



Republic of the Philippines  
DEPARTMENT OF AGRICULTURE  
Office of the Secretary  
Elliptical Road, Diliman,  
Quezon City



Republic of the Philippines  
DEPARTMENT OF AGRICULTURE  
Series of 2015

DEPARTMENT CIRCULAR NO. 07

**RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 10659**

Pursuant to Section 13 of Republic Act No. 10659, otherwise known as the "Sugarcane Industry Development Act of 2015", the Department of Agriculture, in consultation with concerned government agencies and sugarcane industry stakeholders, hereby issues, adopts and promulgates the following implementing rules and regulations.

**SECTION 1. Short Title.** This Act shall be known as the "Sugarcane Industry Development Act of 2015."


**RULE 1. TITLE AND SCOPE**

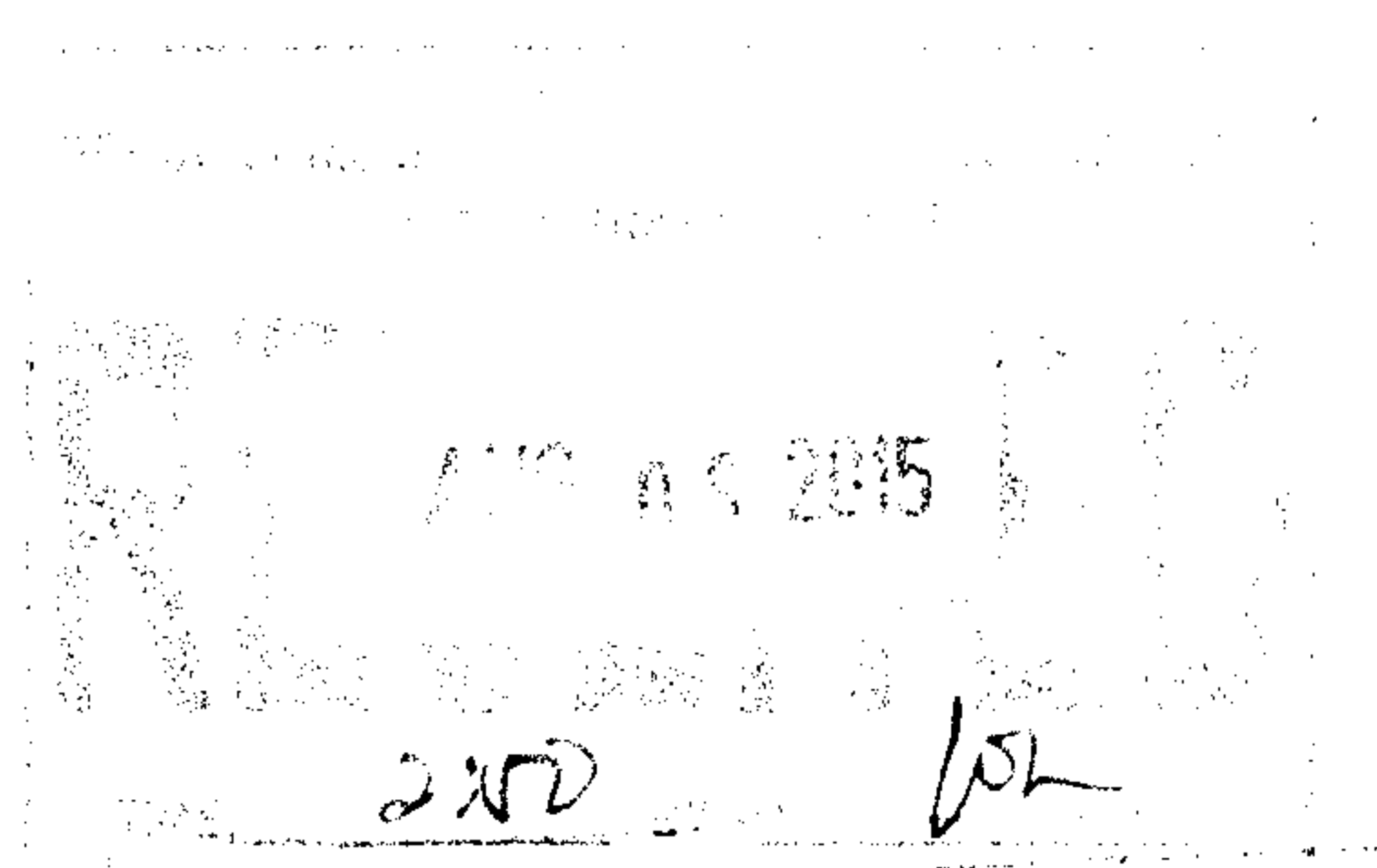
**Rule 1.1. Title.** This Department Circular shall be known as the Implementing Rules and Regulations (IRR) of Republic Act No. 10659 otherwise known as the Sugarcane Industry Development Act of 2015. The latter shall be referred to as the "Act" in this IRR.

**Rule 1.2. Scope.** The scope of this IRR is to provide rules, regulations and/or guidelines for the implementation of the following provisions of the Act:

- a. Sugarcane Industry Productivity Improvement Programs;
- b. Research and Development;
- c. Extension Services;
- d. Human Resources Development;
- e. Infrastructure Support;
- f. Sugar Supply Monitoring Systems;
- g. Classification and Regulation of Supply of Sugar;
- h. Value-Added Tax (VAT) Zero-Rated on Refined Sugar for Export;
- i. Mandated Appropriations;
- j. Non-exemption from Comprehensive Agrarian Reform Program (CARP) Coverage.

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The IRR shall likewise provide the roles and responsibilities of the government agencies, government-owned and controlled corporations, government financing institutions, state colleges and universities, private research institutions, and private sector stakeholders mentioned in the Act.

**SECTION 2. Declaration of Policy.** It is hereby declared the policy of the State to promote the competitiveness of the sugarcane industry and maximize the utilization of sugarcane resources, and improve the incomes of farmers and farm workers, through improved productivity, product diversification, job generation, and increased efficiency of sugar mills.

For these purposes, the State shall: (a) establish productivity improvement programs; (b) provide the needed infrastructure support; (c) enhance research and development of other products derived from sugar, sugarcane, and their by-products; (d) provide human resource development and extension services; and (e) provide financial assistance to small farmers.

## **RULE 2. DECLARATION OF POLICY AND DEFINITION OF TERMS**

**Rule 2.1. Declaration of Policy.** It is hereby declared the policy of the state to promote the competitiveness of the sugarcane industry and maximize the utilization of sugarcane resources, and improve the incomes of farmers and farm workers, through improved productivity, product diversification, job generation, and increased efficiency of sugar mills.

For these purposes, the State shall:

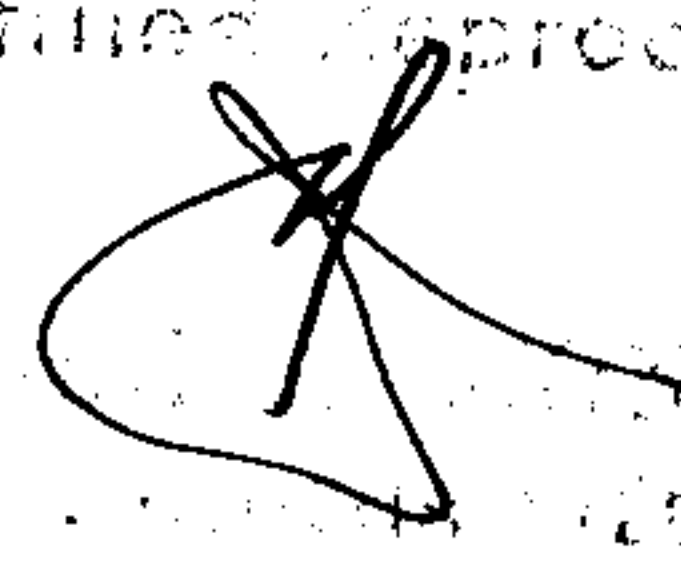
- a. Establish productivity improvement programs;
- b. Provide the needed infrastructure support;
- c. Enhance research and development of other products derived from sugar, sugarcane, and their by-products;
- d. Provide human resource development and extension services; and
- e. Provide financial assistance to small farmers.

**Rule 2. 2. Definition of Terms.** As used in this IRR, the following terms shall be defined as follows:

- a. Block Farm—a consolidation of small sugarcane farms including farms of agrarian reform beneficiaries, as one larger farm, with a minimum

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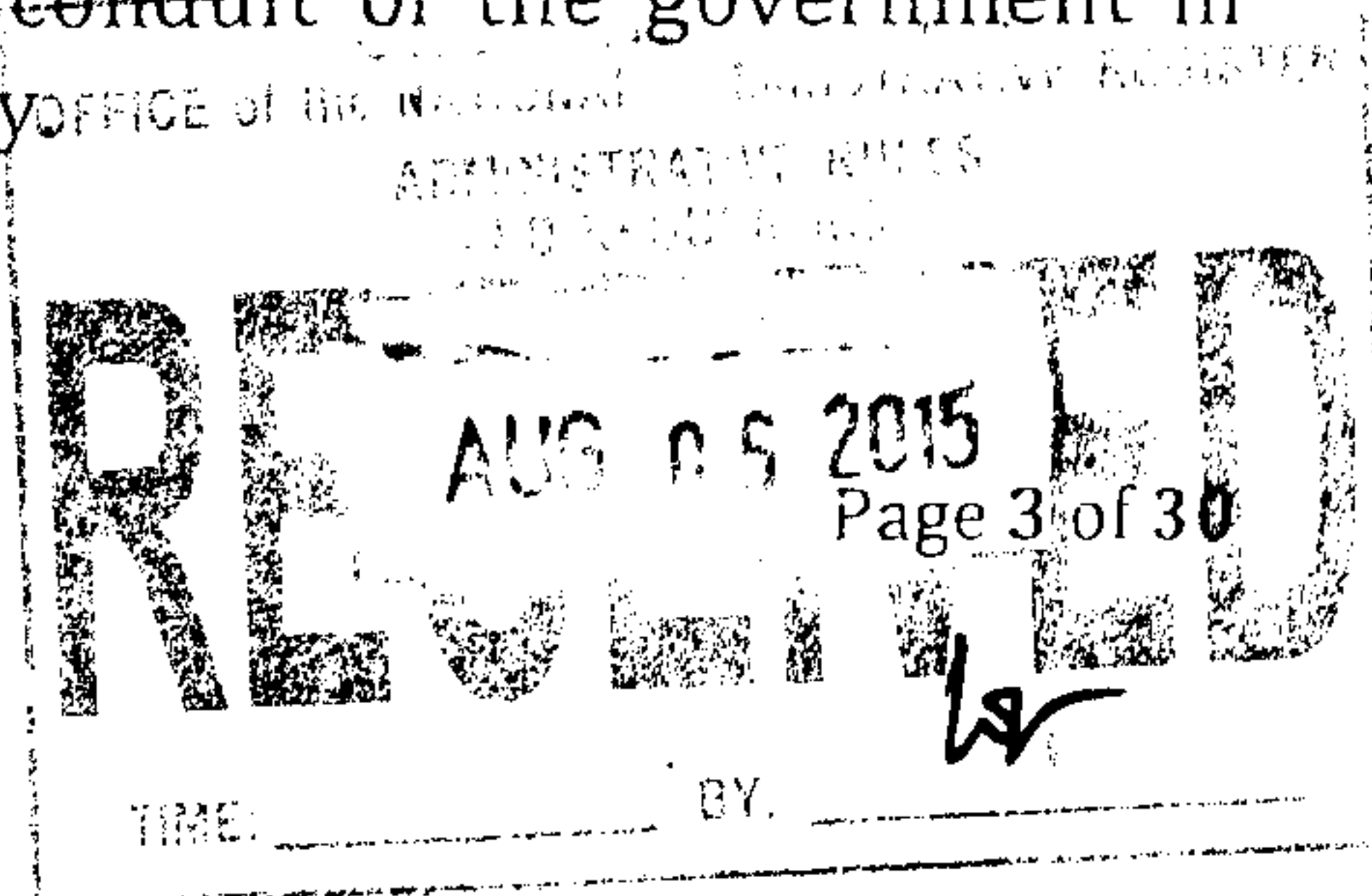
contiguous area of thirty (30) hectares within a two-kilometer maximum distance from each other.

- b. Common service facilities (CSF) - refer to SRA-registered entities that provide technical, professional, marketing or farm services such as but not limited to plowing, planting, harvesting, hauling and trucking to block farms and other sugarcane farms. Common service facilities may be operated by block farms, mill district development councils, individual farmers, farmers' associations or federations, or private corporations. Common service facilities can also refer to common service centers or service providers.
- c. Ethanol Producers Association of the Philippines (EPAP) - a Securities and Exchange Commission (SEC)-registered, non-stock, non-profit association of bioethanol fuel producers in the Philippines.
- d. Farm-to-mill roads - shall mean roads connecting the sugarcane farms to any sugarcane processing facilities such as sugar mills, ethanol distilleries, biomass power plants and other production facilities using sugarcane as raw material with specifications that can handle truckloads of sugarcane. •
- e. Institutionalized - shall mean to make or establish as a regular program of government by law.
- f. Mill District - refers to a contiguous area wherein a sugar mill, bioethanol distillery or any processing facility of sugarcane together with all sugarcane plantations adherent thereto are operating. A plantation is deemed adherent by virtue of sugarcane being delivered to a processing facility regardless of contract relation between the processing facility and plantation or its landowner and / or any other person cultivating sugarcane in the plantation contiguous to the facility.
- g. Mill District Development Council (MDDC) - a SEC or Cooperative Development Authority (CDA)-registered non-government organization in a sugarcane mill district which is composed of, among others, representatives from the sugar mill, distillery, planters' associations in the district, Philippine Sugar Research Institute (PHILSURIN), and Sugar Regulatory Administration (SRA).
- h. Philippine Sugar Corporation (PHILSUCOR) - a government-owned and controlled corporation created under Presidential Decree No. 1890, one of its mandated functions being to provide assistance in the preparation, financing and execution of sugar development or expansion programs, with among others, borrowing and lending powers, as a ~~conduit~~ of the government in assisting the development of the sugar industry

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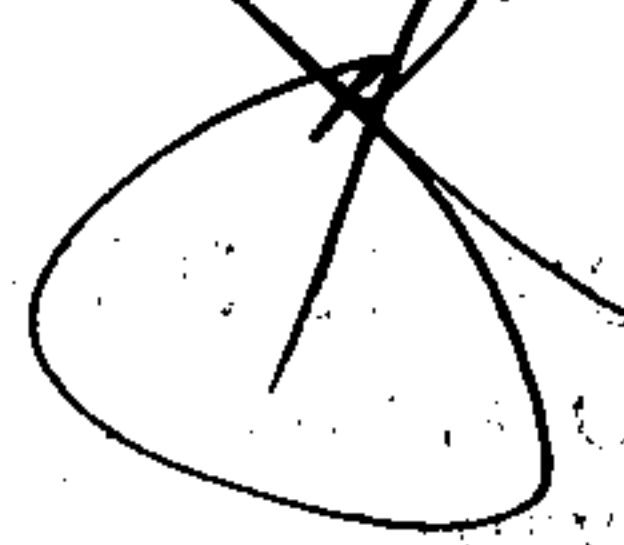
- i. Philippine Sugar Research Institute Foundation, Inc. (PHILSURIN) – a SEC-registered non-stock, non-profit corporation created through the efforts of the National Council of Sugar Producers which is the private sector arm for sugarcane research, development and extension services.
- j. Raw Sugar – means sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of less than 99.5<sup>o</sup>.
- k. Refined Sugar –refers to sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of 99.5<sup>o</sup> and above.
- l. Small Sugarcane Farms – refers to sugarcane farms with an area of 5 hectares and less.
- m. Sugar Industry Foundation, Inc. (SIFI) –it is a foundation which provides, among others, livelihood and skills training, medical and dental assistance, scholarships, and community development to sugarcane industry farmers, workers and their dependents pursuant to Republic Act 6982.
- n. Sugar Master Plan Foundation, Inc. (SMPFI) – is a foundation which recommends policy and programs for the viability and continued development of the sugarcane industry. The SMPFI is funded from contributions of sugar producers.
- o. Sugar Regulatory Administration (SRA) – a government-owned and controlled corporation created under Executive Order No. 18, series of 1986. When used in this IRR, SRA shall refer to SRA Sugar Board.

**SECTION 3. *Productivity Improvement Programs.*** To boost the production of sugarcane and sugar, and increase the incomes of sugarcane farmers/planters and farm workers, the following Productivity Improvement Programs shall be implemented:

**(a) *Block Farm Program.*** The Block Farm Program for sugarcane farming being implemented by the Sugar Regulatory Administration (SRA), Department of Agriculture (DA), Department of Agrarian Reform (DAR), and other government agencies is hereby institutionalized and shall be further enhanced and supported.

For purposes of this Act, the Program is the consolidation of small farms including farms of agrarian reform beneficiaries, as one larger farm, with a minimum area of thirty (30) hectares within a two-kilometer radius, to take advantage of the economies of scale in the production of sugarcane, such that the activities in the small farms are aligned and implemented to ensure the efficient

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use of farm machineries and equipment, deployment of workers, volume purchase of inputs, financing, and other operational advantages, as well as recognition by sugar mills, government financial institutions, private investors, but the ownership of each small farm remains with the landowners.

The SRA, the DA, the DAR and other concerned government agencies shall provide common service facilities, such as farm machineries and implements, grants or start-up funding for the needed production inputs, technology adoption, livelihood and skills training and other development activities for the block farm and its members, and other support activities that may be identified.


To ensure the success of, and compliance to the objectives of, the Program, the SRA, shall:

- i) Develop guidelines for sugarcane farms to qualify for and continue to participate in the Program;
- ii) Provide farm management, technical assistance, and professional services support to block farms, In coordination with the DA, the DAR and other concerned government agencies;
- iii) Monitor the development and productivity of block farms;
- iv) Recommend, after six (6) years, the cessation of the Program on block farms that have failed to improve productivity or raise efficiency, or graduation of block farms that have achieved high and sustainable productivity and profitability on its operations; and
- v) Implement a certification system as a mechanism to access grants, low interest financing, and other incentives and support from Official Development Assistance (ODA); and market access of sugarcane: *Provided*, That sugar mills, bioethanol distilleries and other markets of sugarcane shall provide market access priority to the SRA-certified block farms.

(b) *Farm Support Program* - For other farms that are not eligible under the Block Farm Program, the SRA shall make available a support program which shall include, among others, the provision of (i) socialized credit, and (ii) farm management, technical assistance, and professional services:

(i) Socialized credit shall be made available, through the Land Bank of the Philippines (LBP), for the acquisition of production inputs, farm machineries, and implements necessary for the continuous production of sugarcane: *Provided*, That the loans shall be available to sugarcane farmers duly registered with the SRA: *Provided, further*, That the lender shall have a lien on the quedan of farmers

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who obtained a crop loan until the crop loan is fully paid: *Provided, finally,* That farmers cannot be granted another loan until the loan is fully paid.

To ensure immediate payment of farmers and secure their income from sugarcane, farmers may enter into any payment method with the sugar mill or distilleries for their sugarcane.

(ii) Farm Management, Technical Assistance and Professional Services – The SRA, the DA, the DAR, Department of Labor and Employment (DOLE), Technical Education and Skills Development Authority (TESDA), state universities and colleges (SUCS), and other concerned private and nongovernment organizations shall formulate and implement a deployment program of agricultural engineers, agriculturists and farm technicians for the provision of farm management, technical assistance and professional services to these farms.

(c) *Farm Mechanization Program.* Planters/farmers of sugarcane farms, including block farms and farms of agrarian reform beneficiaries, shall be encouraged and trained to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane.

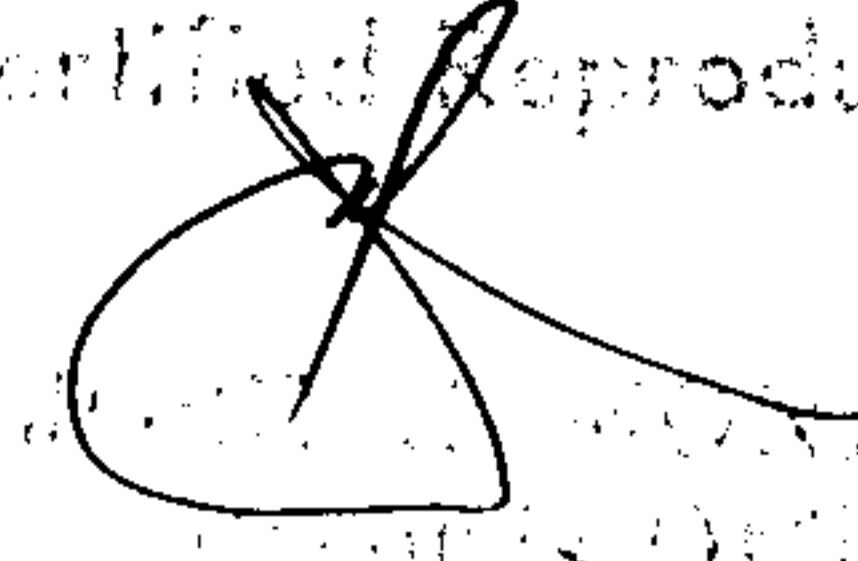
The SRA, the DA and the DAR, in partnership with local government units (LGUs), consistent with the provisions of Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization (AFMech) Law", shall:

1. Introduce or expand the use of machineries for the different stages of sugarcane farming;
2. Formulate and implement a Sugarcane Farm Mechanization Program at the mill district levels and block farms; and
3. Support the establishment, operation and maintenance of Agri-fisheries Machinery and Equipment Service Centers, as provided in Section 9 of Republic Act No. 10601, in sugarcane areas and, for this purpose, provide socialized credit to Service Centers: *Provided,* That these Service Centers shall emphasize the provision of plowing, harrowing, weeding, fertilization, harvesting and other farm mechanization services to sugarcane farms that do not have the capability to purchase or maintain their own machineries and equipment.

To develop and deploy appropriate machineries and equipment, the SRA, through its research centers, in collaboration with the Philippine Sugar Research Institute, the Philippine Center for Post-Harvest Development and Mechanization,

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the Bureau of Agricultural Research, SUCs, other concerned government agencies, and industry stakeholders, shall formulate and conduct a research, development and extension program for sugarcane farm mechanization and engineering.

The Land Bank of the Philippines (LBP) shall manage the socialized credit facility under the Farm Support Program and the Farm Mechanization Program.

The SRA, the DA, the DAR, and the LBP shall issue the guidelines on the administration and lending of the socialized credit facility.

### **RULE 3. PRODUCTIVITY IMPROVEMENT AND SUPPORT PROGRAMS**

**Rule 3.1. Implementation of Productivity Improvement Programs.** Pursuant to Section 3 of the Act, to boost the production of sugarcane and sugar, and increase the incomes of sugarcane farmers/planters and farm workers, the following productivity improvement programs shall be implemented:

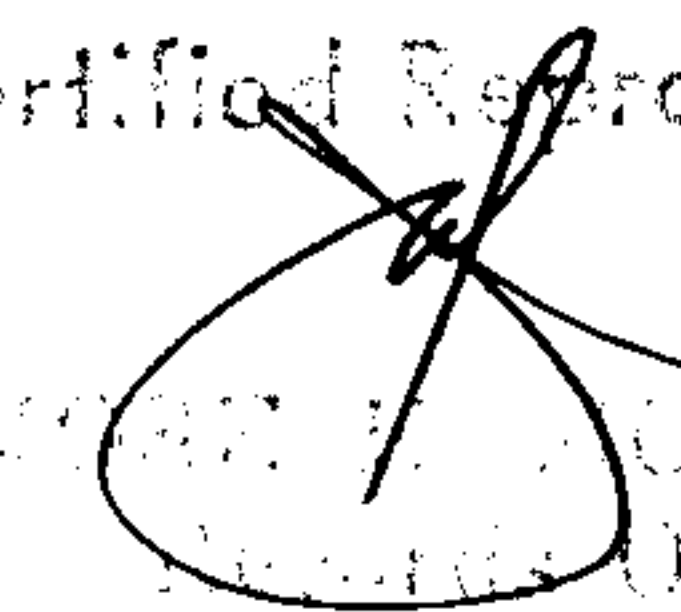
#### **(A) Block Farm Program**


**i) Institutionalization.** The Block Farm Program for sugarcane farming which is implemented by the Sugar Regulatory Administration (SRA), Department of Agriculture (DA), Department of Agrarian Reform (DAR), and other government agencies is hereby institutionalized and shall be further enhanced and supported.

The Block Farm Program is the consolidation of small sugarcane farms including farms of agrarian reform beneficiaries, with an area of 5 hectares and below per farm, as one larger farm-unit with a minimum area of thirty (30) hectares within a two-kilometer radius. The two-kilometer radius shall be the distance between the perimeters of neighboring block farms.

The consolidation of small sugarcane farms into a block farm shall be on the management of farm operations to take advantage of the economies of scale in the production of sugarcane, such that the activities in the small farms are aligned and implemented to ensure the efficient use of farm machineries and equipment, deployment of workers, volume purchase of inputs, financing and other operational advantages, as well as recognition by sugar mills, government financial institutions, private investors. Ownership of each small farm that makes up a block farm shall remain with its owner.

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A block farm may organize itself as an association or cooperative, among others, which shall have a legal personality that is accredited by SRA. An SRA-accredited block farm can be recognized by and engaged in agreements with government agencies and financial institutions, non-government organizations (NGO), sugar mills, distilleries, and private investors on areas of supply arrangements, financing, investments, etc.

**ii) Implementors and Support Programs.** The SRA, as the lead implementor, the DA, the DAR and other concerned government agencies shall provide common service facilities, such as farm machineries and implements, irrigation and drainage equipment / facilities, grants or start-up funding for the needed production inputs, technology adoption, livelihood and skills training and other development activities for the block farm and its members, and other support activities identified under the sugarcane roadmap or as determined by SRA to be appropriate under the circumstances. Provided, that the support programs under this provision shall be extended to block farms accredited by SRA only.

The grants or start-up funding for production inputs of block farms shall include but not limited to labor cost, planting materials, fertilizer, soil rehabilitation, soils analysis, herbicides, weedicides, tractor services, harvesting and hauling services, and crop insurance. Provided, that grants or start-up funding can be availed only once by a block farm. However, as an exception, a block farm may avail of additional grants or start-up funding when, as determined by SRA, its crops, equipment, facilities and structures have been significantly damaged by force majeure events. Block farms that have already availed of start-up funding in the form of a grant, have to recourse to Socialized Credit in Rule 3.1(B) (ii) (1) of this IRR as additional financing. Provided, that no grants or start-up funding and socialized credit can be availed by a block farm simultaneously in the same crop year.

As for the livelihood and skills training and other development activities for block farms, SRA shall enter into agreements with concerned government agencies on the mechanics of the program, guidelines for documentation, funding, utilization, accounting and liquidation of the activities under this program.

**iii) Common Service Facilities.** The common service facilities that shall be funded under the Block Farm Program shall be those service facilities and service providers established and operated by SRA-accredited block farms. Provided, that the general criteria for funding of common service facilities established and operated by SRA-accredited block farms are: (a) the common service facilities must be a separate juridical entity from the block farm, (b) it must be duly registered with the appropriate government agency, (c) must be of good standing, (d) ~~must be organizationally stable,~~

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(e) must have the organizational capability and personnel knowledge to operate and manage a common service facility, (f) has the financial capacity for the repair and maintenance of farm machineries and equipment, and (g) must have a deployment plan of machinery and equipment to the farms with provision on motor pooling. Otherwise, if a SRA-accredited block farm does not meet the general criteria or no block farm has established a common service facility in the area, the operation of common service facility in the area shall be awarded to non-block farm established or operated common service facilities created and referred under Rule 3 (C) (i), which will primarily serve the mechanization needs of block farms and small farmers. The same foregoing criteria shall apply to such non-block farm common service facilities.

The SRA, through the joint recommendation of the Block Farm Program Committee and Farm Mechanization Committee created under Rule 3 (C) (ii) of this IRR, shall establish guidelines for application, registration, and evaluation of block farm and non-block farm common service facilities/service centers. Provided, that socialized credit for non-block farm common service facilities shall be subject to consultation with LBP.

**iv) Role of SRA in the Block Farming Program.** To ensure the success of, and compliance with the objectives of the Program, the SRA through the Block Farm Committee shall:


- 1) Develop guidelines for sugarcane farms to qualify for and continue to participate in the Program, including guidelines for certification or accreditation of block farms;
- 2) Provide farm management, technical assistance, and professional services support to block farms, in coordination with the DA, the DAR, DOLE, Technical Education and Skills Development Authority (TESDA), Professional Regulations Commission (PRC), University of the Philippines - Los Baños (UPLB) and other concerned government agencies;

In the absence of expertise or due to lack of technical personnel, SRA may hire or outsource the necessary expertise in order to carry out the said functions which will be funded by the general appropriations and / or from any fund available for the purpose.

- 3) Monitor the development and productivity of block farms in coordination with the Block Farm Program Committee;

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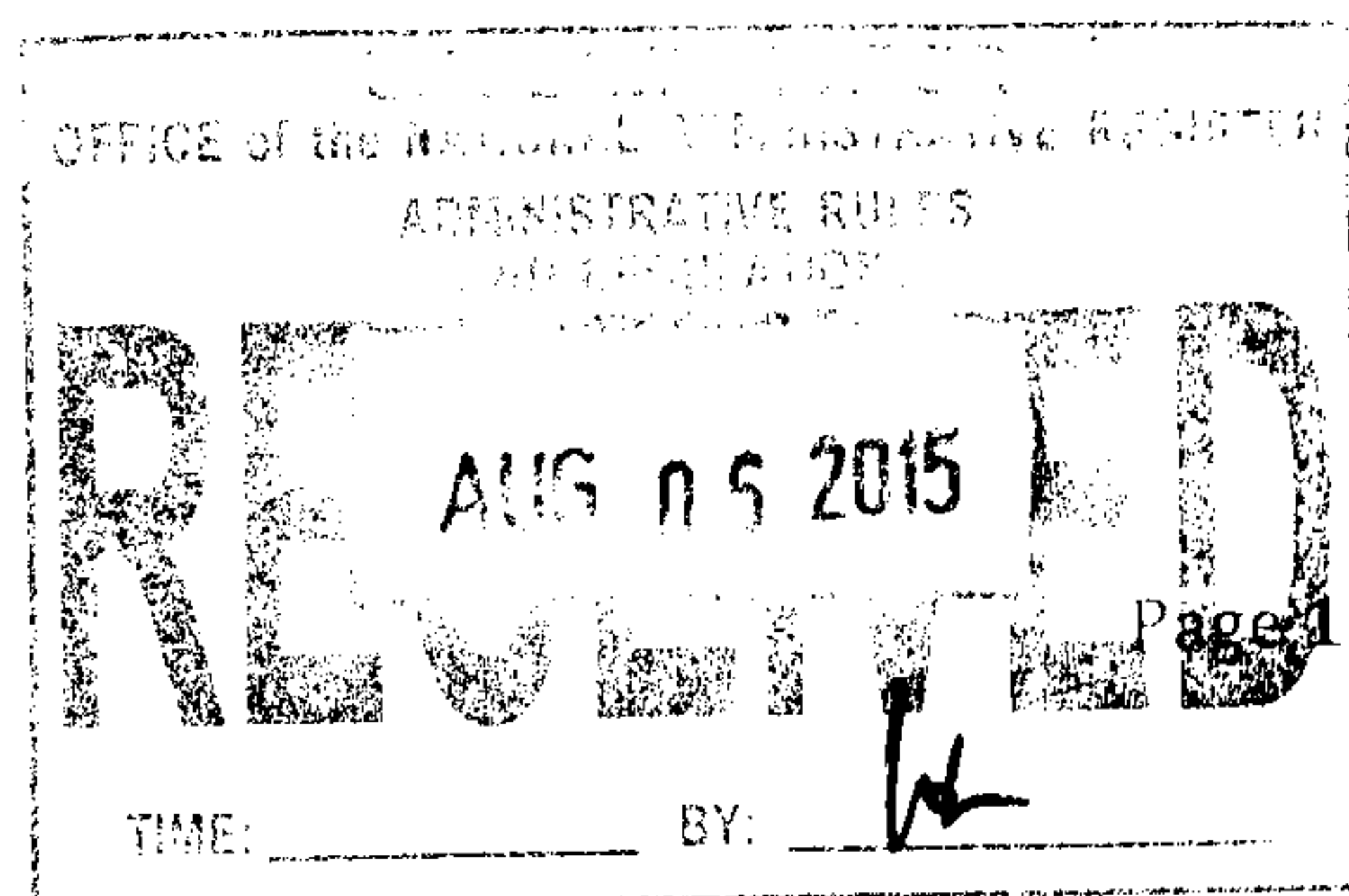
- 4) Recommend to the DA and DAR, in consultation with the Block Farm Committee, after six (6) years, the cessation of the Program on block farms that have failed to improve productivity or raise efficiency, or graduation of block farms that have achieved high and sustainable productivity and profitability on its operations; and
- 5) Implement a certification system as a mechanism to access grants or start-up funding, low interest rate financing, and other incentives and support from the government and Official Development Assistance (ODA); and market access of sugarcane: Provided, That, sugar mills, bioethanol distilleries and other markets of sugarcane shall provide market access priority to the SRA-certified or accredited block farms. As used in this provision, market access priority to SRA - accredited block farms means that sugar mills, bioethanol distilleries and other markets of sugarcane shall not refuse sugarcane deliveries from such block farms.

**v) Creation of Block Farm Program Committee.** A Block Farm Program (BFP) Committee shall be created that shall determine and recommend to SRA the programs, projects and activities to be developed, adopted, funded or prioritized under this program. Provided, that the programs, projects and activities recommended by the Committee and approved by SRA must be in line with or towards the attainment of the objectives or targets of the SRA Roadmap. The Committee shall be composed of SRA Board member as Chairperson, representative of the Department of Agrarian Reform (DAR), representative of the Department of Agriculture (DA), one representative each from established block farm in Luzon, Visayas, and Mindanao, one representative from the SRA-registered sugar millers association, one representative from the SRA-registered refiners' association, one representative from SRA-registered sugarcane farmers' federation, and one sugarcane planter representative from the Sugar Master Plan Foundation, Inc. (SMPFI). The Chairperson may call on other concerned government agencies or private sector stakeholders to attend meetings when needed.

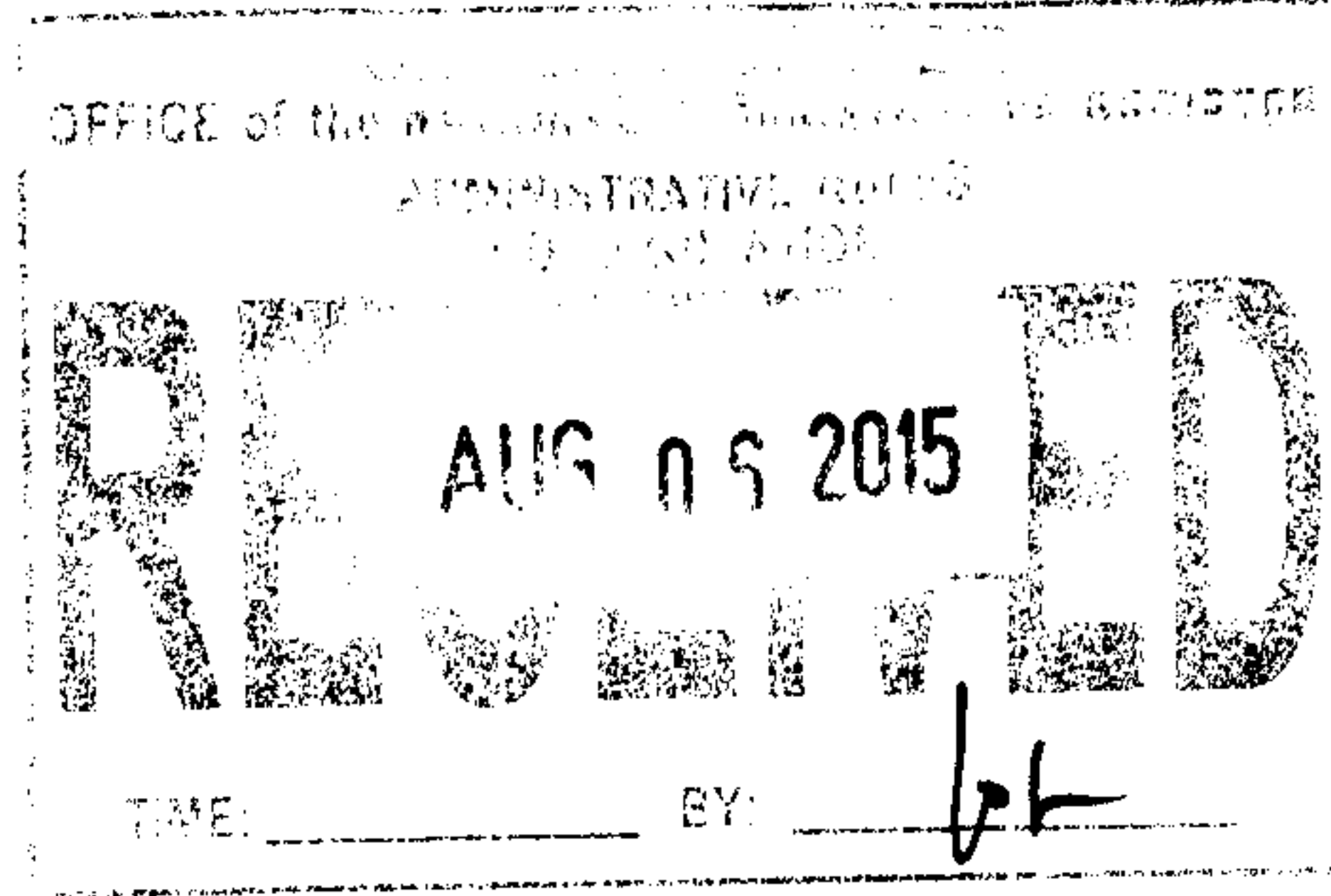
The Committee shall be assisted by a technical working group (TWG) headed by the SRA focal person for block farms and made up of designated personnel from the appropriate departments of SRA. Members and representatives from other concerned agencies and stakeholders shall not receive per diems for their participation in the Committee.

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**(B) Farm Support Program**

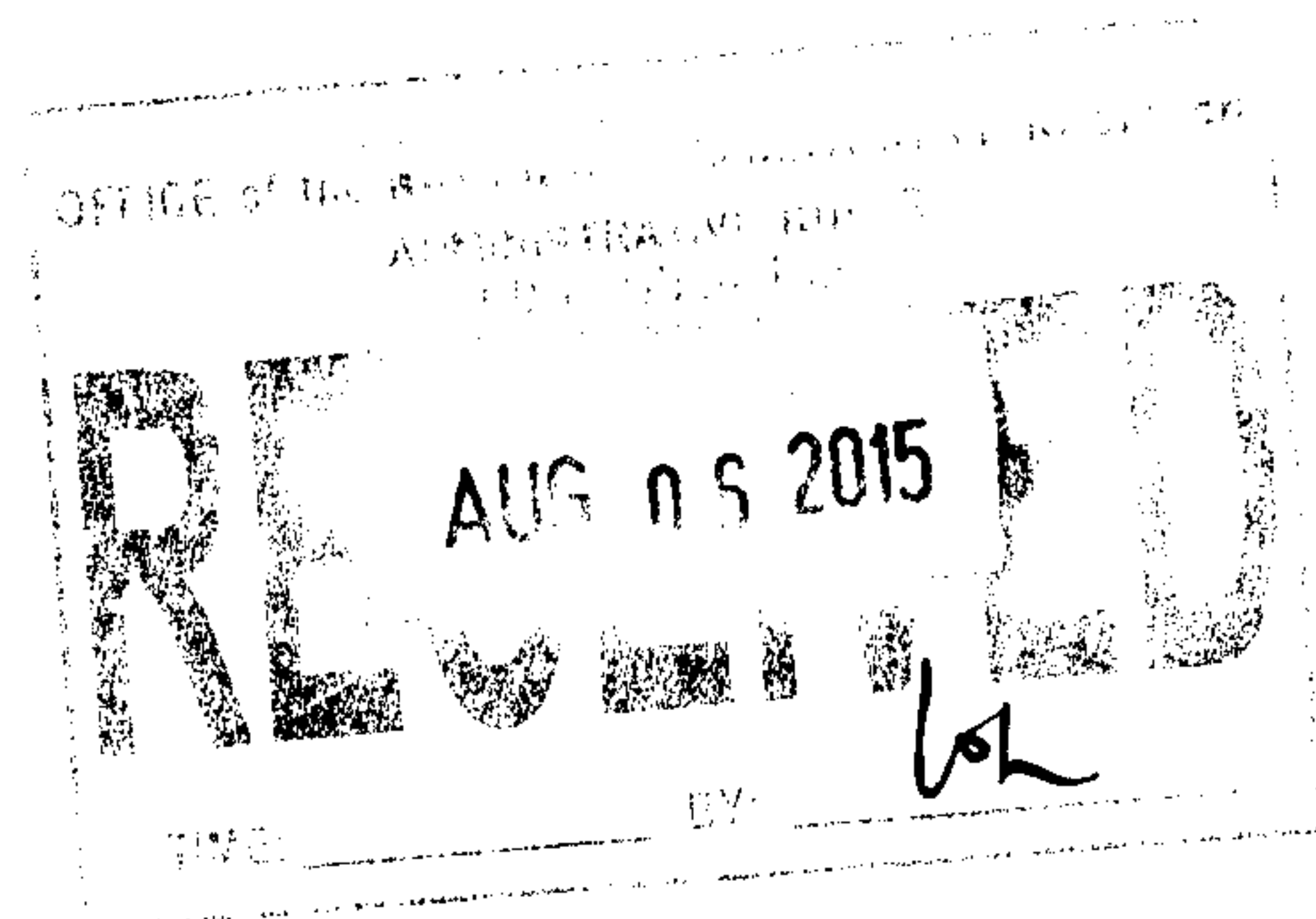
**i) Coverage.** For other farms that are not eligible under the Block Farm Program, the SRA, as the implementing agency of this Program, shall make available a support program which shall include, among others, the provision for (i) socialized credit, and (ii) farm management, technical assistance, and professional services. Farms that fall under the Farm Support (FS) Program are farms with aggregate areas beyond five (5) hectares but less than thirty (30) hectares, not members of any SRA-accredited block farm, and managed by an individual farmer, farmers' association or federation, or Mill District Development Council (MDDC). Provided, that farms with areas of 5 hectares and less that are not members of any SRA-registered block farm are also eligible under the FS Program.

**ii) Program Components and Mechanics of Implementation.** Financial assistance and support services under the FS Program shall be provided in the following manner:

**1. Socialized credit.** The funds for socialized credit shall be released directly to SRA, provided, it shall be made available through the Landbank of the Philippines (LBP) for the acquisition of production inputs, farm machineries and implements necessary for the continuous production of sugarcane. SRA, however, may tap the Philippine Sugar Corporation (PHILSUCOR) as conduit of LBP for loans to eligible farms. For this purpose, SRA, LBP and PHILSUCOR shall enter into a memorandum of agreement covering, among others, mechanics, terms and conditions of the socialized credit including interest and application requirements that ensures timely release of loans to borrowers. DA and DAR may be a party to the agreement, when necessary. Provided, that LBP and/or PHILSUCOR shall regularly submit to SRA reports on the loans released and loan payments specifying the name of borrowers, amount borrowed / paid and dates of loan releases and payments as basis for SRA evaluation, monitoring and impact assessments. Provided, further that LBP and/or PHILSUCOR shall attend, upon request of SRA, any meeting or hearing on the Socialized Credit Program.

The loans under the Socialized Credit Program shall be made available to sugarcane farmers and service centers duly registered with the SRA. Provided, that the lender shall have a lien on the quedan of farmers who obtained a crop loan until the loan is fully paid. Provided, further that farmers cannot be granted another loan until existing loan has been fully paid. However, as an exception, farmers with existing loans may be granted additional loans or have their existing loans restructured when, as determined by SRA, their sugarcane crop, equipment, facilities and structures has been significantly damaged by force majeure events.





As socialized credit, the interest rate on the loan shall be significantly lower than the prevailing market rate with simplified documentary requirements for availment. LBP and/or PHILSUCOR shall conduct an information campaign on the mechanics, terms and conditions for availment of the socialized credit among the sugarcane industry stakeholders upon signing of the agreement with SRA.

To ensure immediate payment of farmers and secure their income from sugarcane, farmers may enter into any payment method with the sugar mills or distilleries for their sugarcane. Provided, that all sugar produced regardless of payment arrangements shall be subject to the SRA policies on production allocation of sugar as to their market destination and shall also be subject to SRA orders and regulations particularly on the collection of fees and charges in the production of sugar and other products and by-products derived from sugarcane and sugar, pursuant to Executive Order No. 18, series of 1986.

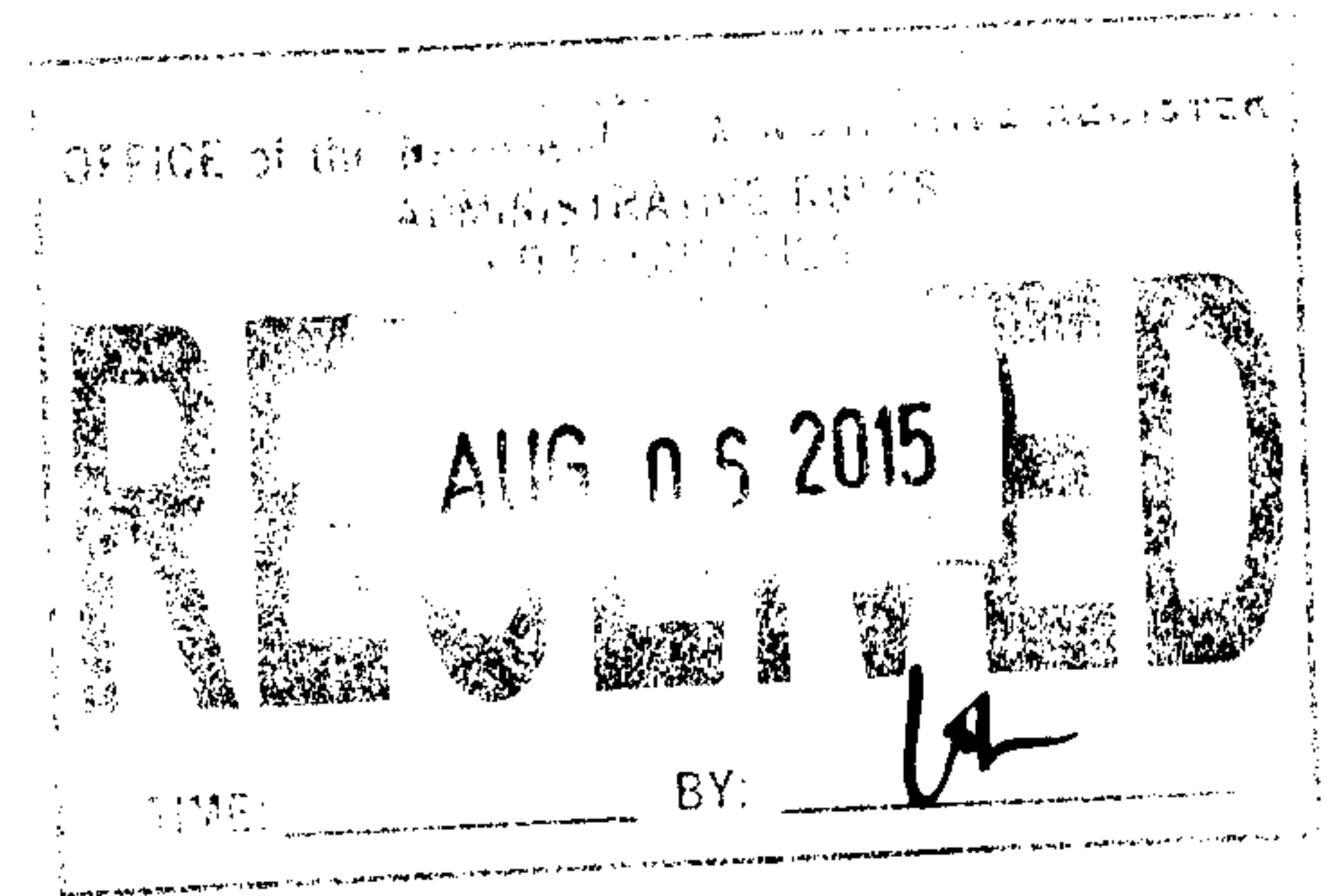
**2. Farm Management, Technical Assistance and Professional Services.** A Human Resource Development Plan (HRDP) Committee shall be created, and chaired by SRA and co-chaired by DOLE. Government and private sector representatives in the committee are representatives of the DA, the DAR, Technical Education and Skills Development Authority (TESDA), University of the Philippines (UPLB), the Philippine Regulatory Commission (PRC), representative from SRA-registered sugarcane farmers' federation, sugarcane planter from the SMPFI, the Sugar Industry Foundation, Inc. (SIFI), SRA-registered millers association, SRA-registered refiners' association, one each from the workers' foundation of farmers' federations, and from SRA-registered sugar workers association.

The HRDP Committee shall develop a deployment program of agricultural engineers, agriculturists and farm technicians that shall provide the necessary technical and professional assistance to sugarcane farmers. Provided, that the outsourcing of experts for farm management, technical assistance and other professional services shall be included for funding in the general appropriations.

The HRDP Committee shall also come up with a Human Resource Development (HRD) Master plan for the sugarcane industry which shall, among others, identify the needed or priority expertise for deployment and fields of discipline to be included in the Scholarship Program of the industry. Provided, that the HRDP Committee shall likewise implement the programs and activities provided under Rule VI on Human Resource Development of this IRR.

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The Committee shall be assisted by a technical working group (TWG) made up from the appropriate department of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

### (C) Farm Mechanization Program

**i) Coverage.** Farmers of sugarcane farms, including block farms and farms of agrarian reform beneficiaries, shall be encouraged and trained to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane. For this purpose, the SRA, the DA, and the DAR, in partnership with Local Government Units (LGUs), consistent with the provisions of Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization (AFMech) Law", shall:


- 1) Introduce or expand the use of machineries for the different stages of sugarcane farming;
- 2) Formulate a Farm Mechanization Master plan at the mill district and block farms levels; and
- 3) Support the establishment, operation and maintenance of Agri-business Machinery and Equipment Service Centers, as provided in Section 9 of Republic Act No. 10601, in sugarcane areas and, for this purpose, provide socialized credit to Service Centers: Provided, that these Service Centers shall emphasize the provision of plowing, harrowing, weeding, fertilization, harvesting and other farm mechanization services to sugarcane farms that do not have the capability to purchase or maintain their own machineries and equipment. Provided, further the Service Centers referred herein shall be non-block farm operated.

**ii) Creation of Farm Mechanization Committee.** A Farm Mechanization (FM) Committee shall be created to formulate projects and activities to attain the foregoing objectives and recommend the same to SRA for adoption and implementation. The Farm Mechanization Committee shall also develop a Farm Mechanization Program for the sugarcane industry, and jointly with the Block Farm Committee, in consultation with LBP, shall recommend to SRA the guidelines for registration and prioritization for funding of SRA-registered Common Service Centers under this provision.

The FM Committee shall be chaired by SRA Board member and composed of representatives from the DA- Philippine Center for Post-Harvest Development and Mechanization (DA-PHILMECH), DA-Bureau of Agricultural Research (DA-BAR),

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By: \_\_\_\_\_

, Department of Science and Technology -Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (DOST-PCAARRD), DAR, LGUs, UPLB, one representative from SRA-registered millers association, one representative from SRA-registered refiners' association, one representative from SRA-registered sugarcane farmers' federation, one sugarcane planter representative from SMPFI, and representatives of concerned MDDCs.

The Committee shall be assisted by a technical working group (TWG) made up of designated personnel from the appropriate departments of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

**iii) Common Service Centers.** SRA shall require the registration of Agri-business Machinery and Equipment Service Centers (or Common Service Centers) that shall avail of the funding support under the socialized credit of the Farm Mechanization Program. The common service centers created under this provision shall be subject to the guidelines jointly issued by the Block Farm and Farm Mechanization committees.

**iv) Financing.** The Landbank of the Philippines (LBP) shall manage the socialized credit facility under Farm Mechanization Program. In line with this, SRA and LBP shall enter into a Memorandum of Agreement to implement this provision.


**Section 4. Research and Development.** The SRA, in coordination with the Department of Science and Technology (DOST), as well as relevant state universities and government research and development institutions and the private sector, shall intensify researches on sugarcane high yielding or flood resistant varieties; pest control and prevention; latest farming, milling, refining and biomass co-generation technologies; soil analysis and fertility mapping of sugarcane areas; weather monitoring and climate change adaptation measures; sugar and sweetener consumption; and other viable products that can be derived from sugarcane. The DA and the DOST shall likewise provide assistance to the SRA to improve the latter's crop forecasting and crop monitoring activities or programs.

#### **RULE 4. RESEARCH AND DEVELOPMENT**

**Rule 4.1. Implementors and Program Components.** The SRA, in coordination with the Department of Science and Technology (DOST), UPLB, as well as relevant state universities and colleges, and government research and development institutions including that of the private sector, shall intensify researches on sugarcane high-yielding or flood-resistant varieties; pest control and prevention; latest farming,

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milling, refining and biomass co-generation technologies, soils analysis and fertility mapping of sugarcane areas; weather monitoring and climate change adaptation measures, among others; sugar and sweetener consumption; and other viable products that can be derived from sugarcane.

Towards this objective, a Research, Development and Extension Services (R, D & E) Committee shall be created with the SRA Board member as chairperson. Representatives from DA-BAR, DA-PHILMECH, DOST-PAG-ASA, DOST-PCAARRD, Philippine Council for Industry, Energy and Emerging Technology Research and Development (DOST-PCIEERD), UPLB, CHED, PHILSURIN, SRA-registered millers association, SRA-registered refiners' association, SRA-registered sugarcane farmers' federation, and one sugarcane planter representative from the SMPFI, and representatives from the MDDCs are the members of the committee. The R, D & E Committee shall make recommendations to SRA on the projects, activities and researches that shall be conducted, undertaken or prioritized by SRA in line with this provision, taking into consideration the R, D & E priorities identified in the sugarcane roadmap, the new and emerging technologies, changes in the investment climate and new thrusts of the sugarcane industry. The Chairperson may call on other concerned agencies or private sector stakeholders to attend meeting when the need arises. The Committee shall be assisted by a technical working group (TWG) headed by an SRA personnel from the R, D and E Department and made up of designated personnel from the appropriate departments of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

The DA and the DOST shall likewise provide assistance to the SRA to improve the latter's crop monitoring and forecasting activities or programs.

**Section 5. Extension Services.** In addition to extension services provided by the DA, the DAR, the SUCs and private and nongovernment organizations, extension services in sugar districts shall be provided by the SRA and the mill district development councils (MDDC). Extension services that can be provided shall include, but not limited to, provision of technical assistance and advice, conduct of tests, propagation, and dissemination of high yielding varieties, and operation of demonstration farms.

For its extension services, MDDCs may develop linkages with nongovernment organizations, peoples' organizations, and LGUs. It may likewise secure funding for its extension services from private sector sources.

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APR 08 2015

## RULE 5. EXTENSION SERVICES

**Rule 5.1. Implementors.** In addition to extension services provided by the DA, the DAR, the UPLB, the SUCs and private and non-government organizations, extension services in sugarcane districts shall be provided by the SRA and the Mill District Development Councils (MDDCs). Provided, that the MDDCs shall be responsible for the formulation of the development plan of its mill district in line with or according to the objectives or targets of the SRA Roadmap. The extension personnel of SRA in the MDDC shall assist in the preparation of the development plan of that mill district.

A Mill District Development Program (MDDP) Committee shall be created and shall be chaired by SRA Board member. The MDDP Committee shall be composed of representatives from DA, UPLB, SUCs, PHILSURIN, SRA-registered sugar milers association, SRA-registered refiners association, SRA-registered biofuel/bioenergy producers' association, one representative from sugarcane planters' federation, one sugarcane planter representative from the SMPFI, and one representative from the MDDCs of Luzon, Visayas and Mindanao as members. The Committee shall be assisted by a technical working group (TWG) made up of designated personnel from the appropriate departments of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

The MDDP Committee shall develop the guidelines for the funding, prioritization and implementation of the development plan submitted by the MDDCs. In addition, the MDDP Committee shall review every five (5) years or sooner when necessary the programs, projects, activities and implementation of the SRA Roadmap, and shall make recommendations to SRA for their amendment or modification. In performing its functions as stated in the Act and this IRR, the MDDP Committee may call upon other government agencies and private sector stakeholders to participate in meetings.

**Rule 5.2. Components.** Extension services that can be provided shall include, but not limited to, technical assistance and advice, conduct of tests, propagation, and distribution of high-yielding varieties, and operation of demonstration farms. For its extension services, MDDCs may develop linkages with non-government organizations, people's organizations, and LGUs. It may likewise secure funding for its extension services from private sector sources.

**Rule 5.3. Funding.** The MDDCs may avail of funding from the government's general appropriations through the SRA for its extension services projects subject to Commission on Audit (COA) accounting rules and regulations with the following

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