



Voluntary Report - Voluntary - Public Distribution

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Report Name: Corn Import Regulations and Standards

Country: Philippines

Post: Manila

Report Category: FAIRS Subject Report, Grain and Feed

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Report Highlights:

This report outlines the Philippine government requirements for the importation of corn. It also provides points of contact for key Philippine government authorities.

The Philippines maintains a two-tiered tariff policy for corn, which is subject to a tariff-rate quota (TRQ). Pursuant to the Agricultural Tariffication Act of 1996, the Department of Agriculture (DA) implemented a Minimum Access Volume (MAV) mechanism taking into account the country's commitments under the World Trade Organization. For corn (HS-1005), the Philippines' bound commitment was 216,940 MT with an in-quota tariff of 35 percent and over-quota tariff of 50 percent. For years, the Philippines only applies MAV on corn other than seed (1005.10.00) and popcorn (1005.90.10). See GAIN Report on Corn TRQ Administration.

In May 2022, President Rodrigo Duterte issued <u>Executive Order 171</u>, lowering Most Favored Nation (MFN) in- and out-quota tariff rates on corn from 35 to 5 percent and 50 to 15 percent, respectively, through December 31, 2022. On December 29, 2022, President Ferdinand Marcos, Jr. signed <u>Executive Order 10</u>, extending the reduced tariff rates through December 31, 2023. See GAIN Report <u>President Marcos Extends Lowered Tariffs</u>.

Plant Quarantine Requirements: The Philippine <u>Plant Quarantine Law</u> (Presidential Decree No. 1433) authorizes the Philippine Department of Agriculture Bureau of Plant Industry (BPI) to exercise inspection and certification and/or treatment activities on imported and exportable plant products such as rice. It also mandates BPI to prevent the introduction of exotic pests into the country, to prevent further spread of existing plant pests, and to enforce phytosanitary measures for the export of plants, plant products, and regulated articles.

BPI's <u>National Plant Quarantine Services Division</u> (NPQSD) is charged with implementing <u>Department</u> <u>Circular 4 (2016)</u> "Guidelines on the Importation of Plants, Planting Materials and Plant Products for Commercial Purposes" and its supplemental <u>Memorandum Order 28 (2019)</u>. These implementing regulations were issued in an attempt to align Philippine import requirements with the relevant international phytosanitary guidelines promulgated by the International Plant Protection Convention (IPPC).

Prior to application of an SPSIC for importation of corn, an applicant needs to be registered first as an importer. If the importer will import a particular product more than once, they will be required to register as an importer of said products and will be given access to the online application of Sanitary and Phytosanitary Import Clearance (SPSIC) known as Inter-Commerce. Note: "registered importer" was the previous term used for accredited importers; currently, the term "licensed importer" is used.

To obtain a License to Operate (LTO), an interested importer must submit the following requirements to the NPQSD Central Office:

- 1. Notarized Application form for Registration
- 2. Current Mayor's Permit or Business Permit (CTC)
- 3. Proof of Business Establishment:
 - For Corporation: SEC Registration, Articles of Incorporation and By-Laws (with Cert. of Good Standing)
 - For Cooperatives: CDA Registration, Articles of Cooperation and By-Laws (with Cert. of Good Standing/Cert. of Compliance)
 - For Single Proprietorship: DTI Registration
 - For PEZA Special Economic Zone: PEZA Registration

- 4. Proof of Existence and Authority to use Storage/Warehouse (if applicable) or DA Accredited Cold Storage Warehouse (with DA Cert. of Accreditation) as follows:
 - Proof of Ownership (OCT/TCT of Land in the name of importer or valid lease contract with OCT/TCT of lessor;
 - Physical Sketch and GPS of the exact location of the warehouse;
 - 5R pictures of the warehouse with dated newspaper
 - For rice importers: Distribution areas for the imported rice
- 5. Updated and Current Registration with BOC Registration of Importer and/or authorized Broker
- 6. Special Power of Attorney with two 2×2 ID picture for Representatives (max. of 3 representatives)
- 7. Annual Income Tax Return with Audited Financial Statement of the owner/importer for the last 3 years

The list of licensed importers and import procedures are available at the BPI website.

SPSIC Validity Periods, Conditions, and Requirements: <u>Memorandum Order 39 (2020)</u> (MC 39) requires commodity descriptions to distinguish between feed and food use. The importer will need to attach an affidavit declaring the intended use of the imported product, to accompany the proforma invoice and GMO/non-GMO declaration. Additionally, importers are required to provide BPI and BAI with corn supply and utilization reports periodically. See GAIN Report on <u>Feed Utilization Report</u>.





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Company: JUAN LUNA FEEDS INC.							Date Subn	nitted:			
s: BAI Compound, Visaya	as Ave. Dilima	an Quezon Ci	ty								
.: IM-1234											
SEPTEMBER											
SPSIC Number	Arrival Date	Volume of Actual Arrival	Client's Name	Client BAI LTO Reg. No	Supplied Volume (MT)	Delivery Receipt	Purchase Order	Sales Invoice	8	Signature of	Remarks
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			CVB Trading	D-6789	10				0		
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MC 39 supplemented Memorandum Circular 28 (2019) and sets a must-ship out date at 20 days from approval of the SPSIC. It also required a must-arrive date within 35 days of approval, if from ASEAN, except Burma, and within 65 days if from Burma or any other country outside ASEAN. <u>Memorandum Circular 43 (2020)</u> extended the must-arrive date for corn. It states that shipments from ASEAN countries, except Burma, should arrive in the country within 60 days of the SPSIC issuance. Shipments coming from Burma and other non-ASEAN countries should arrive within 90 days of the SPSIC issuance.

SPSICs for corn also contain the following conditions and requirements.

Import Conditions:

- 1) This shipment shall be accompanied by a Phytosanitary Certificate (PC) issued by a duly authorized Plant Quarantine Officer of the country of origin and must be absolutely free from soil.
- 2) Immediately upon arrival of said plant materials at the port of entry they are to be turned over to the Plant Quarantine Service for inspection.
- 3) None of the above-described plant materials may be released at the port of entry unless cleared by the Plant Quarantine Officer thereat.
- 4) If the plant materials are found upon inspection to be infested with pests or infected with any plant disease so that they can be phytosanitized by any treatment available, they may be destroyed, and such destruction cannot be made the basis of claim for damages against the Bureau of Plant Industry.
- 5) Corresponding fees for inspection, treatment, etc. shall be paid by the importer prior to release of said plant materials.

Other Conditions/Requirements:

PRE-SHIPMENT REQUIREMENTS:

- 1) Consignment should be certified free from storage insect pests, seedborne diseases and weed seeds.
- 2) Fumigate with appropriate fumigants at recommended rate. Such treatment must be started in the accompanying Phytosanitary Certificate.
- 3) The SPSIC number should be declared in the accompanying Phytosanitary Certificate.

POST-SHIPMENT REQUIREMENTS:

- 1) Shipment to be inspected by the Plant Quarantine Officer for verification of accompanying documents.
- 2) The shipment must be accompanied by a Certificate of Origin issued by the exporting country.
- *3) Each shipment should have a GM declaration.*
- 4) Samples to be taken from consignment for examination.
- 5) All shipments covered by this SPSIC must arrive not later than sixty (60) days from the date issued of the SPSIC.

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Corn for Feed: All Animal Feed Establishments (e.g., feed manufacturers, feed ingredient manufacturers, importers, exporters, dealers, suppliers, distributors and retailers) are required to apply for a License to Operate (LTO) and a Certificate Feed Product Registration (CFPR) with the BAI <u>Animal Feed and Veterinary Drugs Biologics Control Division</u> prior to starting business operations.

In addition to the SPSIC and the Phytosanitary Certificate, Quarantine Officers at the ports of entry require importers to present Certificate of Analysis (COA) showing the following test result:

- Moisture: NMT 14%
- Crude Protein: NLT 8.6%
- Crude Fat: NLT 3.4%
- Crude Fiber: NMT 1.6%
- Crude Ash: NMT 1.20%
- Aflatoxin: NMT 50 ppb
- Impurities: NMT 2%

Note: NMT- Not more than and NLT- Not less than

Source: <u>Philippine Society of Animal Nutritionists Feed Reference Standards;</u> <u>BAI Administrative Order 12</u>

Sample COA:

No	Specification	Unit	Method	Result
1.	Moisture	%	ISO 6540:2010	14.68
2.	Foreign Matter	%	ISO/DIS 19942	0.36
3.	Broken Kernels	%	ISO/DIS 19942	0.53
4.	Damaged Kernels % ISO/DIS 19942		0.30	
5.	Aflatoxins (B1, B2, G1, G2)	ppb	WRT/TM/LC/01.13:2019 (LC/MS/MS) ^(a)	Not Detected (LOD = 2.0)

Notes: ⁽⁷⁾_Method is accredited in accordance with ISO/IEC 17025 ^(a)_These results are analyzed by subcontractor.

Philippine National Standards for Corn:

<u>Grains – Grading and Classification - Corn – BAFS</u>

The Philippine National Standard (PNS) for Grains – Grading and Classification – Corn was established and adopted last 2004 with the guidance of the Technical Working Group and comments from stakeholders through public consultations.

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Good Agricultural Practices (GAP) for Corn - BAFS

The Philippine National Standard (PNS) Good Agricultural Practices (GAP) for Corn was established and adopted in 2008 with the guidance of the Technical Working Group and comments from the stakeholders through a series of technical reviews and public consultations.

Animal Feed Ingredients - BAFS (attached)

This Philippine National Standard PNS/BAFS 163:2015 Animal Feed Ingredients aims to provide guidelines for the quality and safety of feed ingredients used in animal feeds intended for domesticated livestock and poultry animals.

Corn (Maize) Grits – Grading and Classification – BAFS (attached)

The Philippine National Standard (PNS) for Corn (maize) grits – Grading and classification was developed in 2004 and reviewed together with other corn-related standards in 2017.

<u>Code of Hygienic Practice for Processing and Handling of Corn Grits – BAFS</u> (attached) The provisions of this document are supplemental to and should be used in conjunction with PNS for Corn (maize) grits – Grading and classification.

Customs Clearance Procedures: The importer shall file with the PQS a duly accomplished Application for Inspection at least twenty-four (24) hours prior to arrival of the consignment. The following documents shall be submitted:

- 1. Phytosanitary Certificate (original FAO/IPPC Model) issued by the PQ of the country of origin;
- 2. SPSIC (original copy) issued by PQS
- 3. Bill of lading/airway bill;
- 4. Inward cargo manifest and Bureau of Customs (BOC) entry declaration (photocopy)

In the absence of a PQC/SPSIC or Phytosanitary Certificate (PC), the consignment shall be held under BOC custody or transferred (upon importer's request) to PQS custody until such documents are presented. In the absence of both PQC/SPSIC and PC, the consignment shall either be returned to the country of origin or re-exported to another accepting country or destroyed. Unlike rice, there is no automatic approval of SPSICs after seven days applied to corn imports.

The Formal Entry Process refers to the cargo clearance process for imported shipments considered to be of commercial nature. <u>Customs Administrative Order (CAO) 09-2020</u> applies to all imports, including corn, covered by goods declaration for consumption through a formal entry process, whether or not subject to duties and taxes. The order implements relevant sections of the Customs Modernization and Tariff Act (CMTA).

Imported goods are deemed "entered" for consumption when the goods declaration is electronically lodged, together with any required supporting documents, in the Bureau of Customs (BOC) electronic cargo clearance system portal. For rice, in addition to the required documents listed in Section 4.7 (i.e., as the Supplementary Declared Value Form, Bill or Lading or Airway Bill, Commercial Invoice, Packing List) the following supporting documents are required:

- a) Sanitary and Phytosanitary Import Clearance
- b) Authority to Release Imported Goods
- c) Certificate of Origin (for various Free Trade Agreements

d) Load Port Survey Report or Discharge Port Survey Report for Bulk or Break-Bulk Shipments

Philippine Government Regulatory Agency Contacts:

DA Bureau of Plant Industry National Plant Quarantine Services Division Phone: (632) 8251-2262; (63)9563642052 and (63)9289768239 E-mail Address: pqsbpi@gmail.com and npqsd.bpi@buplant.da.gov.ph

DA Bureau of Animal Industry Animal Feeds, Veterinary Drugs and Biologics Control Division Contact Number: (632) 8528 2240 local 11502 Email Address: <u>afvdbcd@bai.gov.ph</u> Department of Finance Bureau of Customs G/F OCOM Building, 16th Street, South Harbor, Port Area, Manila Customer Assistance & Response Service (BOC-Cares) Telephone: (632) 87056000 Email: <u>boc.cares@customs.gov.ph</u>

Philippine Society of Animal Nutritionists Telephone: (63)9171169043 Website: <u>https://www.philsan.org/</u> Email Address: <u>admin@philsan.org</u>

Attachments:

Sample SPSIC Corn.docx

PNS.BAFS 15.2018_Corn (maize) gritz - Grading and classification.pdf

PNS.BAFS 142.2018_Code of hygienic practice for processing and handling of corn grits.pdf

PNS.BAFS 163.2015 Animal Feed Ingredients.pdf