



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

**MEMORANDUM CIRCULAR**

No. 03  
Series of 2021

**SUBJECT: IMPLEMENTING GUIDELINES FOR THE ESTABLISHMENT  
OF ORGANIC AGRICULTURE HUB OR "ORGANIK KONEK"**

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**I. RATIONALE AND DESCRIPTION OF THE PROJECT**

Ten years since the enactment of Republic Act No. 10068, "An Act Providing for the Development, Promotion and Commercialization of Organic Agriculture in the Philippines and for Other Purposes" or simply "Organic Agriculture Act of 2010", the development of the organic agriculture industry remained in the hands of smallholders with limited resources and production capacity, who usually operate independently, "Each for His Own." The growing popularity of the health benefits of organic products has challenged the few resourceful producers to invest and link with bigger markets but supply was too small compared to the demand. Based on Quarterly Assessments conducted by the National Organic Agriculture Program, small producers are constrained by limited supply of organic inputs, scarce farm labor and limited access to processing and marketing facilities and services. The limited supply of organic inputs imparts to the increasing price of organic products, thus many consumers prefer inorganic products. Lack of learning sites allotted for organic agriculture becomes a hindrance in enabling the farmers to convert their lands and venture into organic farming to provide organic products in the market. Consolidation of supply, provision of efficient facilities and services are key factors to upsurge production of quality produce and products with organic integrity.

The establishment of *Organik Konek*, also known as Organic Agriculture Hub, shall serve as a one-stop shop in a municipality or province that will address the mentioned challenges. It shall serve as a business integrator of organic farms, that is, producing and supplying organic inputs, providing farm services, as well as the consolidating and marketing of the produce of organic farms. Finally, *Organik Konek* may also function as an avenue for the implementation of Participatory Guarantee System (PGS).

The provisions under this Department Circular aim to lay down the criteria, rules, and procedures for the establishment, operation and monitoring of organic agriculture hubs, and specify the roles and responsibilities of parties in the implementation of this Guidelines.

**II. COVERAGE AND SCOPE OF INTERVENTIONS**

The facilities and components of each *Organik Konek*, as well as its scales of operation and phases of development, shall be based on the organic agricultural commodities of the regions, following consultation with its stakeholders. Each *Organik Konek* shall perform the following services and activities, e.g, production of agricultural inputs, farm services, agricultural technical services, consolidation of harvest and marketing, processing and value adding, training and capacity building. Other ancillary activities may likewise be undertaken by the organic agriculture hubs.

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Consequently, the National Organic Agriculture Program (NOAP), through its operating units, may provide appropriate assistance listed below to support the above purposes and functions of the Organic Agriculture Hub.

**A. SOCIAL PREPARATION, CAPACITY BUILDING AND INSTITUTIONAL DEVELOPMENT SUPPORT** (Trainings, Physical Office, Office Equipment, Operating Funds)

**B. PRODUCTION AND POST-HARVEST SUPPORT**

1. Crop Production (Fertilizer Facility, Concoction Facility, OA Laboratory, Seed Production, Nursery, Seed Dryer, Seed Processing, Seed Storage, Millers and Hullers, Solar/Bubble Dryers, Farm Production Machineries, Farm Sheds for Farm Machineries, Rainwater Harvester, Irrigation System)
2. Animal Production (Breeder and Animal Stocks, Feed Production, Silage Facility, Animal Transport, Animal Housing, Forage Development, Slaughter House, Dressing Plant)
3. Fisheries Production (Pond Construction, Breeder and Fingerlings, Feed Production, Feed Packaging, Fishery Processing, Fish Products Packaging and Fish Products Storage)

**C. MARKETING, LOGISTICS AND OTHER ANCILLARY SUPPORT**

1. Food Processing (Food Processing Structures, Food Processing Equipment and Food Packaging Supplies and Equipment)
2. Consolidation Areas (Cold Storage, Warehouse and Wholesale Selling Area)
3. Marketing and Logistics (Hauling Trucks, Small Transport, Motor Pool)
4. Trading Capital
5. Agri-Tourism (Demo Farms, Lodging Facilities, Function Halls, Showroom, Retail, Souvenirs and Restaurant.

**III. ELIGIBLE BENEFICIARIES/PARTNERS**

Only one organic agriculture hub may be established in a municipality or city. A provincial organic agriculture hub may likewise be established if the business operations so warrants.

Any of the following entities may establish and/or operate an organic agriculture hub.

- A. Civil Society Organizations (CSOs) such as Non-Government Organizations (NGOs), and People's Organizations (POs);
- B. Cooperatives or Rural Based Organizations;
- C. Indigenous People's Organizations;
- D. Local Government Units; and
- E. State Universities and Colleges.

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#### IV. DOCUMENTARY REQUIREMENTS

Proponents of organic agriculture hub are required to submit the following documents, or their equivalent, in their applications.

- A. Letter of intent to avail of the program addressed to the Regional Director of the Department of Agriculture (DA) of the region in the province or municipality where the proposed organic agriculture hub is to be established, and endorsed by the municipal or provincial local technical committee on organic agriculture (LTC);
- B. Certificate of Registration from the appropriate agency;
- C. Valid Business Permit;
- D. Internal Control System (ICS) manual on organic agriculture;
- E. Certified copy of the latest audited financial statement;
- F. Certified copy of local ordinance on organic agriculture;
- G. Certified list of current members and officers, including organizational chart signed by organization's board secretary;
- H. Board Resolution authorizing the Chairman/President of the Organization to enter into agreement with the DA;
- I. Business Plan of proposed business;
- J. Proof of land ownership by the proponent;
- K. Mortgage/Usufruct Agreement of the land in favor of DA-RFO;
- L. Affidavit of Undertaking that the lot to be used shall be dedicated for the sole use as organic agriculture hub and shall not be converted to any other purpose within twenty-five (25) years from its establishment;
- M. Certification from the Mines and Geo-Sciences Bureau (MGB) that the proposed site for the establishment of Organik Konek is Geo-hazard free;
- N. Memorandum of Agreement between proponent and DA-RFO containing terms and conditions in accordance with these guidelines.

#### V. MECHANICS OF IMPLEMENTATION

The DA-RFO and the NOAP-NPCO shall conduct an information caravan on the Program, including the format /template of business plan.

Interested entities may submit their application letters, together with the other documentary requirements to the DA-RFO, through their municipal local technical committees on organic agriculture.

The local technical committees, together with the DA-RFO and NOAP NPCO shall compose the screening committee, conduct a joint review of the business plans and select the entity to be endorsed to establish and/or operate the organic agriculture hub.

The report of the screening committee shall be submitted to the NOAB TWG for review, and for the appropriate recommendation to the NOAB. Upon approval of the application, the NOAB shall issue the corresponding resolution.

  
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## VI. CRITERIA FOR EVALUATION OF PROPONENTS

Proponents shall be shortlisted according to the (1) greatest number of small-hold organic agriculture farmers or fisher folks to be benefitted; (2) demonstrated plan for organic agriculture in the next three (3) years within their area of operation/influence; and (3) viability of proposed business operations.

## VII. ROLES OF THE KEY STAKEHOLDERS

The key stakeholders in the establishment of organic agriculture hubs are, the National Organic Agriculture Program Coordinating Office (NOAP-NPCO), Department of Agriculture Regional Field Offices (DA-RFOs), Local Technical Committees for organic agriculture, and the hub operators. For the smooth implementation of the organic agriculture hubs, the key stakeholders shall perform their respective roles as follows:

### A. Hub Proponent and/or Operators

1. Participates in the identification of priority and basic organic agriculture commodities in organic agriculture suited for their Municipality, Province or Region;
2. Participates in the identification of the challenges in organic agriculture in their municipality, province and region and submits a strategic plan addressing these challenges;
3. Prepares farm development plan for its proposed *Organik Konek*;
4. Prepares the budgetary requirement for its proposed *Organik Konek*;
5. Identifies and submits the list of farmers targeted to be members of the organic agriculture hub;
6. Submits a plan of expansion of organic agriculture in their locality;
7. Accountable for the disbursement of funds based on existing accounting and auditing rules and regulation;
8. Execute a mortgage/usufract agreement in favor of DA-RFO if the lot is owned by the proponent where the organic hub structure is to be built;
9. Execute an Undertaking that the subject land be dedicated for sole use of organic agriculture and other related activities and shall not be used for any other purpose for a period of twenty five (25) years;
10. Provide an equity, in kind or in cash, amounting to ten percent (10%) of the total project cost.
11. Participates in all meetings called by the DA;
12. Ensures the proper maintenance of the facilities including the security of the area at all times;
13. Consolidates and markets harvests/produce and provides organic inputs for small organic agriculture farmers within their jurisdiction;
14. Allows DA personnel to observe staff, management committee, and board meetings; and;
15. Submits monthly, quarterly and annual reports of operation and finances to DA-RFO and NOAP-NPCO.



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16. Undertakes a management or lease agreement with the DA-RFO, LGU or SUC for the operation of *Organik Konek* when the organic hub is constructed in the property of the mentioned entities;
17. Hires competent/qualified staff for the operation of *Organik Konek*;
18. Submits the biodata of candidates for key positions in the *Organik Konek* to DA-RFO for review and comments;
19. Documents all processes and procedures in each unit and revises the draft manuals of operation.
20. Undertakes capacity building of organic stakeholders within its area of influence;
21. Responsible for the payment of monthly expenses for utilities (water and electricity);
22. Pays necessary dues, taxes, lease or rent as may be required from its proceeds regularly.

**Note:** *Government Proponents (LGUs and SUCs) may partner with cooperatives for the operations of the hub and specify roles in their agreement. In such case, operators will assume. (Roles no. 10 to 22 above)*

#### **B. Local Technical Committees**

1. Maintains and submits an annual directory of Organic Agriculture stakeholders in their respective localities to the DA-RFOs and NOAP-NPCO;
2. Identifies the priority and/or basic organic agriculture commodities in their respective localities;
3. Leads in the identification of the challenges in organic agriculture in their respective provinces and municipalities and submits a strategic plan addressing these challenges;
4. Orients the potential proponents on the establishment of the organic agriculture hub;
5. Brainstorms on the possible modes of operations and operators of the organic agriculture hub in their respective localities;
6. Conducts the initial review of the business plan submitted by the interested entities;
7. Participates in reviewing the business plans and in the selection of the entities to establish and/or operate the organic agriculture hub;
8. Endorses application of shortlisted entities to establish and/or operate the organic agriculture hub;
9. Monitors the operation of the organic agriculture hub by conducting site visitation;
10. Monitors and submits monthly report to DA-RFO and NOAP-NPCO on the status of the organic hub operation;

#### **C. Department of Agriculture – Regional Field Offices (DA-RFOs)**

1. Undertakes information campaign for *Organik Konek* in their respective region;
2. Together with the local technical committees and the NOAP-NPCO, selects the operators of *Organik Konek* in their region based on the criteria provided under this Guideline;

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3. Together with OA stakeholders' in their region, identifies the priority and basic organic agricultural commodities suited for their region and respective provinces;
4. Together with OA stakeholders' in their region, identifies the challenges in organic agriculture in their region and respective provinces and submits strategic plans addressing these challenges;
5. Assists the selected operators of *Organik Konek* in preparing the farm development plan of *Organik Konek*;
6. Assists the selected operator of *Organik Konek* in preparing the budget requirement for the *Organik Konek*;
7. Assists the selected operator of *Organik Konek* in the preparation of the plan of expansion of organic agriculture in their region;
8. Assists the selected operators of *Organik Konek* in the expansion of the operations and in networking with like-minded groups and allies;
9. Provides interventions and monitors the provision of interventions by other cooperating agencies to the operators of *Organik Konek*;
10. Provides technical support on the operation of the *Organik Konek*;
11. Provides area of appropriate size and location for the establishment of municipal/city *Organik Konek* in their research stations or other properties whenever legally allowed and technically viable;
12. Undertakes a management agreement with the operators of the *Organik Konek* in case the organic hub facility is constructed in its property;
13. Monitors the operation of the organic agriculture hub by conducting site visitation;
14. Leads in the consolidation of data in every *Organik Konek* in their respective regions; and;
15. Participates in the evaluation of the Program.

#### **D. National Program Coordinating Office (NPCO)**

1. Serves as the national headquarters for *the Organik Konek*;
2. Coordinates with other implementing agencies within and outside the DA concerning the Program, for greater impact;
3. Reviews and provides recommendations on the business plans of potential operators of *Organik Konek*;
4. Participates in the selection of organic agriculture hub operators;
5. Reviews and provides recommendations on the programming of the establishments of the various facilities in all proposed *Organik Konek*;
6. Monitors the delivery of interventions of all implementing agencies cooperating in each organic hub;
7. Monitors, consolidates and analyzes all relevant data from every DA-RFO and all established *Organik Konek* ;
8. Provides recommendations for the improvement of the operation of respective *Organik Konek*; and;
9. Takes the lead in the evaluation of the Program;
10. Initiate foreclosure/ take over proceedings where the proponent owns the land where the organic hub structure is built in case of project termination by the proponent without the consent of the NOAB or sufficient justification;

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## VIII. MONITORING AND EVALUATION

The NOAP-NCPO shall have access to daily transactions and data through the computerized systems installed in each unit of the *Organik Konek*. This information shall be summarized and analyzed by the NOAP-NCPO and shall be reported back to the hub operator as a guide for their operations.

The DA-AMADs shall conduct quarterly monitoring of the hub operation while submission of an annual report stating the annual accomplishment shall be submitted on January 15 of the following year. At the end of the 5th year of implementation, the hub operator shall be required to submit a terminal report following the agreed Project assessment/evaluation instrument and methodology. At the end of the five (5) year implementation, the DA-RFOs, through the Planning, Monitoring, and Evaluation Division shall submit its evaluation of the Project to the National Organic Agriculture Program (NOAP) and recommend for its continuation, enhancement or termination.

## VIII. FUNDING SOURCE

Funding for the Project shall be charged primarily to the National Organic Agriculture Program Fund. Other DA Units and government agencies may also provide financial and other support for a greater impact. LGUs and other local and international funding agencies may likewise provide additional support in cash or in-kind to the Project.

## IX. PROJECT TERMINATION CLAUSE

- A. Should the partner proponent desire to terminate the project, it shall first obtain the consent of the NOAB and concerned DA-RFO by filing a written notice one hundred eighty (180) days prior to the date of its intended termination;
- B. The DA-RFO shall, likewise, has the right to terminate the project after due notice to the partner proponent if the project, after evaluation, fails to accomplish the desired outputs and agreements based on the signed Memorandum of Agreement (MOA) or if the project was repurposed beyond its allowable scope by reason of the proponent's bad faith, gross negligence or misrepresentation.
- C. If the project termination is found to be caused by the proponent's bad faith, gross negligence or misrepresentation, the entity, the directors and key officers who are responsible shall be barred, from availing funding from the National Organic Agriculture Program or any other DA program, and from any subsequent commercial dealings with the DA for a period of ten (10) years from the time the order to ban/blacklist is issued, and the land, in case it is owned by the proponent where the organic hub is built, shall be immediately subject to foreclosure/take over proceedings.

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## XI. AMENDMENTS

Amendments to these guidelines may be made after prior consultations with all program stakeholders and upon approval by the NOAB.

## XII. EFFECTIVITY CLAUSE

These guidelines shall take effect immediately upon signing and shall supersede other issuances inconsistent herewith.

Effective this 25 day of March, 2021.

  
**WILLIAM D. DAR, PhD**  
Secretary  
Department of Agriculture

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