the Department is empowered to promulgate rules and regulations necessary to carry out department objectives, policies, functions, plans, programs and projects; and issue administrative orders necessary for the efficient administration of the offices under the Secretary and for proper execution of the laws relative thereto;

WHEREAS, the Department launched the **Integrated National Swine Production Initiatives for Recovery and Expansion (INSPIRE)** to implement calibrated repopulation and enhancement of the local swine industry to recover the sector's capacity to produce sufficient supply of hogs and pork;

WHEREAS, the Department also launched the **Bantay ASF sa Barangay** or **BABay ASF** Program to complement the INSPIRE Program, with the aim at instituting biosecurity and disease control measures with strong collaboration between the Department of Agriculture, its relevant agencies, with concerned Local Government Units (LGU), and stakeholders taking ownership of such program benefitting the farmers;

WHEREAS, Bayanihan Agri-Clusters is one of the key strategies of the Department of Agriculture to achieve its ONEDA REFORM AGENDA with consolidation, modernization, industrialization, and professionalization as its four pillars;

WHEREAS, "clustering" is one of the strategies of implementation of INSPIRE PROGRAM and as embodied in the Farm and Fisheries Clustering and Consolidation (F2C2) Program would be key to consolidation and eventual modernization of the swine farmers and the industry;

NOW, THEREFORE, pursuant to the provisions mentioned above and several previous issuances and Memoranda amending the original guidelines issued, this Order is hereby promulgated and issued by the Department of Agriculture (DA).

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Section I **Scope and Objectives**

This Memorandum Circular is aimed to consolidate all issuances and memoranda providing guidance and basis for the orderly and proper implementation of INSPIRE's Component 1, calibrated repopulation, and expansion of production through farm clustering and consolidation.

This Memorandum Circular likewise encourages the private sector to adopt clustering strategies for their repopulation and expansion efforts.

Section II **Definition of Terms**

As used in this Guideline, the following terms, words, and phrases shall be construed as:

Cluster - A group of farmers, with a minimum of 30 members residing in a given locality with the business-type activity of swine production, or having the intention of doing a business-type activity of swine production; it also refers to a group of swine farmers as used in DA Administrative Order (AO) No. 7, Series 2021, Implementing Guidelines for the "Bantay ASF" Program.

Clustering - A strategic approach that involves organizing individual farmers from a specific locality into a group doing a similar business-type activity.

Community-based Farming- is a holistic model initiative Farming system or production that is based in the community where the farmers reside.

Compartment - A swine subpopulation contained in one (1) farm or farm cluster with a strictly supervised biosecurity management system where surveillance, enhanced biosecurity and movement monitoring are applied for the purpose of maintaining ASF freedom, trade and business continuity.

Consolidation - The strategy of pulling together the areas and resources of farmers to achieve economies of scale in production and the harvest to enable the farmers to negotiate better prices.

Farmers' Cooperatives and Associations - as used in this guideline would refer to the group of individuals who have undergone social preparation and duly registered by any recognized government agencies (i.e., SEC, DOLE, DAR, DA) with at least 50% of its members engaged in swine-raising; FCAs also refer to duly-registered hog raisers' group, integrators, contract growers and agrarian reform beneficiaries' organization (ARBOs)

Section III

Rationale and Program Description

The 3-year INSPIRE Program offers mixed interventions to jumpstart the ASF devastated swine industry. Further, despite the relatively developed swine sub-sector, a large proportion of production is accounted for by small hold raisers. At the same time, there is a glaring lack of integration in the value chain. Information gathered during stakeholder consultations indicate that as much as 90% of the swine trading is channeled through traders and/or middlemen.

Indeed, the ASF problem presents the opportunity of rebooting, modernizing, and re-structuring the industry for efficiency, sustainability, and disease resiliency.

While the primary focus of the INSPIRE is on increasing swine inventory and breeder base, the Program also takes particular attention to clustering and consolidation strategies, specifically of small-hold farm compartments, to facilitate technical support services and other interventions along the value chain.

The program also includes implementing biosecurity plans anchored to the BABay ASF Programs in support of repopulation efforts. Government financial institutions also offer concessional and flexible loan terms to the commercial raisers, who lost 30% of their breeder animals as per the latest PSA data, to hasten the recovery.

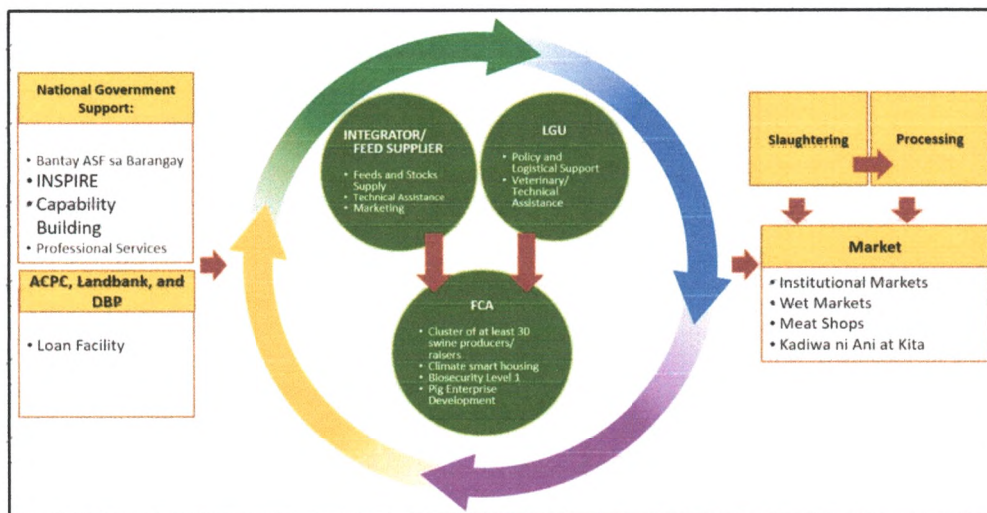
As such, calibrated repopulation will be executed through clustering and consolidation. Following one of the New Thinking in Agriculture paradigms, the beneficiaries shall be organized into clusters of farm compartments.

The clustered compartments shall adopt modern climate-controlled building systems and Biosecurity Level 1 compliant facilities for disease resilience. Facility management shall be through paid labor. Likewise, this cluster shall continue to follow the requirements to ensure freedom from ASF as embodied in Administrative Orders Nos. 6 and 7. It is expected that this approach would facilitate production support services, technical support, and monitoring organized by the farmer cooperatives and associations (FCA) under the supervision of the LGU veterinary office or the Bureau of Animal Industry (BAI). Clustering would enable marketing efforts to be more efficient, and the prospects of value addition and maximized profits can be realized.

As one recommended scheme, the FCA swine clusters or compartments will be encouraged to pursue a contract growing arrangement with swine integrators. This will ensure the sustainable supply of piglets, breeders, feeds, access to markets, and overall logistical support. The local government units shall be required to provide veterinary and technical assistance and policy and administrative support. The institutional framework for the implementation is presented in Figure 1.

SECTION IV Institutional Framework

Figure 1. Institutional Framework for the Community-Based Swine Production through Clustering and Consolidation



Section V Responsibilities

The following agencies and offices are responsible in the preparation, funding, and implementation of the Projects:

A. Farmer Cooperatives and Associations (FCAs):

- a. Apply and comply with the requirements;
- b. Ensure the organizational integrity of the FCA and its members;
- c. Ensure compliance with the approved Project Document for the attainment of the target volume of production;
- d. If needed, request assistance from the DA Regional Field Office or Local Government Units to manage funds and undertake the procurement process for the construction of the Biosecure Facility and procurement of necessary equipment;
- e. Enter into a tripartite MOA with the LGU and DA RFO; and
- f. Ensure the sustainability of the Project

B. Local Government Units (LGUs):

- a. Provide necessary technical support to the FCA in the preparation and implementation of the projects;
- b. Facilitate issuance of clearances and permits compliant to local zoning and other regulations;
- c. Assist the qualified FCAs upon request for the preparation, planning, implementation, and supervision of the project specifically managing the funds

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- for the construction of the Biosecure Facility and procurement of necessary equipment;
- d. Enter into a tripartite MOA with the FCA and DA RFO; and
- e. Implement BABay ASF Program.

C. Department of Agriculture

a. National Livestock Program:

- i. Provide project steering and overall guidance and supervision to all units concerned;
- ii. Consolidate and validate the list of potential beneficiary FCAs to be endorsed by the Secretary or representative for approval;
- iii. Facilitate MOA signing with qualified FCA beneficiaries;
- iv. Provide policy support and coordination with GFIs; and
- v. Provide budget to fund eligible components subject to fund availability.

b. Regional Field Office – The DA RFOs shall:

- i. Promote this Project for greater awareness;
- ii. Prepare a list of selected potential beneficiary FCAs and LGUs and submit to NLP;
- iii. Determine those FCAs that are willing to apply to the DA (if funds are available) and to the GFIs under credit programs financing;
- iv. Assist the interested FCAs in complying with requirements that shall include but are not limited to organization and institutional development, proposal preparation, MOA signing, and technical assistance; and
- v. Assist the qualified FCAs upon request for the preparation, planning, implementation, and supervision of the project specifically managing the funds for the construction of the Biosecure Facility and procurement of necessary equipment;
- vi. Enter into a tripartite MOA with the FCA and LGU;
- vii. Manage funds lodged at the RFOs for this Project from the application period, processing, fund transfer, and implementation;
- viii. Release funding to FCA immediately after MOA is finally signed and all requirements have complied.

c. Agribusiness Marketing Assistance Service/Divisions:

- i. Assist in linking with GFIs, swine company integrators, feed companies that could be potential partners in the implementation of the Project; and
- ii. Assist the beneficiaries in the aspect of marketing and market linking.

d. Agricultural Training Institute – Regional Training Center(ATI-RTC), including International Training Center on Pig Husbandry (ITCPH):

- i. Promote the Project for greater awareness;
- ii. Assist FCAs in complying with the requirements that include but are not limited to organization and institutional development, proposal preparation, MOA signing, and technical assistance; and
- iii. Manage funds that are lodged at ATI for this Project from the application period, processing, fund transfer, and implementation.

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Section VI
Project Package, Fund Grant and Scheme

The Department of Agriculture provides a Five million and Five hundred thousand (Php5,500,000) fund grant for every recipient of this Project. For purposes of allocating the financial assistance, the following expenses are allowed:

1. The establishment of a Biosecure Facility (inclusive of the perimeter fence, climate-controlled animal house, waste management, basic farm equipment, office, and shower area) is a minimum land area of 2,000 square meters.
2. Feeds and biologics
3. Piglets

The National Livestock Program Central Office should approve any modification of the funding coverage. Moreover, the beneficiary shall adopt the housing/facility design recommended by the National Livestock Program as minimum requirements in setting up the Project as provided for in Annex A.

Below are the various packages which the recipient/beneficiary may opt to avail:

A. Recommended Project Package

1. FCA without Existing Facilities

This scheme is for qualified FCA (see Section VII) which opt to establish a new facility. The recommended allocation for the funding coverage under FCA without existing facilities may be adjusted to cover the rise in construction materials. In particular:

FUNDING COVERAGE	AMOUNT (PHP)
Biosecure Facility (inclusive of the perimeter fence, climate-controlled animal house, waste management, basic farm equipment, office, shower area)	4,550,000.00
Feeds/biologics support	500,000.00
Piglets *	450,000.00
TOTAL	5,500,000.00

*Initial stocking of 75 heads

The FCA may enter into a contract growing scheme with a partner integrator/farm/feed supplier wherein piglets, feeds, biologics and other related inputs may also be supplied by the partner swine company, integrators and/or feed company as covered in their Deed of Undertaking.

2. FCA with Existing Facilities

This scheme may be availed by qualified FCAs and their members (Section II & Section VII), where existing un-utilized/abandoned facilities that can be retrofitted cost-effectively. Some members (e.g., ten members) of the FCA may avail of fund grants. The fund grant shall cover the retrofitting

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of existing facilities, and procurement of piglets, feeds, and other biologics specified in the Project document, subject to the final approval of the National Livestock Program. The retrofitted facility/s shall conform with Biosecurity Level II as defined in the checklist contained in AO #7.

3. FCA with a Contract Growing Agreement

A contract growing agreement may be entered into by a qualified FCA (See Section VII). The FCA and its partner contract grower may propose a modification of the breakdown of the fund grant specified in Section VI A1 subject to the final approval of the National Livestock Program Central Office. Likewise, facility design should conform to the minimum requirements specified in Annex A and be validated by the Regional Agriculture Engineering Division (RAED).

B. Alternative FCA Cluster/Compartments Scheme

This scheme provides the establishment of farm compartments for ASF prevention & control. The scheme implements the general principles of risk assessment, biosecurity (Good Animal Husbandry Practice (GAHP)), and traceability. It enhances disease surveillance, notification, and emergency response in case of ASF outbreaks to support animal health and welfare, consumer safety as well as business continuity.

To establish compartment(s) with ASF disease-free status, the compartment shall be clearly defined in the operations. The locations of all its components and related units will be clearly identified, e.g., feed mills, slaughterhouses, rendering plants (if any), and farms within the compartment. The epidemiological separation (surveillance) between the animals in a compartment and subpopulations with different health statuses will be ensured in the compartment. Figure 2 provides the illustrative scheme of a compartment.

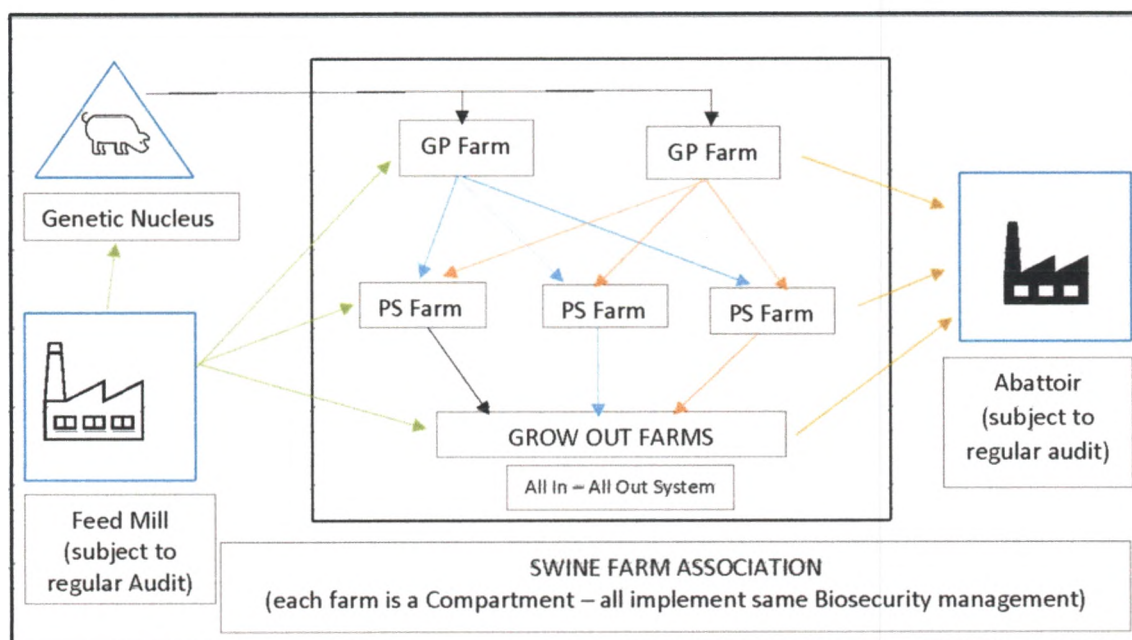


Figure 2. Farm Compartments for ASF Prevention and Control



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Section VII Minimum Requirements

This Project can be availed by organized and active FCAs who desire to undertake modernized swine raising compartments using the community swine clustering model. The following qualifications must be considered:

A. Areas

1. LGUs with existing BABay ASF-related Ordinances/Executive Orders; compliant with the protocols under DA Administrative Order No. 30, series of 2021, Guidelines on the Recovery and Declaration of Freedom from African Swine Fever (ASF) for Local Government Units (LGU).
2. Must be released from quarantine (where applicable);

It is understood that areas under the remaining zoning classification may repopulate or expand anytime following existing rules and regulations of the government.

B. FCA Applicants

1. With at least thirty (30) swine-raising members preferably from ASF-affected areas and who are RSBSA-registered;
2. At least 50% of participating members (Section VII B1) must have experience in operating and managing a swine enterprise;
3. Must be willing to provide the land, maintenance, and labor as counterparts;
4. Must be willing to undergo the process of swine repopulation and Biosecurity training for farm compartments;
5. No existing unliquidated funds from DA or any attached agencies; and
6. Must be DA Accredited Civil Society Organization (CSO).

SECTION VIII

REALIGNMENT OF FUNDS TO SUPPORT THE INCREASE IN SOW BREEDER BASE FROM CY 2022 BUDGET OF "COMMUNITY-BASED SWINE PRODUCTION AND EXPANSION THRU CLUSTERING AND CONSOLIDATION FOR RFO III AND RFO IV-A

Considering the sizeable decrease in the breeder base population in Regions 3 and 4A and considering further the regions' proximity to the National Capital Region, it is imperative to restore the Regions' flourishing pork production to ensure adequate and accessible supply within NCR and its surrounding areas. The aim is to recover the 5% of the pre-ASF breeder inventory of 150,000 and 75,000 for Region 3 and 4A respectively for CY 2022.

In this regard, Regions 3 and 4A are authorized to provide budgetary assistance to qualified stakeholders and implement Component 2 of the INSPIRE Program which provides for the recovery of the pre-ASF breeder base population through the establishment of multiplier and production farms to produce genetically superior gilts and finisher animals. Regions 3 and 4A are therefore authorized to re-allocate or realign 30% of their respective budget under the Community-Based Swine Production and Expansion thru Clustering and Consolidation

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from CY 2022 GAA fund and implement the said equally important component, as per Memorandum from the DA Secretary dated 24 February 2022.

Provided however that qualified stakeholders comply with the requirements as specified in Section VII. Provided further that the following additional requirements are complied with:

1. Existing farm is vacant
2. Existing farm has Biosecurity Level II
3. Existing farm has a minimum capacity of 200 sows

The funding coverage of 5.5 Million includes the following: procurement of 150 PS/F1 stocks and feeds.

Moreover, the recipient shall “pay” the Department of Agriculture the equivalent amount in terms of breeders provided and distributed to other identified FCAs.

Section IX **“Big Brother - Small Brother” Scheme**

As used in this guideline, this scheme shall encourage and enjoin the more advanced DA-Accredited CSOs to “adopt” smaller cooperatives and associations to become their “mentors” purposely guiding them in the implementation of the Project. As such, “Big Brother” shall provide utmost administrative and technical support to the “Small Brothers” up to such time that the provisions contained in the Memorandum of Agreement have been complied with.

Recipients of this scheme shall be subject to the review, evaluation and endorsement of an adhoc committee composed of the Assistant Secretary for Operations, the Regional Executive Director concerned and the National Livestock Program Director for recommendation to the Undersecretary of Livestock and final approval of the Secretary of Agriculture.

Section X **Application Procedure for Inclusion in the Program**

A. Requirements for Application

1. Letter of Intent
2. Endorsement from LGU (Municipal, City)
3. Certificate of Release from Quarantine (where applicable)
4. Project Proposal
5. Duly notarized Deed of Undertaking that the FCA will enter into an agreement with an Integrator/ Piglet Supplier/ Feed Supplier

B. Requirements for the MOA signing

1. Approved Program Document/ Project Proposal based on the DA's prescribed program design signed by the head, endorsed by RFOs, approved by the NLP Director/Undersecretary for Livestock/Secretary

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2. Board/ Council Resolution Authorizing the Head/Representative to Enter into MOA or any Document that gives Authority to the Head/ Representative to enter into MOA
3. Proof of Land Ownership: Land title/ tax declaration/ usufruct (if involves the establishment of structure)
4. Compliance of proposed location with local zoning and other regulations
5. Organizational Legal Documents/ Identity and Registration
6. List of Officers and Members
7. Accreditation/ Registration Certificates from either SEC, DOLE, CDA, or any government accreditation body

C. Application Process

Activity	Procedure	Responsible	Time Frame
Submission and Review	1. Submit application documents to DA-RFO	FCA (assisted by LGUs/RFOs)	One day
	2. Review the submitted documents	DA-RFOs	Two days
	3. Complete any lacking documents and resubmit to DA-RFO	FCA	Five days
	4. Revise proposal as deemed necessary by DA-RFOs	FCA/LGU	Five days
On-site evaluation	1. Validate beneficiary and the location of the Project (applicant must have a minimum of 60 points)	DA-RFO, LGU	One day
	2. Approve Project Proposal	DA-RFO	Two days
Compliance with local requirements	Processing of permits and clearances	FCA, LGU	One month
Preparation and Signing of MOA	1. Prepare, discuss and agree on the provisions of the MOA	DA-RFO, LGU / FCA	20 days
	2. MOA Signing	DA-RFO, LGU / FCA, DA-NLP	Five days
Fund Transfer	1. Fund transfer as stipulated in MOA and existing rules and regulations on the transfer of funds	DA-RFO	Five days



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Activity	Procedure	Responsible	Time Frame
Implementation	1. Monitoring of project implementation (e.g., construction of facilities)	DA-RFO	One day
	2. Testing and commissioning	RAED	One day
Liquidation	1. Submit liquidation report as per COA rules and regulation	LGU / FCA	Within 12 months from completion of the facility construction

* The ATI-RTC, including the ITCPH, shall likewise follow the abovementioned application process in managing and distributing funds lodged therein.

Section XI Supplementary Guideline

The DA-RFOs may issue a supplementary guideline to facilitate the orderly implementation of the Project upon approval of the Secretary of Agriculture.

Section XII Effectivity

This Memorandum Circular shall take effect immediately upon signing and shall be valid unless revoked or superseded by future issuances.

Done this 27th day of June, 2022 in Quezon City.



WILLIAM D. DAR, Ph.D.
Secretary



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