



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



MEMORANDUM ORDER

No. 14

Series of 2021

SUBJECT: GENERAL IMPLEMENTING GUIDELINES FOR THE PROCUREMENT OF HOGS TO STABILIZE LOCAL RETAIL PRICE OF PORK IN THE NATIONAL CAPITAL REGION

Pursuant to the provisions of RA 7581 *Price Act* and RA 11321 *Sagip Saka Act*, in relation to DA Memorandum dated November 19 2020, Adoption of Community-Managed Procurement, as described in the Manual on Community Participation on Government Procurement and the GPPB Resolution No. 28-2016, the following guidelines are hereby disseminated for the information and guidance of all concerned.

I. RATIONALE

As defined by the United Nation's Committee on World Food Security, food security means that all people, at all times, have physical, social, and economic access to sufficient, safe, and nutritious food that meets their food preferences and dietary needs for an active and healthy life. One of the guiding principles of food security is assuring the availability and price stability of basic food at all levels. However, the recent rise in pork's local price posed a severe threat on food security at a national scale, particularly in Metro Manila.

The country is experiencing a dramatic upsurge in pork prices leaving the burden to the general consumers. Latest price monitoring reports showed that the highest farmgate (hogs upgraded for slaughter, liveweight) and retail price (carcass) was recorded in the regions of Central Luzon and CALABARZON, which are both considered as top hog producing regions and are major suppliers of pork for Metro Manila consumption. The soaring of pork prices in the country raised fundamental issues on the country's current production and distribution system.

In order to protect the consumers while continuously promoting the welfare of hog raisers through *Sagip Saka Act*, the Department of Agriculture was given the authority to provide effective and sufficient protection to consumers against hoarding, profiteering, and cartels with respect to the supply, distribution, marketing and pricing of goods during periods of calamity, emergency, and widespread illegal price manipulation through the Republic Act No. 7581, referred to as *Price Act* as amended by RA No. 10623.

Therefore, this guideline is hereby issued to provide the general implementing guidelines for the effective and efficient execution of the Department of Agriculture procurement of hogs to stabilize local pork retail prices in the National Capital Region in the next sixty (60) days.

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with empowered and prosperous farmers and fisherfolk



S-02-21-0305

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II. LEGAL BASIS

Pursuant to the enactment of Republic Act No. 11321 on July 23 2018, otherwise known as "An Act Instituting the Farmers and Fisherfolk Enterprise Development Program of the Department of Agriculture", it is hereby declared that it is the policy and mandate of the state to achieve sustainable modern agriculture and food security through the establishment of "*Farmers and Fisherfolk Enterprise Development Program*" through the provision of business support and development services, particularly in the areas of access to market, marketing and networking. On the same republic act, it was stipulated that the Department of Agriculture is allowed to procure agricultural and fisheries products for storage, trading, processing and distribution through direct purchase from accredited farmers and fisherfolk cooperatives and enterprises as deemed necessary to uplift the performance of the agency mandate.

Aligned to one of the guiding principles of food security, availability, and price stability is the ratification of Republic Act No. 7581, referred to as "Price Act" as amended by RA No. 10623. Under the provisions of RA 7581, the Department of Agriculture is developing and implementing necessary measures to promote and facilitate effective procurement, storage, marketing, and developing an efficient distribution system of the commodity. The implementing agency may procure, purchase, import, or stockpile any basic necessity or prime commodity, devise ways and means of distributing them for sale at reasonable prices in areas where there is shortage of supply or a need to effect changes in its prevailing price.

III. COVERAGE OF THE GUIDELINES

This guideline shall cover the implementation of the procurement of hogs in support to the initiatives on the stabilization of the local retail price of pork in the National Capital Region and the Department of Agriculture's provision to the hogs producers/ growers and accredited traders during the imposition of Executive Order N. 124, Series of 2021, otherwise known as the "Imposition of a Mandated Price Ceiling on Selected Pork and Chicken Products in the National Capital Region.

IV. OBJECTIVES

General: To stabilize the supply and reduce farmgate prices of hogs in Metro Manila by ensuring availability, accessibility, and affordability of live hogs and its by-products.

Specific:

- a. Ensure continuous supply and availability of pork in Metro Manila by mobilizing at least 15,000 heads of hogs per week from February 8, 2021 to April 8, 2021.
- b. Provide market opportunities for local hog producers across different regions through linking them to markets in Metro Manila.

V. PROJECT SCOPE



The procurement of hogs will be implemented for sixty (60) days during the imposition of the E.O. 124, Series of 2021. It shall cover all provinces with surplus and/or commit to delivering hogs to the National Capital Region.

VI. PROJECT IMPLEMENTATION

A. Roles and Responsibilities of Implementing Agencies

Agribusiness and Marketing Assistance Services (AMAS) shall:

- a. In collaboration with the National Livestock Program (NLP), Bureau of Animal Industry (BAI), and National Meat Inspection Services (NMIS) shall lead the Market Linkage of hogs and pork from Mindanao and other areas with hog surplus to National Capital Region (NCR);
- b. Lead the market destination's determination and provide a list of buyers, both live animals that will be transported from source regions to Metro Manila;
- c. Strengthen existing and identify additional KADIWA sites to meet the market demand in Metro Manila by opening new channels of distribution on top of the existing KADIWA sites in coordination with the DA- RFO AMADs;
- d. Lead the setting of a firm marketing strategy/ robust action plan aiming for price stabilization by narrowing the range of price differentials and fluctuations along the value chain segments.

National Livestock Program shall:

- a. Assist the Agribusiness and Marketing Assistance Services (AMAS) in determining the sources of supply for pork and pork-based products;
- b. Lead the stricter imposition of monitoring and biosecurity protocols in coordination with the Local Government Units (LGUs) and Bureau of Animal Industry (BAI) to prevent the entry of African Swine Fever (ASF) during the implementation of the price stabilization initiatives.

Bureau of Animal Industry (BAI) shall:

- a. Lead the continuous intensification of quarantine measures to control and prevent African Swine Fever (ASF) entry through stricter monitoring and manning of 24/7 quarantine checkpoints;
- b. Spearhead the inspection of vessels docking from different ports in coordination with the local government units, Bureau of Customs, and Philippine Ports Authority.



National Meat Inspection Services (NMIS) shall:

- a. Identify meat establishments such as slaughterhouses, cold storage warehouses, meat cutting plants and meat distribution centers. Likewise, this shall be coordinated and cascaded with the AMAS to aid them in preparing their firmedup marketing strategy to stabilize pork's local retail price in the next sixty (60) days;
- a. Ensure that these meat establishments are readily available and accessible to ensure an efficient logistics system;
- b. Lead the inspection and monitoring of meat establishments in the country, in coordination with the BAI, to guarantee that no hoarding of pork and pork-based products takes place during the imposition of the price stabilization initiatives of the agency;
- c. Provide a clear communication line with the Bureau of Quarantine and Bureau of Customs for all import entries of pork and pork-based products. Imported pork and pork-based products shall undergo rigid inspection and clearance procedures before transporting to meat establishments.

Bantay Presyo Monitoring Team

- a. Coordinate with the regional and provincial counterparts and lead the conduct of regular price monitoring of prices and supply of pork and pork-based products;
- b. Head enforcement of the suggested retail price (SRP) and go after hoarders and profiteers.

Department of Agriculture - Regional Field Offices

- a. All DA-RFOs shall coordinate and conduct consultations with their regional counterparts, local government units, and other stakeholders under their jurisdiction to generate a regional action plan;
- b. Coordinate with their counterparts in the DA- Central Office such as AMAS and National Livestock Program for the identification of hogs surplus that can be transported to Metro Manila and provide a list of possible local hog producers/ suppliers and hog buyers;
- c. The Regional Directors from the respective regional offices shall form a task force and designate a focal person who will be in-charge to coordinate and execute the approved action plan in their respective regions;

- d. Regularly monitoring of farmgate and retail prices of pork and pork-based products in coordination with the Local Price Monitoring Councils and report unreasonable and excessive upsurging of local prices along the value chain.

B. Type of Assistance

DA- Central Offices and DA- Regional Field Offices, to purchase hogs that are upgraded for slaughter directly from eligible local hog producers or associations within the region or provinces with recorded surplus and reasonable farmgate prices.

C. Procurement and Payment Terms

- a. Direct sourcing of hogs from eligible local hog producers will be procured through a negotiated procurement - Community Participation under the applicable guidelines of the Government Procurement Policy Board (GPPB) and shall be exempted from applying the bidding process prescribed under relevant government procurement law.
- b. It shall be the obligation of the DA- Regional Field Offices to ensure prompt payment mode. Producers and suppliers who participated in this initiative shall receive the payment within five (5) working days.
- c. Payments from sale of hogs or slaughtered animals shall be deposited or transferred to the implementing agency depository bank account within the next two (2) banking days.
- d. Income derived from the sale of hogs directly purchased by the implementing agency or any unexpended balances of the funding appropriation will be reverted back to the national treasury.

VII. SUPPLEMENTARY GUIDELINES

All DA-RFOs are hereby authorized to formulate supplementary guidelines to address peculiar situations of a particular region or clarify those indicated in this Memorandum Order.

VIII. SUSTAINABILITY, MONITORING AND EVALUATION

DA-RFOs shall regularly submit reports on the supply of live hogs delivered from the regions to Metro Manila. Likewise, a field monitoring team, formed through a Special Order signed by the Secretary, shall conduct regular monitoring and evaluation of farm gate and prevailing prices of pork nationwide, especially in Metro Manila, where price freeze is imposed. They will work closely with DA-RFOs, LGUs, and local price coordinating councils to ensure this initiative's effectiveness in stabilizing hog supply.

IX. EFFECTIVITY

This Memorandum Order shall take effect immediately upon publication on the official website of DA.

Done this 11th day of February, 2021.


WILLIAM D. DAR, Ph.D.
Secretary

DEPARTMENT OF AGRICULTURE

In replying pls cite this code :
For Signature: S-02-21-0320
Received : 02/11/2021 11:33 AM