

[DA ADMINISTRATIVE ORDER NO. 3, March 03, 1994]

**IMPLEMENTING RULES AND REGULATIONS OF THE SEED
INDUSTRY DEVELOPMENT ACT OF 1992**

Pursuant to Republic Act No. 7308 otherwise known as the Seed Industry Development Act of 1992, the Implementing Rules and Regulations are hereby issued for the information and guidance of concerned government agencies private sector seed producers, farmers organizations, farmers cooperatives associations, and other participants in the seed industry.

Recognizing that the fundamental condition for increased agricultural production and productivity as well as successful and profitable farming is the use of affordable, high quality seeds and planting materials, these Implementing Rules and Regulations ensure that farmers are given access to critical production inputs. At the same time, it supports the growth and development of the local seed industry by pursuing a strategy of increasing and sustaining the demand for seeds and planting material, together with measures to reduce the costs of producing such inputs. This would make seed and planting material production profitable, thereby encouraging the inflow of domestic private investments into the activity and in the process, ensuring the sustained growth of the industry.

The provisions of these Implementing Rules and Regulations is consistent with, and supportive of, Republic Act No. 7607, otherwise known as the Magna Carta of Small Farmers which provides, among others, that:

"The State shall ensure that every farmer has the equal opportunity to avail of, to produce and to market good seeds and planting materials recommended by the Department of Agriculture as capable of producing high-yielding, pest-and-disease resistant, and widely adaptable crops for irrigated, rainfed and upland areas..." (Chapter IV, Section 16)

Pertinent enabling provisions of the Seed Industry Development Act of 1992 mandate that government agencies provide the necessary facilitative and support services spelled out in these Implementing Rules and Regulations. Concerned government agencies are therefore enjoined to include such measures in their respective programs.

It is desired that this Administrative Order and its enclosures be given the widest circulation possible.

Adopted: 3 Mar. 1994

(SGD.) ROBERTO S. SEBASTIAN
Secretary

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 7308
(OTHERWISE KNOWN AS THE SEED INDUSTRY DEVELOPMENT ACT OF 1992)

Pursuant to the provisions of Republic Act No. 7308, otherwise known as the SEED INDUSTRY DEVELOPMENT ACT OF 1992 which was enacted on March 27, 1992, the following rules and regulations are hereby adopted in order to carry out and enforce the provisions of the said Act:

CHAPTER I
PRELIMINARY PROVISIONS

Article 1. Title -

These rules and regulations shall be known as the Implementing Rules and Regulations (IRRs) of the Seed Industry Development Act of 1992 hereinafter referred to as the Seed Act.

Article 2. Purpose

The main objective of these rules and regulations is to ensure the proper, effective, and efficient implementation and enforcement of the provisions of R.A. No. 7308 in order to enhance the development of the Philippine seed industry.

Article 3. Coverage

These implementing rules and regulations shall cover all government and private institutions, agencies, entities, and individuals involved in the seed industry.

Article 4. Interpretation

These rules and regulations shall be interpreted in accordance with the declared policy of the state to promote and accelerate the development of the seed industry. For this purpose, the government shall:

SECTION 1. Conserve, preserve, and develop the plant genetic resources of the nation;

SECTION 2. Encourage and hasten the organization of all sectors engaged in the industry, integrate all their activities, and provide assistance to them;

SECTION 3. Consider the seed industry as a preferred area of investment;

SECTION 4. Encourage the private sector to engage in seed research and development and in mass production and distribution of good quality seeds; and

SECTION 5. Provide the local seed industry protection against unfair competition, as defined in Chapter II, Article 5, Section 17 of these IRRs, from imported seeds.

CHAPTER II
DEFINITIONS

Article 5. Definitions of Terms

When used in relation to the implementation of these rules and regulations, the following terms shall be defined as follows:

SECTION 1. Seed shall mean a plant material used for the production of food, forage, fibers, industrial crops, oil, flowers, grasses, herbs, and aquatic plants, including but not limited to, meristem and clonal propagules such as tubers, corns, cuttings, seedlings, and micro-propagated plantlets;

SECTION 2. Seed Lot shall mean a definite quantity of seeds identified by a lot number or other identification marks, or every portion of the bag or any container, the contents of which uniformly represent the factors which appear in the label within allowable tolerances;

SECTION 3. Breeder Seed shall mean a seed directly controlled by the originating or in certain cases, the sponsoring plant breeder or institution and which provide the source for the initial and recurring increase of foundation seeds;

SECTION 4. Foundation Seed shall mean seed that is a progeny of breeder seeds so handled as to maintain an acceptable level of genetic purity and identity;

SECTION 5. Registered Seed shall mean the progeny of foundation or registered seeds that are so handled as to maintain satisfactory genetic identity and purity;

SECTION 6. Certified Seed shall mean the progeny of foundation, registered, or certified seeds that are so handled as to maintain satisfactory genetic identity and purity;

SECTION 7. Good Seed shall mean seed that may be produced from varieties not yet approved by the National Seed Industry Council and meeting the standards prescribed by the certifying agency. Any class of certified seed, in case it does not conform with the Council's corresponding standards, may qualify as good seed.

SECTION 8. Seed Industry shall mean the different components of the chain of activities undertaken by individuals, associations, cooperatives, corporations or firms, academic institutions, public agricultural research institutes in the production, processing, testing, handling, grading, storage, distribution, and marketing of seeds for agricultural production with economic benefits;

SECTION 9. Seed Testing shall mean the accurate and prompt analysis of a seed sample to determine its quality based on methodologies prescribed by the Council and as provided for under Rule IV, Section 7 of the Implementing Rules and Regulations of Republic Act 7394 (otherwise known as the Consumer Act of the Philippines);

SECTION 10. Seed Certification shall mean a system of seed production geared towards maintaining the genetic identity, varietal purity and standards of quality seeds of superior crop varieties, as provided for under Rule IV, Section 7 of the Implementing Rules and Regulations of Republic Act 7394 (otherwise known as the Consumer Act of the Philippines);

SECTION 11. Quality Control shall mean a systematic approach to determine, achieve, and maintain desired standards of seed quality;

SECTION 12. Seed Sample shall mean a quantity of seeds drawn from seed lots in accordance with the rules for seed sampling as provided for under Rule IV, Section 7 of the Implementing Rules and Regulations of Republic Act 7394 (otherwise known as the Consumer Act of the Philippines), properly identified, labeled, and submitted for seed testing;

SECTION 13. Label shall mean any written, printed or graphic presentation in any manner on the seed container giving information in accordance with the rules and regulations as provided for under Rule V, Section 13 of the Implementing Rules and Regulations of Republic Act 7394 (otherwise known as the Consumer Act of the Philippines);

SECTION 14. SeedDealer/Trader/Merchant shall mean any person, firm, agency, cooperative, or corporation engaged in the production, processing and/or marketing of seeds;

SECTION 15. Seed Grower/Producer shall mean any person, natural or juridical, engaged in the production, processing, distribution and/or marketing of seeds;

SECTION 16. Seed Control shall mean the regulation of seed marketing through registration of seed merchants/dealers, compulsory labelling, and establishment of minimum standards of seed quality.

SECTION 17. Unfair Competition shall mean biased or prejudiced conditions describing a trade transaction as evidenced by the dumping or sale of subsidized seeds and planting material. The test for dumping or sale of subsidized seeds and planting material is provided for under Part II, Sections 301 and 302 of Presidential Decree No. 34 as amended or the Tariff and Customs Code of the Philippines.

SECTION 18. Adequate Quantity shall mean that the immediately preceding three year average local production of a seed variety is not less than ninety (90) percent of perceived demand for the seed variety. Perceived demand is defined as the sum of the immediately preceding three year average local production and the corresponding average annual imported volume plus an assumed 5% annual growth or higher. In the case of the latter, higher shall mean the rate certified by the National Seed Industry Council as requested by the private sector. Adequate quality does not include the case where there is no production and no importation of a known seed variety.

SECTION 19. Competitive Price shall mean that the domestic price which is the price charged by seed wholesalers to seed dealers of a locally produced seed variety in the vicinity of the point of entry is no more than the landed cost of the same and of identical quality imported seed variety plus applicable import duties and taxes. Landed cost is the prevailing CIF price in local currency units ex pier of the imported seed variety and other incidental costs incurred. The CIF price is the price, in the ordinary course of trade, for the product when destined for consumption in the exporting country; or (b) in the absence of such, is (i) the highest comparable price for the like product for export to any third country in the ordinary course of trade, or (ii) the cost of production of the product in the country of origin plus a reasonable addition for selling cost and profit, whichever is higher, plus the cost of insurance and freight. The import duty and tax rates prevailing at the time of petition shall be the rates applicable. For purposes of conducting the price comparison, the respective immediately preceding six-month averages of the domestic price and the CIF price of the seed variety shall be used, if available.

SECTION 20. Unlawful seed lots shall mean those seed lots displayed for sale infected with pests and/or diseases, seed lots sold by dealers with false documents and certifications consistent with the objectives of the Key Commercial Crops Development Program of the DA, from the Bureau of Plant Industry, or imported seeds without the proper phytosanitary documents and customs clearances.

CHAPTER III.
GENERAL PROVISIONS

SECTION 1. A National Seed Industry Council, hereinafter referred to as the "Council," is hereby created to replace the existing Philippine Seed Board.

SECTION 2. The Council shall be composed of the following who shall serve in an *ex officio* capacity except for the representatives of the private sector:

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| a) Secretary, Department of Agriculture (DA) - | Chairman |
| b) Director, Bureau of Plant Industry (BPI) - | Vice Chairman and Executive Director |
| c) Dean, College of Agriculture, at Los Banos, Laguna (UPLB) - | Member |
| d) Director, Institute of Plant Breeding (IPB) - | Member |
| e) Crops Research Director, Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD) - | Member |
| f) Director, Philippine Rice Research Institute (PHILRICE) - | Member |
| g) Two (2) representatives from accredited farmers' organizations - | Members |
| h) One (1) representative from the Philippine seed industry - | Member |

SECTION 3. The representatives of the private sector shall be nominated by their respective sector or association through the Executive Director of the Council. The Executive Director shall forward the nominees for approval to the Chairman of the Council for a term of three (3) years. Only citizens of the Philippines can be members of the Council.

SECTION 4. Private sector representatives must have adequate training and experience on seed and seed-related enterprises.

SECTION 5. Auxiliary members may be appointed for a term of three (3) years by the Chairman of the Council upon the recommendation of the Executive Director. These members shall be from the private sector and represent major agricultural sectors, including rice, corn, vegetables, fruits, ornamentals, fibers, and others. The