

Voluntary Report – Voluntary - Public Distribution

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Report Number: RP2022-0037

Report Name: New Utilization Report Required to Import Feed Ingredients

Country: Philippines

Post: Manila

Report Category: Grain and Feed, Oilseeds and Products, Dairy and Products, Trade Policy Incident Report, FAIRS Subject Report

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Report Highlights:

On June 25, 2022, the Philippine Department of Agriculture (DA) Bureau of Animal Industry (BAI) informed domestic stakeholders at a consultative meeting that it will be enforcing BAI Memorandum Circular No. 26 (MC26), dated August 11, 2021. MC26 requests importers submit a utilization report concerning their importation of ingredients used in the manufacturer of animal feeds in order to ensure ingredients imported for animal feeds are not diverted for human consumption or for other purposes. Multiple contacts have expressed concern to Post regarding the burdensome nature of this new requirement. The measure is not available on BAI's website and has not been notified to the WTO.

Background:

On June 25, 2022, the Philippine DA Bureau of Animal Industry (BAI) informed domestic stakeholders at a consultative meeting that it will be enforcing BAI Memorandum Circular No. 26 (MC26) issued on August 11, 2021 (see attached). MC26 requests importers to submit a utilization report of their previous importation of feed ingredients and other ingredient used in the manufacturer of animal feeds such as: corn, sorghum, wheat, soya beans, palm olein products, whey powder, skimmed milk powder, lactose, buttermilk powder, whole milk powder. MC26 was issued last year but has not been strictly implemented. MC26 seems to duplicate [Memorandum Circular No. 39](#) (MC39) issued by the Bureau of Plant Industry (BPI) which requires importers of wheat and corn to submit a quarterly supply and utilization report of imports. In addition, it is still unclear whether the BAI Utilization Report must be submitted on a per shipment, monthly, or quarterly basis, or if the approval of new SPS Import Clearances would be subject to the submission the said utilization reports.

According to MC26, this is to monitor that the product/ingredient imported for livestock and poultry feeds are being used as declared and not diverted for human consumption or for other purposes. Under [Section 109 of the Tax Code](#), animal feeds and feed ingredients are exempt from paying Value Added Tax of 12 percent. Moreover, certain agricultural products depending on use have different tariff rates such as feed wheat (7 percent) vs. food wheat (3 percent).

A copy of MC26 and a sample format of the Utilization Report is included in the attachment.

Attachments:

[MC 26 \(2021\).pdf](#)