

**MEMORANDUM CIRCULAR**

No. 36  
Series of 2024

**SUBJECT: GUIDELINES ON THE IMPLEMENTATION OF THE EGG INDUSTRY DEVELOPMENT PROJECT (EIDP) UNDER THE LOCALLY FUNDED PROJECT FY 2024**

**WHEREAS**, the Department of Agriculture (DA) is responsible for the promotion of agricultural development by providing the policy framework, public investment and support services.

**WHEREAS**, the Department of Agriculture (DA) is implementing National Livestock Program (NLP) aims to increase livestock and poultry production through improve livestock productivity; increase income of livestock farmers by providing access to technology, resources, support services, and infrastructure; and provide an environment necessary for continuous growth and development of the livestock and poultry industry.

**WHEREAS**, the Philippine Plan of Action for Nutrition (PPAN) 2023-2028, the country's blueprint for nutrition, the Department of Agriculture is also addressing the call to stop stunting and all forms of malnutrition by supporting the Philippine Plan of Action for Nutrition (PPAN) 2023-2028, the country's blueprint for nutrition improvement; by increased availability and affordability of nutritious food starting with eggs, nutrient-dense food and consumed by vast majority of the population;

**WHEREAS**, it is recognized that Egg is a solution for a healthier Philippines and the industry.

**WHEREAS**, the country, the Philippines is self-sufficient in eggs but is vulnerable due to various factors such as high production costs, limited post-production capacity, high import dependency, and fluctuating prices.

**WHEREAS**, to sustain the growth of the layer industry and ensure stable supply of eggs, it is important to provide proper support for modernization initiatives to enhance productivity, income generation, and biosecurity measures among layer farmers.

**NOW, THEREFORE**, the NLP through the Bureau of Animal Industry (BAI), an attached Bureau of DA, is implementing 2024 Egg Industry Development Projects which will focus on egg value chain, particularly on value-adding by providing appropriate storage, processing, marketing, and waste management solutions to address sustainability and as aligned with the Philippine Poultry Layer Industry Roadmap 2021 - 2040 (Egg Roadmap) released in 2022.



## **I. PROGRAM DESCRIPTION AND OBJECTIVES**

The Egg Industry Development Project (EIDP) of the Department of Agriculture under the FY 2024 Locally-funded Projects is aimed at sustaining the growth of the egg industry by providing support for modernization; overcoming challenges in the egg sector; and ensuring biosecurity and availability of healthy eggs for the Filipinos.

The project has 4 components namely:

- 1. Egg Cold and Dry Warehouse:** The establishment of an egg cold storage and dry warehouse will enable the industry to extend the shelf life of eggs, to level up in terms of marketing and to help stabilize supply and demand by keeping the quality and availability of eggs.
- 2. Egg Processing Facility:** The value-addition in egg products increases the income of egg producers and also extends the viability of the products that reach the market. The egg processing facility component is a grant of Eighty (80) million pesos to be distributed to large egg production areas of Region 4 (Batangas), Region 3 (Bulacan), and key areas of Visayas and Mindanao. The facilities are intended to enhance egg production and target to supply nutritious food products to the government as implemented by the Local Government Units (LGU), Department of Social Welfare and Development (DSWD), Department of Education (DepEd) and consumers in general.
- 3. Market Support to Small-scale Egg Producers:** The areas with significant local egg-producing industry will be prioritized in this program. To eliminate the disadvantages of the traders in the current market system, the government will intervene and implement a project that directly procures the egg production of the farmers, provides logistic support, and delivers the egg to KADIWA and other viable market channels. This will ensure equitable price and income among the producers and affordable and safe eggs for the consumers.
- 4. Manure Composting** model of converting animal manure and other farm/crop wastes into natural or organic fertilizer. This Thirty (30) million pesos grant will help in a way minimize if not eradicate animal disease, control air, and water pollution, improve soil conditions, and increase farmers' income. For this module, peri-urban areas like Rizal are prioritized to help egg producers ensure sustainability and highlight to local government units that egg production can co-exist with urban development.

## **II. SCOPE AND LIMITATIONS**

These guidelines shall govern the implementation of the Projects under the Locally Funded Projects 2024. It shall provide facilitating direction on the aspects of project packages; procedures and requirements to qualified and eligible beneficiaries; selection, fund utilization, monitoring, evaluation, and other relevant processes involved in the implementation of the Project.



The guidelines and procedures provided in this document shall complement with existing and applicable guidelines for the proper and organized implementation of the Project.

### III. DEFINITION OF TERMS

The definition of the term provided under Memorandum Circular 7, s. 2021 shall be used in this Guideline. In addition, the following are the defined terms.

1. **CIVIL SOCIETY ORGANIZATION** - a domestic corporation, organization, association, labor organization, workers' association, farmers' organization, or cooperative, expressing the interests and values of their members or others, based on socio-economic, ethical, cultural, and scientific considerations, duly registered with the Securities and Exchange Commission (SEC), Cooperative Development Authority (CDA), Department of Labor and Employment - Bureau of Rural Workers (DOLE-BRW), or other similar legitimate CSO as defined under DA Administrative Order No. 8 Series of 2017.
2. **EGG PRODUCT FORMS**
  - 2.1 **EGGS IN SHELL**
    - 2.1.1 **Fresh** - Eggs that have not been washed or cleaned, before or after grading, and that have not been treated for preservation or chilled in premises
    - 2.1.2. **Chilled** - Eggs that have been refrigerated in premises artificially maintained at 40°F (4.4°C)
    - 2.1.3. **Preserved** - Eggs that have been preserved, whether refrigerated or not, in a gas mixture, the composition of which differs from that of atmospheric air, or eggs that have undergone any other preservative treatment
  - 2.2 **EGG PRODUCTS** - refers to eggs that are removed from their shells for processing. The processing includes breaking eggs, filtering, mixing, stabilizing, blending, pasteurizing, cooling, freezing, or drying, and packaging (US Food Safety and Inspection Services)
    - 2.2.1. **Liquid** - a product obtained from whole eggs without shell (mélange), egg albumen, and egg yolk without adding or removing water (United Nations Economic Commission for Europe or UNECE). Chilled eggs can be kept at 40°F (4.4°C) for whole eggs and yolks or 45°F (7.2°C) for whites, unopened, for two to six days, depending on the microbial quality of the product (USA Poultry and Egg Export Council or USAPEEC).
    - 2.2.2. **Frozen** - a product obtained from a liquid egg product that has been subjected to a freezing process, including deep freezing, and maintained in its frozen state (UNECE). Frozen egg products are produced by filling a container with pasteurized chilled liquid egg and freezing in a blast freezer at a temperature of -10° to -40°F (-23.3° to -40°C). Frozen egg products



Have a long shelf life when kept at less than 10°F (-12.2°C) (USAPEEC).

**2.2.3. Dried** - a product obtained from a liquid egg product from which water has been removed by a drying process to give a product in powder or granulated form (UNECE).

**2.3 READY TO EAT (RTE)** - a group of food products that are pre-cleaned, pre-cooked, mostly packaged, and ready for consumption without prior preparation or cooking such as RTE Chicken Egg developed by the Department of Science and Technology, roasted eggs, salted eggs, and boiled eggs.

**3. SHELF LIFE** is defined as the time, under defined storage conditions, during which food remains safe, retains desired sensory, chemical, physical, and biological characteristics as well as complies with any label declaration. Just as temperature increases speed up reactions, temperature decreases reduce them. Shelf life is generally extended by temperature control: refrigeration, insulated shipping containers, controlled cold chain, etc. and this is why some medicines and foods must be refrigerated or frozen.

#### **IV. PROJECT TECHNICAL WORKING GROUP**

The Livestock Locally-Funded Project Steering Committee (PSC), spearheaded by the Office of the Undersecretary for Livestock and supported by the technical and support staff members from various DA livestock agencies and RFOs or the Project Management Office (PMO), shall be responsible for the management of this project.

The EIDP Sub-group Technical Working Group shall be responsible for undertaking administrative activities and shall:

1. Review proposals, assist and guide applicants, conduct paper evaluation and site validation in coordination with proper and relevant offices;
2. Recommend short-list of applicants that passed the selection criteria for the approval of the PSC;
3. Recommend appropriate actions to the PSC to address issues and problems concerning the LFPs;
4. Collate the reports (physical, financial, and liquidation) of the DA RFOs and submit to the PSC/PMO
5. Keep a copy of all the documents submitted by the FCA;
6. Provide technical assistance and guidance on the project implementation to ensure the sustainability of the project.
7. Assist in the evaluation of the documentary requirements submitted by the interested LGUs, conduct site validation and deliberation of applications, and notify the DA-RFOs on the list of qualified LGUs;
8. Develop and provide monitoring forms to the DA RFOs;

9. Perform other tasks in support of the PSC concerning the implementation of Livestock LFPs.

The funding will be under the DA Operating Units (OUs) particularly the Bureau of Animal Industry with monitoring and execution supported by the Regional Field Offices.

**V. PROJECT PACKAGE PER MODULES AND COMPONENTS AND ELIGIBLE BENEFICIARIES**

The projects and component package inclusions under this project and the eligible beneficiaries are indicated in the Table below:

	Project	Package	Budget Allocation per Project (PhP)	Mode of Implementation	Eligible Beneficiaries
I.	Egg Cold and Dry Warehouse	Complete Facility and Equipment	50,000,000.00	Fund Transfer to Beneficiary	FCAs located in high-producing regions and with experience in executing the project
II.	Egg Processing Facility	Complete Facility and Equipment		Fund Transfer to Beneficiary	FCAs
	1	Large Package	50,000,000.00		FCAs located in the highest producing region i.e. Region 4A and with experience in executing the project
	1	Medium	20,000,000.00		FCAs in Region 3 and with experience in executing the project or who can be a DOST technology adapter
	2	Small Package	5,000,000.00		FCAs in Visayas and Mindanao who can be a DOST Technology adapter for ready-to-eat chicken eggs



III.	<b>Market Support to Small-scale Egg Producers</b>	Egg delivery vehicle, marketing logistics, and egg-buy-back package		Fund Transfer to Beneficiary	FCAs and LGUs in high egg-producing regions
	1	Large Package	30,000,000.00		
	2	Medium Package	20,000,000.00		
	2	Small Package	10,000,000.00		
IV	<b>Chicken Manure Processing</b>	Complete Facility and Equipment	30,000,000.00	Fund Transfer to Beneficiary	FCAs that can assist poultry farmers in waste management and are endorsed by LGU

## VI. APPLICATION REQUIREMENTS

Eligible entities to avail the project must primarily apply for the project and submit the following subject for review and consideration by the PMO:

1. Letter of Intent addressed to the Undersecretary for Livestock;
2. Organizational Documents/CSO-Accreditation (Only for FCAs);
3. Proof of existing egg enterprise/farm/business related to the project for FCAs
4. Proof of land Ownership of the proposed project site (Land Title, Deed of Sale, Deed of Donation, Usufruct Agreement with valid ownership documents) [This is not applicable to the Project Component III];
5. Project Concept Note/Proposal with Feasibility Study that has an approval sheet (to be signed by the head of the FCA/LGU for the concurrence of the NLP, OUSL, and DA Secretary
6. Endorsement of LGU for FCAs
7. Certificate of no unliquidated funds/ Proof of successful implementation of prior projects with DA
8. Program of works and design
9. Certificate that they will provide a counterpart of at least 20% (in kind) of the received fund

Primary application requirements will be the basis in the initial review for consideration in the project prioritization and the subsequent detailed evaluation for final selection as stipulated in the following section.

## VII. PROCESSES OF IMPLEMENTATION

The implementation begins with the application process as described in the table below:

Activity	Procedure	Responsible
Submission, Review, and Validation	1. Submit application documents to BAI a. Letter of intent b. Resolution from BOD for FCA and Sangguniang Bayan for LGU; c. Documents of legal identity of the FCA (if FCA applicant); d. Other documents that the PMO and/or BAI may require	Applicant
	2. Review of the submitted documents and preliminary screening and contact with the applicant a. Location details b. other relevant information	EIDP Sub-group Technical Working Group
	3. Validate the beneficiary and the location of the Project	EIDP SG TWG / RFO
	4. Preparation and completion of documentary requirements: a. Project Proposal b. Project designs, POW, DED c. Other documents that the BAI/ PMO may require	Applicant
	5. Review and endorse proposal to the PMO	EIDP SG TWG
	6. Review and endorse revised proposal to the PSC	PMO/BAI
	7. Approve Project Proposal	PSC
Recipient List Finalization and Review	1. Preparation of the final list of recipients and endorsement to the NLP/OUSL for review and information	EIDP SG TWG
	2. Review of the shortlisted beneficiaries	PMO / PSC
		Office of the Secretary
Preparation and Signing of MOA	1. Comply with all the eligibility requirements as stated on this Guidelines	PMO/BAI/Applicants
	2. Prepare, discuss, and agree on the provisions of the MOA and come up with a draft	EIDP SG TWG for presentation to and confirmation of the beneficiary
	3. MOA Review	EIDP SG TWI
	4. MOA Signing	PMO/BAI/ Beneficiaries
Fund Transfer	Fund transfer as stipulated in MOA and existing rules and regulations on the transfer of funds	BAI
Implementation by the Beneficiary	Implementation of the beneficiary by utilizing the funds to deliver the targets and components stipulated in the project documents and MOA.	Beneficiaries
Liquidation	Submit liquidation report as per COA rules and regulations (if fund transfer is the mode of implementation)	Beneficiaries



Suppletory, the Memorandum Circular No. 07 Series will apply in the process.

The PMO shall be also assisted by the EIDP Sub-group TWG and BAI in the implementation of the project.

The implementation shall conform with the approved project document/proposal, the MOA, and work and financial plans. The TWG, PMO, and RFOs must ensure that their roles duties, and responsibilities are complied with, funds are utilized properly, and the project is completed in the agreed period.

The MOA shall have an effective period of one (1) year, subject to termination or extension as agreed by all parties should the necessity arise. In case/s of extension, a supplementary MOA shall be executed which shall be approved before the original period of effectivity lapses/ends.

Project requests addressed to the OUSL and NLP will be endorsed to the TWG, PMO, and implementing OUs for consideration under this program and shall undergo the project screening and evaluation procedure indicated in the above table.

Given that project allocations and the number of slots are limited, the first applicants to comply with the requirements are to be prioritized, while those who lack compliance will be advised of the lacking documents/qualifications.

#### **VIII. MONITORING AND EVALUATION**

The OU and the PMO shall monitor the progress of the projects in coordination with the implementing partners and relevant OSEC Units. The beneficiaries shall allow the DA unrestricted access (adhering to biosecurity measures in the farm) to the project site and documents during monitoring.

To ensure the proper and secured implementation of various projects and interventions under this program, the Office of the Undersecretary for Livestock, the National Livestock Program, PMO, and RFOs, together with relevant units and implementation partners shall have a more active role in the monitoring of the implementation/establishment and turned-over of projects. The monitoring involves the following:

1. All issues, challenges, and concerns affecting the implementation of the projects must be relayed to the TWG and PMO for information and action;
2. Projects that were already turned over/delivered must be covered by monitoring to particularly assess operation by recipients, stocking, production and marketing, and sustainability.
3. The OUSL, NLP, and PMO must be provided with necessary support, assistance, and access during the conduct of monitoring activities.




#### **IX. SUSTAINABILITY**

To ensure sustainability, DA shall lead the promotion of the egg products and crafting of an inter-agency agreement with the various government agencies such as the Department of Education (DepEd), Department of Social Welfare and Development (DSWD), Local Government Units (LGU) and relevant stakeholders to utilize eggs in feeding programs and calamity programs. For the composting, DA shall showcase to LGUs the sustainable solution for livestock production and promote the use of organic fertilizer to ensure food production. The beneficiaries must follow the approved production plans and project documents (whenever applicable). It shall engage with market channels such as KADIWA and local market or enter into marketing agreements with applicable enterprises with assistance with AMAS/AMAD as needed. To maximize profits, the beneficiaries are expected to expand the enterprise by increasing the inventory. Additional conditions may be detailed in the MOA.

#### **X. EFFECTIVITY**

This Memorandum Circular shall take effect immediately and shall remain in force unless revoked in writing. All orders, memoranda, and other issuances inconsistent herewith are deemed revoked.

Done this 6<sup>th</sup> of SEPT. 2024.



**FRANCISCO P. TIU LAUREL JR.**  
Secretary

