

REPUBLIC OF THE PHILIPPINES
OFFICE OF THE PRESIDENT
PHILIPPINE COCONUT AUTHORITY
Elliptical Road, Diliman, Quezon City 1101 Philippines
Tel. Nos.: (02) 926-4501 to 04 Fax No.: (02) 926-7631
<http://www.pca.da.gov.ph>



ADMINISTRATIVE ORDER NO. 02

Series of 2018

REVISED IMPLEMENTING RULES AND REGULATIONS GOVERNING THE ACCREDITATION OF OIL PALM NURSERIES THEREBY AMENDING CERTAIN PROVISIONS OF ADMINISTRATIVE ORDER NO. 03, SERIES OF 2004

WHEREAS, integral to the state policy enunciated in Presidential Decree No. 1468 is to promote the rapid integrated development and growth of the coconut and other palm oil industry in all its aspects and to ensure that the coconut farmers become direct participants and beneficiaries of such development and growth;

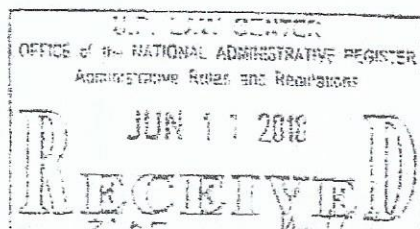
WHEREAS, in the implementation of the declared national policy, the Philippine Coconut Authority (PCA) is mandated by law to formulate and adopt a general program of development for the coconut and other palm oil industries in all its aspects;

WHEREAS, the PCA, in consultation with the stakeholders, has formulated a national complementary development program for the palm oil industry, which includes PLANTING and REPLANTING PROJECTS, and its monitoring and development, to increase local oil palm hectareage and production with high quality planting materials to attain self-sufficiency in the supply of palm oil product;

WHEREAS, to attain the foregoing activities, there is a need for the accreditation of suppliers of planting materials to ensure that only the best quality and productive seedlings/planting materials may be used for the development projects;

WHEREAS, to maintain the good quality of oil palm planting materials, there is a need to conduct regular periodic monitoring/ocular inspection on all the existing registered oil palm nurseries, and provide guidelines, such as submission of quarterly inventory and status reports of their nurseries;

WHEREFORE, premises considered, the Governing Board of the Philippine Coconut Authority hereby adopts and promulgates the following rules and regulations:



SECTION 1. DEFINITION OF TERMS

- a) **Oil Palm Nursery** is any establishment engaged in the propagation of oil palm seedlings obtained through importation either in the form of seeds or pre-germinated seeds, which is intended for sale or other forms of disposal.

Accredited nursery is a nursery that is certified by PCA to have established the capability and capacity to propagate high quality planting materials and for the purpose of supplying the same by sale or other forms conveyance as planting materials for the planting and replanting projects under these rules and regulations.

- b) **Nursery Inspection Agreement** is a written agreement between the PCA and the nursery applicant whereby the latter or the nursery operator shall allow the PCA inspection team to enter the nursery premises to inspect and verify compliance with the requirements or prescribed guidelines in the production and propagation of high quality planting materials.
- c) **Accreditation** is a recognition certified by and granted by the accreditation body of the PCA to a registered nursery operator who meets the requirements and qualifications of an accredited nursery as defined in Section 1a paragraph 2 of this rules.
- d) **PCA Inspection and Accreditation Team** – composed of the oil palm Regional and Provincial Focal Persons, and the PCA Agriculturist assigned in the Municipality where the proposed nursery is or will be established. They will be ordered to inspect the proposed or existing nursery and will provide inspection report and recommendations to the Division Chief I for the approval/disapproval of the Accreditation.
- e) **Philippine Palm Oil Development Council, Inc. (PPDCI)** - recognized by the PCA as a private association representing the general stakeholders of the palm oil industry.
- f) **F1 planting materials** are those that grow from seeds taken from the mother palms which have been pollinated by artificial means using pollens from desirable male palms, which bear the desirable characteristics of the parent materials.
- g) **High quality planting materials** refer to those oil palm seedlings that are healthy, without any appearance of abnormalities, and are free from signs and symptoms of pest and chemical damage. These seedlings are also strong and stand uprightly at 90 degrees position.
- h) **Lethal Yellowing Disease** is a disease of coconut and oil palm, which is caused by a transmissible phytoplasma that kills the coconut, or oil palm.
- i) **Oil Palm Seedling Abnormalities** are any of the common deformities present in different stages of oil palm seedlings. These abnormalities may appear on the pre-

nursery up to the main nursery stages. Yield loss ranges from 41%-100%. (Refer to Annex 2.)

SECTION 2. APPLICATION FOR PCA ACCREDITATION

The following may apply for accreditation:

- a) Individuals or Sole Proprietors whose business names are duly registered with the Department of Trade and Industry;
- b) Partnerships or Corporations duly registered with the Securities and Exchange Commission;
- c) Cooperatives duly registered with the Cooperatives Development Authority; and
- d) Associations registered with the Bureau of Rural Workers / Department of Labor and Employment.

SECTION 3. FILING OF APPLICATIONS FOR ACCREDITATION

- a) The application for accreditation, in such form prescribed by the PCA, shall be filed with the PCA Provincial Office, which has jurisdiction over the place where the proposed or existing nursery is located.
- b) The Division Chief I shall acknowledge the filing and receipt of the application and ensure that same is fully accomplished with all the supporting documents attached thereto, and immediately endorse the same to the Regional Manager of the Regional Office.
- c) The Regional Manager, upon receipt of the provincial endorsement shall immediately notify the applicant for the execution of the Nursery Inspection Agreement.
- d) The applicant shall pay a non-refundable registration fee of Twenty-five thousand pesos (P25,000.00) to the Philippine Coconut Authority.
- e) The Regional Manager shall order the PCA Inspection and Accreditation Team, to visit and inspect the proposed or existing nursery within three (3) days from the signing of the Nursery Inspection Agreement.
- f) The Certificate of Accreditation shall be issued, or action thereon shall be taken by the Regional Manager, with due notice to the applicant within twenty four (24) hours from receipt of the report and recommendation/s of the PCA Inspection and Accreditation Team.

SECTION 4. REQUIREMENTS FOR PCA ACCREDITATION

A. New Nursery Operator-Applicant:

A.1 A new applicant shall submit the following documents to the PCA Provincial Office having jurisdiction over the location of the proposed nursery:

- i. DTI Certificate (Business Name), Articles of Partnership or Incorporation, and By-laws;
- ii. City or Municipal Business Permit issued by the Mayor;
- iii. Business Plan or Project Feasibility Study;
- iv. Rated capacity, by month and year, of the proposed nursery in terms of number of seedlings or planting materials grown and hectareage allocation;
- v. Location map of the proposed nursery site which should be located within an oil palm plantation, or in area reasonably near an oil palm plantation either existing or to be developed;
- vi. Name/s and address/es of the supplier/s, the variety and source of the oil palm germinated seeds whether of local or foreign origin;
- vii. Certificate issued by the Philippine Palm Oil Development Council, Inc. (PPDCI) certifying that the personnel of the nursery or to be employed thereat have been trained in oil palm nursery operations and management.

A.2 An Accreditation Certificate, duly approved and signed by the Regional Manager, may be issued after satisfaction of the following requirements or conditions:

- i. The proposed nursery site was duly inspected by the PCA Inspection and Accreditation Team;
- ii. The proposed nursery project is located within an oil palm plantation or in an area reasonably near an oil palm plantation either existing or to be developed as indicated in the submitted location map;
- iii. There are qualified and trained personnel employed in the nursery as shown by the training certificates issued by PPDCI.

D. Existing Nursery Operators

Within six months from the publication of this Order in newspapers of general circulation, individuals or entities that have existing oil palm nurseries shall register with the PCA under these rules. Nurseries intending to supply planting materials for the planting and replanting programs shall further be accredited under these rules prior to distribution of planting materials or participation in the oil palm planting and replanting program.

SECTION 5. VALIDITY OF ACCREDITATION CERTIFICATES AND RENEWAL

The Certificate of Accreditation shall be valid only for one year of the calendar period from January 1 to December 31, provided, however, that applications are allowed to be filed not later than January 15 of the current year.

Applications for renewal of accreditation may be filed by the nursery operator upon payment of the Registration Fee of Twenty Five Thousand Pesos (P25,000.00). The PCA shall reserve its right to conduct the inspection as provided in Section 3e of these rules.

SECTION 6. REGULAR MONITORING AND INSPECTION

To ensure the maintenance of good quality planting materials and adherence to good management practices by the accredited oil palm nurseries, the following regulations are herewith prescribed:

- a) The PCA Regional Offices shall conduct quarterly monitoring and ocular inspection of all accredited oil palm nurseries.
- b) All accredited oil palm nurseries shall submit quarterly status reports and inventories to the PCA Regional Offices indicating the following, on a per batch basis:
 - i. Source Country/ies of Pre Germinated Seeds and Specific Varietal Cross
 - ii. Number of Imported Pre Germinated Seeds Received
 - iii. Number of Imported Pre Germinated Sown
 - iv. Number of Existing Seedlings
 - v. Number of Seedlings Culled
 - vi. Number of Seedlings Sold
 - vii. List of Seedling Buyers and their Addresses
 - viii. Number of Seedlings Available in the Nursery
- c) The PCA Regional Offices shall ensure that all the accredited nurseries are following the Good Agricultural Practices for Oil Palm, including, but not limited to: selection of suitable nursery site, continuous water source or availability of irrigation system, proper handling of germinated seeds, use of suitable polybag type and size, proper

planting of germinated seeds, mulching, fertilization, weeding, culling, and appropriate management of pests and diseases.

SECTION 7. CANCELLATION OF ACCREDITATION CERTIFICATE

The PCA shall suspend or cancel the Certificate of Accreditation when upon investigation conducted by the PCA, the nursery operator or his representative has been found to have violated any provision of these rules and regulations, or has been found through verification that the nursery operator has misrepresented any data or information, or has not otherwise complied with the requirements or conditions in the Certificate or Nursery Inspection Agreement.

Cancellation of certificates under this paragraph shall be subject to the following implementation procedures:

- a) Notice of violation shall be sent to the applicant within seven (7) days from receipt of inspection report;
- b) A non-complying operator shall be given thirty (30) days within which to comply with the requirements indicated in the inspection report; and
- c) After the lapse of thirty (30) days from the receipt of notice by the operator without having complied with the aforesaid requirements, shall cause the issuance of notice of cancellation of the Certificate of Accreditation, which shall be effective upon receipt by the operator.

Provided, however, that operators with cancelled Certificates of Accreditation under this section shall be meted with the sanctions stipulated in the Nursery Inspection Agreement including confiscation and destruction of inferior planting materials.

SECTION 8. GENERAL PROVISIONS

- a) Imported oil palm seeds/pre-germinated seeds are prohibited from being diverted to any place other than the designated nurseries specified in the import permit or other shipment documents. Importers or brokers who will receive the oil palm seeds/pre-germinated seeds shall provide a written proof showing their agreement with the PCA-Accredited oil palm nurseries where the planting materials will be delivered to.
- b) Propagation and distribution of oil palm planting materials for commercial production coming from seeds other than F1 planting materials are prohibited and subject to the sanctions under these rules.
- c) To protect the coconut and oil palm industry, the PCA and the Bureau of Plant Industry (BPI) shall not allow importation of oil palm planting materials from countries where Lethal Yellowing or other pests are known to exist. Representatives

from PCA Albay Research Center (PCA-ARC) and Davao Research Center (PCA-DRC) shall be allowed to observe, monitor, and take samples from the Post Entry Quarantine in Los Baños, Laguna after six (6) months for the testing of symptoms of "*Cadang Cadang*", and other pests and diseases.

d) Only oil palm nursery operators accredited by PCA shall be allowed to propagate and sell seedlings to prospective oil palm planters for commercial planting. These nursery operators shall display their PCA Accreditation Certificates in a conspicuous place in their nursery sites. They shall also put up signboards in their nurseries indicating the:

- Name of oil palm nursery operator;
- Source of oil palm seeds/seedlings;
- Area of the nursery and rated seedling production capacity; and
- Variety of oil palm seedlings.

e) In the Nursery Inspection Agreement, the following shall be agreed and stipulated, among others:

- 1) Culling rate of not less than 15%
- 2) Free access to and out of nursery premises by PCA and other agencies
- 3) Summary confiscation of inferior planting materials

SECTION 9. ENFORCEMENT AND MONITORING

The PCA shall coordinate the efforts and initiatives of the national and local government agencies or units, the PPDCI, and the oil palm planter/farmer sectors to ensure the strict implementation of this Order. The PCA may also call on any Department, Bureau, Attached Agency, or law enforcement units or agents of government for assistance in the enforcement of any provision of this Order, or in the discharge of its functions under these rules.

SECTION 10. SANCTIONS

Any person or entity found to have violated any of the provisions of these Rules and Regulations shall after due notice and hearing, be subject to the following administrative sanctions:

1. Cancellation or suspension of the Certificates of Accreditation; and, or
2. Fine of not more than P 20,000.00 and / or imprisonment of not more than five (5) years in accordance with the penal provisions of P.D. 1468.

PCA officers or personnel found to have violated any provision of these Rules and Regulations shall be subject to sanctions provided by the Civil Service laws, rules, and regulations.

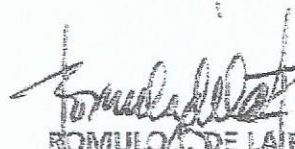
SECTION 11. REPEALING CAUSE

All orders, circulars, rules and regulations inconsistent with the provisions of this Administrative Order are hereby amended, modified or repealed accordingly.

SECTION 12. EFFECTIVITY

This Order shall take effect after fifteen (15) days immediately from date of publication in two (2) newspapers of general circulation.

ISSUED this May 31, 2018 at Diliman, Quezon City.


ROMULO J. DE LA ROSA
Administrator

Adopted and confirmed by the PCA
Governing Board pursuant to Resolution
No. 026-2018.

ANNEX 1. CHECKLIST OF DOCUMENTARY REQUIREMENTS
Oil Palm Nursery Accreditation

DOCUMENT	BASIS
1 Application For Accreditation (PCA-OP Form 01)	AO <u>02</u> , s.2018, Sec. 2
2 DTI Certificate (for Business Name)	AO <u>02</u> , s.2018, Sec. 4
3 Articles of Partnership/Incorporation, By-Laws (SEC)	AO <u>02</u> , s.2018, Sec. 4
4 City/Municipal Business Permit	AO <u>02</u> , s.2018, Sec. 4
5 Business Plan/Proj. Feasibility Study	AO <u>02</u> , s.2018, Sec. 4
6 Location Map	AO <u>02</u> , s.2018, Sec. 4
7 Names/Addresses of Suppliers Variety & Source of OP seedlings	AO <u>02</u> , s.2018, Sec. 4
8 Certificates/Documents/Credentials of nursery personnel to assure quality oil palm nursery operations & mgt.	AO <u>02</u> , s.2018, Sec. 4
9 Nursery Inspection Agreement (NIA) (PCA-OP Form 02)	AO <u>02</u> , s.20018, Sec. 4
Inspection Documents	
10 Nursery Site Inspection Report (New) (PCA-OP Form 03A)	AO <u>02</u> , s.2018, Sec. 4
11 Nursery Inspection Report (Existing) (PCA-OP Form 03B)	AO <u>02</u> , s. 2018, Sec. 4
12 Quarterly Status Report for Registered and Accredited Oil Palm Nurseries (PCA-OP Form 05)	AO <u>02</u> , s. 2018, Sec. 6
13 Quarterly Monitoring and Ocular Inspection Report (PCA-OP Form 06)	AO <u>02</u> , s. 2018, Sec. 6
14 Import Permit (from BPI-PQS, xeroxed)	AO <u>02</u> , s. 2018, Sec. 6
15 Phytosanitary Certificate (from country of origin of oil palm seedlings, xeroxed)	AO <u>02</u> , s. 2018, Sec. 6
16 Test Results of Cadang-Cadang and other Pests and Diseases (PCA-ARC)	AO <u>02</u> , s.2018, Sec. 8

ANNEX 2. COMMON OIL PALM SEEDLING ABNORMALITIES

PRE-NURSERY STAGE

1. **Collante** – Leaves do not open and shrink together around the middle of the leaves due to water stress.
2. **Chimaera** - Yellow or white stripes or patches on some of the leaflets.
3. **Crinkled Leaf** – Leaflets tending to be crowded together and often short and crimped.
4. **Grass Leaf** – Leaves are narrow and look like grass. Occur due to genetic disorders that may result from water stress.
5. **Rolled Leaf** – Curled leaf surface along the axis of the leaves. May be due to insect infestation or genetic origin. Yield loss can reach up to 87%.
6. **Twisted Leaf** – Leaves and stems are coiled. May result from seeds planted upside down.

MAIN NURSERY STAGE

1. **Chimaera** – Seedling fronds display stripes or sections of yellowish/whitish, chlorotic tissue due to lack of chlorophyll resulting in reduced photosynthesis.
2. **Wide Internode** – The distance between the pinnae on the rachis is abnormally wide thus the “open” appearance of the seedling. Yield loss can reach up to 87%.
3. **Short Internode** – The distance between the pinnae on the rachis is small giving the appearance of frond compression.
4. **Stunted** – Seedlings resemble normal plants, but lack vigor and remain small. These seedlings are also prone to leaf diseases.
5. **Flat Top** – Newly produced fronds are progressively shorter resulting in a flattened appearance. Yield loss can reach up to 51%.
6. **Erect** – Seedling fronds set at a narrow angle to the main stem so the palm has a very upright appearance and taller than surrounding seedlings. These are usually sterile and yield loss ranges from 92%-100%.
7. **Juvenile** – The pinnae remain undivided even if seedlings are more than six (6) months old. This indicates sterility and yield loss ranges from 88%-100%.