



Republic of the Philippines  
DEPARTMENT OF AGRICULTURE  
NATIONAL TOBACCO ADMINISTRATION

3<sup>rd</sup> & 4<sup>th</sup> Floor, Ben-Lor Building, 1184 Quezon Ave., Quezon City  
Tel No. (02) 8374-3987 / Fax. No. (02) 8374-2505 / website: nta.da.gov.ph  
ISO 9001: 2015 QMS CERTIFIED

OFFICE OF THE NTA GOVERNING BOARD

ONE HUNDRED AND FIFTY-FOURTH (154<sup>TH</sup>) REGULAR MEETING OF THE  
NTA BOARD OF DIRECTORS, HELD AT THE BOARD ROOM, 3/F BEN-LOR BLDG.,  
1184 QUEZON AVENUE, QUEZON CITY  
14 JULY 2022 (2:00PM)

PRESENT:

Adm. ROBERT VICTOR G. SEARES, JR.-	Vice-Chairman of the Board and Administrator/CEO Presiding Officer
Dir. JESSE PAT M. SERNA	- Member, Manufacturing Sector
Dir. NESTOR C. CASELA	- Member, Academic Community
Dir. WILFREDO C. MARTINEZ	- Member, Tobacco Farmers Sector
Dir. TEOFILO R. QUINTAL	- Member, Tobacco Farmers Sector
Dir. DANILO C. TRONGCO	- Member, Tobacco Farmers Sector
Dir. WILSON R. VICTORIO	- Member, Trader/Exporter Sector

OTHERS PRESENT:

DR. GIOVANNI PALABAY	- OIC/Deputy Admin. for Operations
Ms. MA. TERESA B. LAUDENCIA	- OIC/Deputy Admin., Support Services
Ms. FORTUNA C. BENOSA	- Manager, Corplanning Department
Atty. ROHBERT A. AMBROS	- Manager, Regulation Department
Ms. DINAH E. PICHAY	- Manager, Internal Audit Service
Ms. MYRNA O. LOZANO	- Manager, Industrial Research Dept.
Engr. RANDY I. ABELLA	- OIC/Manager, F. Tech. & Services
Engr. ABRAHAM DELA PENA	- Focal Person for NTA Bldg, Const.
Atty. JUN FRED V. PARADO	- Legal Officer V, Office of the Admin.
Mr. REYNALDO AQUINO	- Chief, Budget and Cash Mgmt Division
Mr. RAMON R. MUNCAL	- Stenographer III
Mr. REX ANTONIO P. TEOXON	- Board Secretary V

HIGHLIGHTS OF THE MEETING

I. CALL TO ORDER

The Honorable Secretary formally called the meeting to order at 2:00 PM.

To start with, he informed that in the absence of the Secretary of Agriculture and Ex-Officio Chairman of the NTA Governing Board, he will be presiding the Board Meeting being the Vice-Chairman of the Board.

He requested Atty. Jun Fred Parado to lead the opening prayer.

II. OPENING PRAYER

Atty. Jun Fred Parado, Legal Officer V, Office of the Administrator and concurrent OIC/Human Resource Management Officer V, Administrative Department, led the opening prayer.

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4 **III. DETERMINATION OF QUORUM**  
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6 Done with the opening prayer, Hon. Administrator asked the Corporate Secretary  
7 to determine whether there is a quorum.  
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9 The Corporate Secretary informed that for the 154<sup>th</sup> Regular Meeting of the NTA  
10 Governing Board, today, **all the appointive members of the Governing Board**  
11 **are present**, namely: Honorable Directors Nestor Casela, Teofilo Quintal, Jessie  
12 Pat Serna and Danilo Trongco, who are at the NTA Board Room; Director Wilfredo  
13 Martinez is connected on line in La Union; and, Director Wilson Victorio, in  
14 Pangasinan.  
15

16 **"We have a quorum", the Hon. Administrator declared.**  
17

18 **IV. APPROVAL OF THE AGENDA OF THE 154<sup>TH</sup> REGULAR MEETING OF THE**  
19 **NTA GOVERNING BOARD, HELD ON 14 JULY 2022, AT THE BOARD ROOM,**  
20 **3/F BEN-LOR BLDG., 1184 QUEZON AVENUE, QUEZON CITY**  
21

22 Moving forward, Hon. Administrator asked if anyone moving for the approval of the  
23 Agenda.  
24

25 Director Quintal immediately moved and Director Casela seconded the motion for  
26 the approval of the Agenda. Hon. Administrator declared that having moved and  
27 seconded, the motion is approved.  
28

29 For the purpose, the NTA Governing Board adopted the following resolution, to  
30 wit:  
31

32 **RESOLUTION NO. 2162 - 2022**  
33

34 **"BE IT RESOLVED, AS IT IS HEREBY RESOLVED,**  
35 **THAT the NTA Governing Board approves the Agenda of the**  
36 **154<sup>th</sup> Regular Meeting of the NTA Governing Board, held this**  
37 **14 July 2022, at 2:00 PM, at the Board Room, 3F Ben-Lor**  
38 **Building, 1184 Quezon Avenue, Quezon City" .**  
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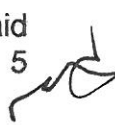
40 **UNANIMOUSLY APPROVED ....**  
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43 Hon. Secretary moved forward to the approval of the minutes of the previous  
44 meeting.  
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46 **V. FOR APPROVAL/CONFIRMATION/CONSIDERATION:**  
47

48 **A. MINUTES OF THE 109<sup>TH</sup> SPECIAL MEETING OF THE NTA GOVERNING**  
49 **BOARD, HELD AT THE DEPARTMENT OF AGRICULTURE, OSEC**  
50 **CONFERENCE ROOM, QUEZON CITY, THIS 29 JUNE 2022, AT 2:00 PM.**  
51

52 Hon. Administrator inquired if anybody moving for the approval of the minutes of  
53 the previous meeting, following the existing rule that they will approve the  
54 Minutes, subject to the submission of any correction by any member, within 5  
55 days from today's meeting.  
56

57 Director Serna moved for the wholesale approval of the Minutes of the said  
58 meeting, subject to the submission of any correction by any member within 5  
59 days from today. Director Trongco, respectfully, seconded the motion.  
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4 For the purpose, the NTA Governing Board adopted the following resolution, to  
5 wit:

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7 **RESOLUTION NO. 2163 - 2022**

8  
9 **"BE IT RESOLVED, AS IT IS HEREBY RESOLVED,**  
10 **THAT** the NTA Governing Board approves the Minutes of the  
11 109<sup>th</sup> Special Meeting of the NTA Governing Board, held on 29  
12 June 2022, at Conference Room of the Office of the Secretary,  
13 Department of Agriculture, Elliptical Road, Diliman, Quezon City,  
14 subject to the submission of any correction by any Member of the  
15 Governing Board, within five days from this meeting (today)."

16  
17 **UNANIMOUSLY APPROVED ....**  
18 -----

19  
20 He directed to move forward to the next item in the Agenda.

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22 **B. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETINGS:**

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24 On the whole, as the Hon. Administrator introduced the items for discussion in  
25 the agenda, he provided the summary points of earlier presentation/deliberation  
26 to trigger and/or elicit further discussion.

27  
28 **1. REPORT UPDATE (IF ANY): MONITOR IMPLEMENTATION OF THE PHP200M PHASE I -**  
29 **CONSTRUCTION OF THE NEW NTA BUILDING BY THE DPWH-NCR -**

30  
31 **❖ WHO, WHEN AND FREQUENCY OF REPORTING TO THE BOARD**

32  
33 Hon. Administrator reported that he received a letter from the DPWH-NCR  
34 Regional Director Nomer Canlas, with the details of the extent of  
35 coverage of the PHP200M budget for the Phase I of the construction of the  
36 new NTA Building.

37  
38 As earlier directed by the Hon. Secretary for the NTA, as the ultimate user of  
39 the building, NTA Board will monitor the construction to make sure of  
40 the quality of the work.

41  
42 Hon. Administrator explained further that since this will be for the construction  
43 of the foundation, the progress of the work will be a little slow.

44  
45 Reporting, therefore, will just be on a per milestone basis, when there shall  
46 have significant accomplishments.

47  
48 For the purpose, Director Casela suggested that, for the information of  
49 the Board, Engr. Dela Peña must submit, based on the PERT -CPM  
50 (Project Review and Evaluation Technique-Critical Path Method), what these  
51 milestones are and when will they be due (timetable).

52  
53 The Corporate Secretary informed that Engr. Dela Peña has been duly  
54 advised of this requirement from the Governing Board and will be ready  
55 to present in the next Committee and Board Meeting.

56  
57 At this juncture, therefore, the Hon. Administrator raised what he said is  
58 another very important matter at this point, the request for another budget  
59 to continue with the construction, which he said will be through the Office  
60 of the President (OP), to the Bicameral Committee and with support from  
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4 friends in Congress, for which he solicited the full support of the  
5 members of the NTA Governing Board.  
6

7 Asked what specific actions to take and offices or official to approach or  
8 action documents to prepare, Hon. Administrator explained that, basically it  
9 will be OP, but we have to study the matter, to determine the best  
10 approach.  
11

12 In connection with the support from the Board, Hon. Administrator clarified  
13 that he expects the Hon. Governing Board to pass resolution/s that will  
14 be necessary or required in line with the NTA's request and/or negotiations  
15 thereof. This will be determined in the process, as we go along.  
16  
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18 **2. REPORT/UPDATE ON THE FOLLOW-UP OF VARIOUS REQUEST FROM AGENCIES**  
19 **RE THE STEP:**

- 20 a. **LETTER TO THE NEW SECRETARY OF BUDGET AND MANAGEMENT, HON.**  
21 **AMENAH F. PANGANDAMAN, REQUESTING FOR ASSISTANCE RE INCLUSION**  
22 **OF THE BUDGET FOR THE STEP IN THE NATIONAL EXPENDITURE PROGRAM**  
23 **(NEP) FOR CY 2023**  
24  
25 b. **PREPARATION OF 7-SLIDE BRIEFER FOR PRESIDENT BBM, TO SOLICIT**  
26 **SUPPORT FOR THE INCLUSION OF THE BUDGET FOR THE IMPLEMENTATION**  
27 **OF THE STEP IN THE NEP/ GAA FOR FY 2023.**  
28

29 Pertaining to the letter to the new DBM Secretary, Corplan Manager Nini.  
30 Benosa, initially, reported that they overlooked the preparation of the letter, as  
31 they were concentrated on the preparation of the briefer to the President. In this  
32 regard, Director Casela commented this will just be a similar copy to the earlier  
33 letter sent to DBM Asec Clasara.  
34

35 At this point, the Corporate Secretary volunteered the information that he has  
36 seen the draft of the letter and it will be ready for approval and/or signature  
37 by the Honorable Administrator the following day, after finalization with the  
38 attachments.  
39

40 Pertaining to the preparation of the briefer for the President, Manager  
41 Benosa reported that instead of a 7-slide Briefer for President BBM, she  
42 submitted a 20 - slide power point presentation, covering a brief about the  
43 tobacco industry, the NTA, mandates, its strategic programs including the  
44 STEP, which budget we will be appealing for inclusion in the NEP (National  
45 Expenditure Program) for FY 2023  
46

47 Asked by the Board as to the estimated time for the presentation, Manager  
48 Benosa replied that the running time is only 15 minutes (for all the 20 slides).  
49

50 The Hon. Board requested that there will be a test run of the presentation  
51 later on.  
52

53 Hon. Administrator set the trial presentation on Monday, 18 July, at 9:30 AM,  
54 after the flag ceremony.  
55

56 The Members of the Board will connect virtually. Hon. Administrator directed  
57 that all the Members of the Board be given a copy of the Briefer so that they  
58 can submit their comments/suggestions later on. Manager Benosa replied they  
59 were already given a copy of the briefer/power point presentation.  
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4 Hon. Administrator instructed that all the managers and division chiefs  
5 should also attend the trial presentation.  
6

7 He concluded with the instruction that as soon as the Briefer is finalized,  
8 based on the submitted comments, an advance copy should be given to the  
9 President.  
10

11  
12 **3. STATUS REPORT /UPDATE ON THE RELEASE TO TOBACCO**  
13 **FARMERS OF THE FOLLOWING:**  
14

15 **a. QUICK RESPONSE FUND (QRF) FROM THE DA / RFO – I**  
16

17 OIC/DAOP Palabay informed that he was able to talk with DA-Regional  
18 Executive Director Nestor Domenden, who informed him that the fund has  
19 not been transferred yet from the DA-Central Office, as it is awaiting  
20 signature by the new/incoming officials of the DA.  
21

22 He ended his report saying he will follow up again and give update by Monday.  
23

24 Recalling about the ECA (Emergency Cash Assistance), too, Budget Chief Rey  
25 Aquino informed that it's NCA (Notice of Cash Allocation) is also awaiting  
26 signature of the new Secretary of the DBM.  
27

28 He will continue to follow up with the DBM.  
29

30 **4. ACTION PLAN AND BUDGET FOR THE CONCEPTUALIZATION OF**  
31 **PROGRAM FOR THE FOLLOWING INTERRELATED REGULATORY**  
32 **ACTIVITIES:**  
33


34 **a. IMPROVEMENT IN THE LEAF TRADING SYSTEM (FROM THE PRESENT**  
35 **"TRADING CENTER CONCEPT); AND,**

36 **b. IMPROVEMENT IN THE LEAF GRADING SYSTEM:**  
37 **PROFESSIONALIZATION AND INSTITUTIONALIZATION OF LEAF**  
38 **GRADERS, INCLUDING-TRAINING, ACCREDITATION/ LICENSING AND**  
39 **DETERMINATION OF WHERE THEY SHALL BE HOUSED INSTITUTIONALLY)**  
40

41 OIC/DAOP Palabay reported that there will be trainings to be conducted by  
42 the Industrial Research Department for the Tobacco Production and  
43 Regulation Officers (TPRO) and the farmers on the harmonized grading  
44 system in August and September.  
45

46 It was clarified, however, that this is not all about training for the harmonized  
47 grading system. This is about the planning for the improvement of the two  
48 interrelated regulatory activities: that of the trading system which will be using  
49 the block farms and the local government units (LGUs) as against the trading  
50 center concept introduced in 1978; and, leaf grading system which, as proposed,  
51 will be done by NTA graders, who will be expected to be fair, protecting the  
52 interest of all stakeholders (walang malulugi and labanan).  
53

54 Director Casela and Director Quintal conveyed about the capacitation of the  
55 block farms; while, Director Trongco quipped on the possibility of the NTA  
56 graders siding with the buying firms.  
57

58 OIC/DAOP informed they still have to meet with his team, he requested  
59 permission to present their proposed Action Plan and Budget by the 2<sup>nd</sup>  
60 Committee and Board meeting of August.   
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This will be submitted and presented to the Board in its August 24 and 25 Committee and Board meetings.

While Director Casela admitted that the item is not directly related to the item just discussed, he would like that, during the presentation on the above, the Regulation Department /Atty. Ambros should include (submit/discuss) a report on the actual implementation of his project on the "Documentation, Validation and Reporting of Data/ Information in relation to Tobacco Production, as a basis for Certification of LGUs Production, for the determination/computation by the DBM of their shares from RA 7171 and 8240.

It maybe noted that per earlier timetable, trading of tobacco, for all types, should have been concluded by the end of April. The latest report, however, indicated that on the whole, only about 65% had been traded, as of June 15.

Atty. Ambros explained that because of the freak rains, there were some late plantings (replanting) among affected farmers, delaying the harvesting and trading of the crop. He ended by mentioning that the estimated production for the season will not be achieved.

Director Casela emphasized on the validation procedures, especially with the calamity that occurred.


Their report will be submitted for the August 23 and 24 meetings.

**5. ACTION PLAN AND BUDGET FOR THE FORMULATION OF RESEARCH DESIGN AND ESTABLISHMENT OF THE "COST AND RETURN OF PRODUCTION" FARMS (OFFICIAL DOCUMENTATION/ VALIDATION FARMS, MULTI-LOCATIONAL, BY TOBACCO TYPE AND SUB-TYPES- IMPROVED/ FULL-FLAVOR)**

Director Casela re-emphasized the reason for the proposal. This will be the source of data that the NTA will use to break the impasse between the tobacco buying firms and the farmers in the review and negotiation for the adjustment in the floor prices for tobacco; and in the setting of separate floor prices for the improved and full-flavor tobacco.

Director Casela informed that the buyer firms are using the floor price for neutral filler tobacco, when in fact the improved/full flavor sub-types are more costly to produce.

OIC/DAOP Palabay inquired whether this is the same review of cost and return of production being conducted by the FTSD (Farm Technology and Services Department). It was clarified that this is different. The present review is in connection with the coming up with the recommendation whether or not to adjust the present floor prices because of the sudden high escalation of the prices of inputs/ fertilizers. This is for the immediate period, to be presented next board meeting.

OIC/DAOP requested permission to allow them to submit the proposal by the second Committee/Board meeting of August. 

The report will be submitted/presented in the August 24 and 25 meetings.

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The other issues raised during the discussion include the issue on actual buying prices of tobacco especially in Ilocos Norte, during the Hon. Administrator's inspection of the trading centers. This was also confirmed in the report submitted to the Board by the Regulation Department during the last Board meeting, a comparative of which was included in the minutes of the previous meeting.

It was cited that the increase in the floor prices last tripartite conference did not result to increased actual buying prices this season, especially for top grade /high quality tobacco.

Director Casela suggested that we should also review the tobacco production technology, particularly on the aspect of fertilization, 0-0-50, protocol is being substituted with "Back C" (?).

The studies conducted by the FTSD and La Union Branch Office should be presented with the above studies in the August 24 and 25 meetings.

**6. SPECIAL REPORT ON THE IMPLEMENTATION OF THE NTA FARM MECHANIZATION PROGRAM (COMPLIANCE TO IMPLEMENTING POLICIES/ GUIDELINES; DETERMINATION OF ACTUAL NEED; ORGANIZATION AND CAPACITY BUILDING; MANUAL OF OPERATIONS; ACTUAL UTILIZATION BY THE FARMERS; REPAYMENT OF ASSISTANCE; ISSUES AND RECOMMENDATIONS)**

OIC/DAOP informed they have drafted an implementing guidelines for the program and also submitted an inventory list of farm machineries given to the farmers.

However, it was clarified that what was required was the report on the actual implementation, with the list of information as listed, like manual of operations of the farmers, actual utilization, repayment, issues and recommendations.

Director Casela asked about the schedule of repayments. Without the schedule, the farmers will have a hard time paying at the maturity period.

Director Quintal pointed out the mismatch between what were given versus what the farmers actually needed and questioned the charging of 2% penalty per month. He found this very onerous and will result to their overall inability to pay the loan, even with the overall objective of discouraging default of payment by the farmer-cooperators. This should, therefore, be included in the implementation report for the project by the branch offices.

Director Trongco repeated earlier statement that the LGUs are giving a lot of free farm machineries.

OIC /DAOP requested permission to be allowed to submit the report on the second week of August, to be submitted for the August 10-11 Committee and Board Meetings.

**7. SUBMISSION OF PROPOSED ORGANIZATION OF DA/NTA IMPLEMENTING TEAM/ SECRETARIAT AND LETTER REQUEST FOR DESIGNATION OF LGU REPRESENTATIVES (PERMANENT AND ALTERNATE), PURSUANT TO SECTION # 4 OF THE GUIDELINES OF THE DA-NTA JOINT MEMORANDUM CIRCULAR NO. 2021-1**

It was reported that while the Memorandum Circular was signed in December, it was published only in May, due to the issue on the responsibility for the publication.

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With the organization, NTA can assist the LGU's in the conduct of consultation meeting with the farmers/communities, with the participation of the local development councils (barangay, municipal/city and provincial) for the updating of the List of Programs and Projects that LGUs may fund from their shares from RA 7171 and RA 8240.

With the NTA's coordination with LGU representatives (permanent and alternate), NTA can already perform likewise its obligation under Rule VIII of the DOF-BIR-DBM-DA-NTA Implementing Guidelines for RA 10351, pertaining to the conduct of impact evaluation for the LGU's implementation of the said LGU programs/ projects funded under RA 7171 and RA 8240.

Manager Benosa requested that their report will be submitted/ discussed to the Board in the 2<sup>nd</sup> Board Meeting of August, scheduled August 24 and 25.

(As the discussion has ended, Director Casela raised the issue on performance and suggested that there should be Performance Evaluation for Managers. It was recalled that in the NTA's earlier years, it has implemented the Recognition of Outstanding Performance in Extension (ROPE), where recognition and award were given based on certain parameters /performance criteria.

Director Casela volunteered to assist in the development of the program, particularly on the definition of parameters/criteria for evaluation of performance. (This will be for referral/discussion with the appropriate department of the NTA).

**VI. OTHER MATTERS**

**A. REMINDER TO CORPLAN AND FINANCE, TOGETHER WITH CONCERNED DEPARTMENTS TO IMMEDIATELY SUBMIT TO THE DBM, NTA'S REQUEST FOR THE USE UTILIZATION OF THE PHP119 MILLION, WITH THE PRIORITIZED PROGRAMS/ PROJECTS, (THE LIST OF WHICH WILL BE SUBJECT TO REVIEW BY THE COMMITTEES ON AUDIT AND FINANCE AND RESEARCH AND EXTENSION)**

The initial list includes the quality assurance equipment, soils and water laboratory equipment, upgrading of seed, product development and other laboratories, managerial internship and community workers training.

The Board continue to emphasize irrigation support/ drilling machines, (noting however, that this will not be applicable to all due to possible salt water intrusion), predictive weather station and tobacco dust production, improved seedling nursey assistance to block farms, as modified/improved.

IRD Manager Lozano proposed for the inclusion of establishment of the research and grading institute and assessment of soil fertility levels of growing areas..

Director Trongco continued to emphasize on the KPP (Kahuyang Pangkabuhayan at Pangkalikasan), especially the bema bamboo and tapping the KPP areas that suffered "high mortality rates" (about 60%?).

It was clarified, however, that the amount is only PhP119 million. The projects submitted will have to be scrutinized and to accord top priority to those that are implementation-ready, urgently needed and with high impact.



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Instead of Friday, Hon. Administrator set the submission to Monday, in cognizance to the other reports still for submission and other intervening activities.

**B. PROPOSED SCHEDULE FOR THE 110<sup>TH</sup> SPECIAL MEETING OF THE NTA GOVERNING BOARD WILL BE ON 28 JULY 2022, THURSDAY, 2:00 P.M.**

Hon Administrator announced the proposed schedule. All the members agreed.

They clarified that the Committee Meeting will be held the day before. That will be 27 July, at the usual time, 9:30 AM..

**VII. ADJOURNMENT**

As there is no more item to discuss, Director Serna moved for the adjournment of the meeting. Director Quintal seconded the motion.

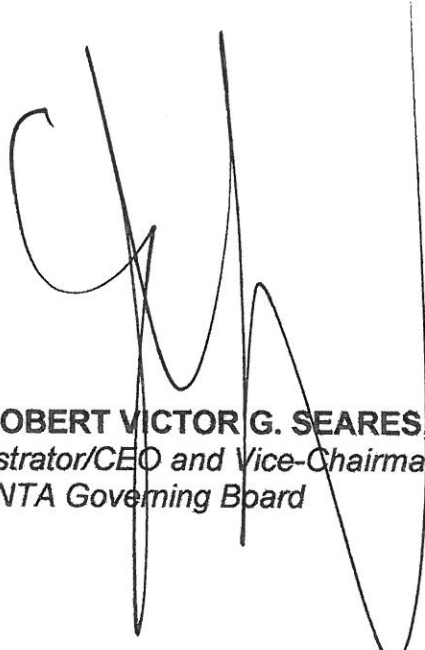
Hon. Administrator therefore formally adjourned the meeting at 3:15 PM.

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**PREPARED AND CERTIFIED CORRECT:**

  
**REX ANTONIO P. TEOXON**  
Board Secretary V

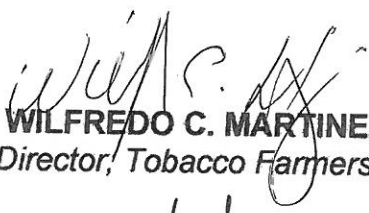
**ATTESTED:**

  
**Hon. ROBERT VICTOR G. SEARES, JR.**  
*Administrator/CEO and Vice-Chairman,  
NTA Governing Board*

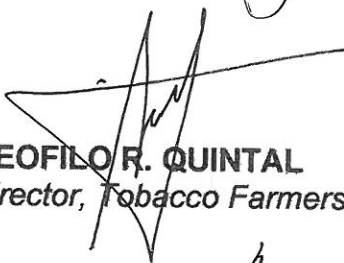
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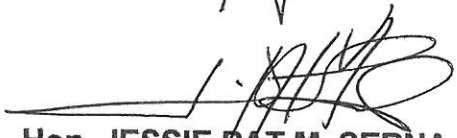
**Hon. NESTOR C. CASELA**  
*Appointive Director, Academic Community Sector*



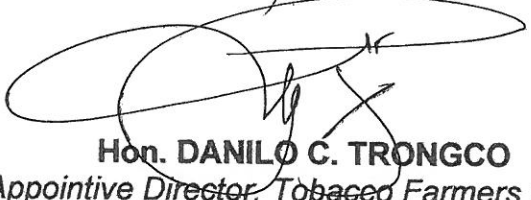
**Hon. WILFREDO C. MARTINEZ**  
*Appointive Director, Tobacco Farmers Sector*



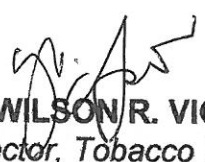
**Hon. TEOFILO R. QUINTAL**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. JESSIE PAT M. SERNA**  
*Appointive Director, Tobacco Manufacturing Sector*



**Hon. DANILO C. TRONGCO**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. WILSON R. VICTORIO**  
*Appointive Director, Tobacco Traders/Exporters Sector*

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Republic of the Philippines  
DEPARTMENT OF AGRICULTURE  
NATIONAL TOBACCO ADMINISTRATION

3<sup>rd</sup> & 4<sup>th</sup> Floor, Ben-Lor Building, 1184 Quezon Ave., Quezon City  
Tel No. (02) 8374-3987 / Fax. No. (02) 8374-2505 / website: nta.da.gov.ph  
ISO 9001: 2015 QMS CERTIFIED

OFFICE OF THE NTA GOVERNING BOARD

ONE HUNDRED AND FIFTY THIRD (153<sup>RD</sup>) REGULAR MEETING  
OF THE NTA BOARD OF DIRECTORS, HELD AT THE BOARD ROOM,  
3/F BEN- LOR BLDG., 1184 QUEZON AVENUE, QUEZON CITY  
09 JUNE 2022 (3:00 PM)

**PRESENT:**

Secretary WILLIAM D. DAR, Ph.D.	-	Secretary of Agriculture and Chairman, NTA Governing Board
Adm. ROBERT VICTOR G. SEARES, JR.-		Vice-Chairman of the Board and Administrator/CEO
Usec LEOCADIO S. SEBASTIAN, Ph.D., CESO I	-	Chief of Staff/Ex-Officio Member
Dir. JESSE PAT M. SERNA	-	Member, Manufacturing Sector
Dir. NESTOR C. CASELA	-	Member, Academic Community
Dir. WILFREDO C. MARTINEZ	-	Member, Tobacco Farmers Sector
Dir. TEOFILO R. QUINTAL	-	Member, Tobacco Farmers Sector
Dir. DANILO C. TRONGCO	-	Member, Tobacco Farmers Sector
Dir. WILSON R. VICTORIO	-	Member, Trader/Exporter Sector

**OTHERS PRESENT:**

Engr. CESARIO G. SAMBRANA	-	Deputy Administrator for Operations
Mr. BENEDICTO M. SAVELLANO	-	Deputy Admin. for Support Services
Ms. FORTUNA C. BENOSA	-	Manager, Corplanning Department
Atty. ROHBERT A. AMBROS	-	Manager, Regulation Department
Ms. DINAH E. PICHAY	-	Manager, Internal Audit Service
Ms. MYRNA O. LOZANO	-	Manager, Industrial Research Dept.
Engr. RANDY I. ABELLA	-	OIC/Manager, Abra Branch Office
Engr. FELISA AURELLANO	-	OIC/Manager, F. Tech. & Services
Engr. ABRAHAM DELA PENA	-	Focal Person for NTA Bldg, Const.
Atty. JUN FRED V. PARADO	-	Legal Officer V, Office of the Admin.
Mr. REYNALDO AQUINO	-	Chief, Budget and Cash Mgmt Division
Mr. RAMON R. MUNCAL	-	Stenographer III
Mr. REX ANTONIO P. TEOXON	-	Board Secretary V

**HIGHLIGHTS OF THE MEETING**

**I. OPENING PRAYER**

As introduced by the Honorable Secretary, Atty. Jun Fred Parado, Legal Officer V and concurrent OIC/Manager of the Administrative Department, led the opening prayer.

**II. CALL TO ORDER**

The Honorable Secretary formally called the meeting to order at 3:04 PM.

**III. DETERMINATION OF QUORUM**

Recognized by the Honorable Secretary to determine whether there is a quorum, the Corporate Secretary informed that all the members of the NTA Governing Board are present for its 153<sup>rd</sup> Regular Meeting. He reported that, in particular, present face to

1  
2 face at the NTA Board Room are the Honorable Administrator/ CEO and Vice-  
3 Chairman Robert Victor Seares, Jr, Honorable Directors Nestor Casela, Teofilo  
4 Quintal, Jessie Pat Serna and Danilo Trongco. Director Wilson Victorio is in  
5 Pangasinan and Hon. Undersecretary and Chief of Staff Leo Sebastian is on line, at  
6 his Office. He declared "we, therefore, have a quorum for today's meeting".  
7

8 Hon. Secretary said "Okay. Let us go ahead with this meeting."  
9

10 **IV. APPROVAL OF THE AGENDA OF THE 153<sup>RD</sup> REGULAR MEETING OF THE**  
11 **NTA GOVERNING BOARD, HELD AT THE BOARD ROOM, 3/F BEN-LOR BLDG.,**  
12 **1184 QUEZON AVENUE, QUEZON CITY, THIS 09 JUNE 2022, AT 3:00 PM.**  
13

14 Moving toward the approval of the Agenda, the Hon. Secretary asked whether they  
15 have any addition or subtraction to the proposed Agenda or if there is none, any  
16 motion to approve the Agenda.  
17

18 Director Quintal moved for the approval of the agenda, as presented. Director Casela  
19 seconded the motion.  
20

21 For the purpose, the NTA Governing Board adopted the following resolution, to wit:  
22

23 **RESOLUTION NO. 2151- 2022**  
24

25 "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the  
26 NTA Governing Board approves the Agenda, as presented, of the  
27 153<sup>rd</sup> Regular Meeting of the NTA Governing Board, held this 09  
28 June 2022, at the NTA Board Room, 3F Ben-Lor Bldg., 1184  
29 Quezon Avenue, Quezon City" .  
30

31 **UNANIMOUSLY APPROVED ....**  
32 -----  
33

34 **V. FOR APPROVAL/CONFIRMATION/CONSIDERATION:**  
35


36 **A. MINUTES OF 108<sup>TH</sup> SPECIAL MEETING OF THE NTA GOVERNING BOARD, HELD AT**  
37 **THE NTA BOARD ROOM, 3/F BEN-LOR BLDG., 1184 QUEZON AVENUE, QUEZON**  
38 **CITY, THIS 26 MAY 2022, AT 2:00 PM.**  
39

40 As has always been, Hon. Secretary reminded the Governing Board of the existing  
41 rule that they have been following, they will approve the Minutes of the previous  
42 meeting, subject to the submission of any correction by any member, within 5 days  
43 from this meeting.  
44

45 He then asked for anybody moving for its approval. Hon. Administrator said he  
46 move for the wholesale Approval of the Minutes of the said Meeting, subject to the  
47 submission of any correction by any member, within 5 days from today. Director  
48 Casela seconded the Motion.  
49

50 The NTA Governing Board adopted the following resolution, to wit:  
51

52 **RESOLUTION NO. 2152 - 2022**  
53

54 "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT  
55 the NTA Governing Board approves the Minutes of the 108<sup>th</sup> Special  
56 Meeting of the NTA Governing Board, held on 26 May 2022, at NTA  
57 Board Room, 3F Ben-Lor Building, 1184 Quezon Avenue, Quezon  
58 City, subject to the submission of any correction by any Member of  
59 the Governing Board within five days from this meeting (today)."  
60 

61 **UNANIMOUSLY APPROVED ....**  
62 -----

1  
2 **B. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETINGS:**  
3

- 4 1. **REPORT UPDATE (IF ANY): EXTENT OF COVERAGE OF THE PHP200 MILLION**  
5 **(M) FROM THE DPWH- PHASE I OF THE CONSTRUCTION OF THE NTA**  
6 **BUILDING VIS-A-VIS APPROVED DESIGN -**  
7 ❖ **MANAGEMENT TO WRITE DPWH-NCR, FOR ITS OFFICIAL RESPONSE, WITH**  
8 **ATTACHED OFFICIAL DOCUMENTS ON:**  
9 a. **THE SPECIFICS OF WHAT WAS ACTUALLY BIDDED; AND,**  
10 b. **WITH NTA BEING THE OWNER OF THE BUILDING, APPROVAL OF ITS**  
11 **GOVERNING BOARD IS REQUIRED FOR WHATEVER DESIGNS AND**  
12 **SPECIFICS TO BE BIDDED OUT.**  
13

14 Hon. Administrator reported that he already brought the (second) letter to the  
15 DPWH-NCR Regional Director, Engr. Nomer Canlas. He introduced the point  
16 man, Engr. Abraham "Abe" De La Pena to discuss what transpired during the  
17 meeting with DPWH.  
18

19 Engr. Abe narrated that with regards to the letter of NTA to DPWH on the  
20 Php200M, dated 27 May 2022, in the publication of the DPWH, there was no  
21 mention about the building in the title, only "NTA Quezon City". There was,  
22 therefore, this bid bulletin, checking the title. They regret, however, this bid  
23 bulletin has not been included in the proposals of the bidders. The failure of  
24 bidding was, therefore, declared. The bidding was re-published by the DPWH.  
25 There was a pre-bidding conference last June 3, 2022 and the opening of bids  
26 will be on June 15.  
27

28 The DPWH said they will answer NTA's letter formally. They cannot undertake  
29 any action right now pertaining to the completeness of the coverage, for fear  
30 that this may distract their procurement process. This may leak some amounts  
31 indicated in the program of work. However, they just provided a general  
32 information that the Php200M will include the foundation, up to the 2<sup>nd</sup> floor, at  
33 the mezzanine of the building structure. He continued, viewing the approved  
34 level at the site, along Panay Ave. and Sgt. Reyes, one can see about 5 to 6  
35 meters (high) of the structure, per DPWH calculation. The DPWH assured to  
36 give NTA the information after the bidding.  
37

38 With the Hon. Secretary asking for any additional information or question, Hon.  
39 Administrator requested Engr. Abe, to repeat the coverage of the Php200M  
40 budget. Engr. Abe enumerated, foundation, basement, ground floor, mezzanine,  
41 that is below the 2<sup>nd</sup> floor, so, structural concrete and structural steel. Hon.  
42 Administrator clarified if the mezzanine is in the first floor. Engr. Abe said,  
43 ground floor, the mezzanine, before the second floor. As if 1<sup>st</sup> floor, then, per  
44 Hon. Administrator. Engr. Abe agreed, saying ground floor, mezzanine, concrete  
45 flooring.  
46

47 Hon. Secretary asking for any comments from any Member of the Board, Hon.  
48 Administrator replied, no more, while volunteering additional information that  
49 NTA was given a compiled report by the DPWH, thru Engr. Abe, which will be  
50 sent to the Hon. Secretary.  
51

52 Hon. Secretary remarked that we are the owner and should have the right. From  
53 the very start, however, DPWH has no confidence in us. It seems abnormal.  
54 Now that the bidding will be on June 15, he hoped that during that day, NTA will  
55 be given, simultaneously, with the scope of work, for us to know our  
56 responsibility, as the Board of the NTA.  
57

58 Hon. Administrator replied, "Noted, Sir", as he directed Engr. Abe, to listen to the  
59 instruction of the Hon. Secretary, for him to secure, after the bidding process, a  
60 copy of the scope of work for the extent of the Php200M,.

1  
2 Engr. Abe disclosed that actually, when he brought the letter to the DPWH, for  
3 the inclusion of the NTA as a viewer in the June 15, bidding process, they also  
4 acknowledged that NTA is the owner of the building, and, therefore, will be  
5 allowed to participate in the bidding proper. Even the designer of the building,  
6 will be allowed to attend the pre-bid conference, so that he can answer, if the  
7 bidders may have some questions. Finally, he said we were given invitation for  
8 the bidding proper.  
9

10 Hon. Secretary interjected, *"That is one of the directive of the Board. The*  
11 *Management should participate, that is one directive from the Board, but wala*  
12 *na silang masasabi na halos patapos na yung bidding. Bigyan naman tayo ng*  
13 *details".*  
14

15 Engr. Abe affirmed, explaining that it was specifically mentioned in the letter.  
16 The problem however, they pointed out, was that they fear there may be a  
17 leakage when the (documents of the project which include the) ABC of the  
18 project will be given. We can, therefore, just wait for the conclusion of the  
19 bidding proper.  
20

21 Hon. Secretary asked the Hon. Administrator, *"So, you are assuring us na*  
22 *ibibigay iyong document pagkatapos ng bidding. Okay. We go forward. Admin,*  
23 *this is your responsibility. The scope of work will be used by DPWH during the*  
24 *bidding on June 15".*  
25

26 He then directed to move forward to the next item.  
27

28 **2. REPORT/UPDATE ON THE FOLLOW-UP OF VARIOUS REQUEST FROM**  
29 **AGENCIES RE STEP:**

30 ❖ **SEEK AUDIENCE WITH DBM ASEC CRISTINA CLASARA FOR THE**  
31 **PRESENTATION AND NEGOTIATION FOR THE INCLUSION OF BUDGET**  
32 **REQUEST FOR THE STEP IN THE NEP FY 2023;**

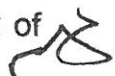
33 **a. SUBMISSION OF THE LETTER-REQUEST, INCLUDING THE STEP AND THE**  
34 **AGENCY PLAN AND BUDGET(APB) FOR FY 2023 AND RDC INDORSEMENT**  
35

36 Hon. Administrator introduced that they just had a zoom meeting, at 1:30 PM  
37 today, with DBM Assistant Secretary Cristina Clasara, Budget and Management  
38 Bureau "C" Director Ma. Grace De Los Santos, handling GOCCs and BMB "C"  
39 Division Chief Marilou Lagarte, handling NTA, to present and negotiate for the  
40 inclusion of the budget of the STEP and of the Plan and Budget for FY 2023.  
41 He called on Corplan Manager Ms. Fortuna "Nini" Benosa to discuss what  
42 transpired during the meeting.  
43

44 While waiting for Ms. Benosa, he called on Director Casela to discuss the  
45 update on the NTA APB.  
46

47 Director Casela reported that as discussed during the Committee Meeting  
48 yesterday, the 2023 APB was submitted already to DBM. He said the  
49 submission include the adjusted budget and, correspondingly, the documents  
50 supporting the Tier 2, under the APB for 2023. The total budgetary requirement  
51 for 2023 amounted to PhP3,646,483,000.00, broken down as follows: for PS,  
52 PhP339,590,000.00; for MOOE, PhP1,443,340,000.00; for Capital Outlay (CO),  
53 PhP255,673,000.00; and, Investment Outlay (IO), PhP1,607,021,000.00.  
54

55 Ms. Benosa reported that led by the Hon. Administrator, the NTA representatives  
56 include the DAOP, DASS, Central Office Department Managers and Budget  
57 Chief.  
58

59 The Hon. Administrator opened the presentation, providing the background of  
60 the STEP, the details of which she personally presented. 

1  
2 Continuing her report, she said Asec. Clasara emphasized, at the outset, that  
3 the meeting is not a technical budget hearing for us to defend our 2023 budget.  
4 For her part, Director De Los Santos explained that the Government right now is  
5 in tight money situation, with many agencies dividing the pie (fund). At this point,  
6 they are looking for an increase of 4% of the budget of the agencies. In  
7 summary, they did not assure us that they can give us what we are asking for  
8 2023. We reiterated that it was indorsed RDC (Regional Development Council).  
9 We also submitted a certification of budget inclusion (CBI) and other documents.  
10 They said that they cannot give what we are asking. They told us to go to  
11 Congress for our request. That is the summary of the meeting with DBM this  
12 afternoon, she concluded.  
13

14 Addressing the Hon. Administrator, Hon. Secretary said that the justification with  
15 the DBM should be that this budget is a part of NTA under existing laws. NTA is  
16 not asking from other sources. NTA has already this accumulating amount,  
17 about PhP 88 billion. We can ask them this amount, now that NTA has a ready  
18 program where the amount will be used. Hon. Secretary said the discussion with  
19 DBM should be like that.  
20

21 Hon. Administrator recounted that during the zoom meeting earlier, he explained  
22 that we have this RA 4155 Special Fund, amounting to PhP80B plus Billion. He  
23 told them that we are asking portion of that PhP80B, as instructed by our  
24 Secretary, for inclusion in the NEP. It seems, however, that they are not familiar  
25 with the RA 4155, so he requested them to look at it. He advised them, too, that,  
26 *"Pinapagalitan na kami ng Senate, kasi nga wala naman daw kaming ginagawa*  
27 *dito, ang laki ng pera na inuupuan namin. Ang sabi ko lang, how can we get*  
28 *hold of that fund, lagi kami humuhingi diyan, ang sabi niyo, walang pondo. May*  
29 *dumadating po sa akin, taon-taon, na papel galing BIR, na meron na naman*  
30 *pumasok na PhP9B for 2021. So, ang akala ng Senate, ang laki-laki ng pera, na*  
31 *wala kami ginagawa. It was started by our Secretary, ang sabi ko hiningi niyo*  
32 *po sa amin. Ito na, gumawa kami ng magandang program, tapos sasabihin niyo*  
33 *sa amin na wala kayong pondo. Ang sabi ko, this was perfected for how many*  
34 *years."*  
35

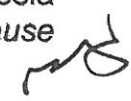
36 Hon. Secretary directed, *"We will continue to do that, not the scheme na we are*  
37 *not asking money from other sources, one thing, to use na the money*  
38 *accumulated for the use of NTA. Iyon palagi ang linya natin, na pera ng NTA,*  
39 *may batas diyan. Dapat iformalize ninyo din iyong ganoon na rason. Let us do*  
40 *that kasi sayang iyong PhP87B. Hindi naman common fund iyan. Naka allocate*  
41 *na iyan sa NTA".*  
42

43 Hon. Administrator agreed, *"Iyon nga, Sir. Baka sabihin hindi natin nagagamit,*  
44 *wala na".*  
45

46 Hon. Secretary advised that NTA should have the legal angle. NTA should also  
47 write another letter for National Treasury, because it is the Treasury that is  
48 holding all funds.  
49

50 Hon. Administrator agreed to write all. *"Sulatan namin para malaman kung*  
51 *nasaan na. Kung pwede, snap shot".*  
52

53 Hon. Secretary informed, NTA may write to Treasurer Lea. Come new  
54 Administration, NTA can also write the New Treasurer, copy furnished the  
55 DBM, and the new DBM Secretary.  
56

57 With Hon. Secretary asking for any comments or suggestions, Director Casela  
58 replied that *"there should be an aggressive follow-up for the RA 4155 because*  
59 *we at NTA are doing our part as to the requirement for the use of the fund.*  
60 

1  
2 *It follows, therefore, that we should know the status of the fund. A letter to the*  
3 *BoTr re the availability of the fund is needed, lest, we might be doing*  
4 *something that may prove, the step is exercise of infutility. Therefore, we*  
5 *should know the status of the fund”.*  
6

7 Hon. Secretary responded “*Tama. So, we should write both the National*  
8 *Treasury and the DBM, on the context we are only wanting to use our fund”.*  
9

10 Hon. Secretary asking for more observations or suggestions, Director Trongco  
11 replied “*kulang siguro sa dissemination, iyong resources natin”.*  
12

13 Hon. Secretary agreed as he reiterated to write them, with that as a preamble,  
14 that we have these level of accumulated trust fund (whatever we call that) to be  
15 utilized.  
16

17 **3. STATUS/UPDATE ON THE RELEASE OF THE EMERGENCY CASH**  
18 **ASSISTANCE (ECA) FOR TOBACCO FARMERS AND THE QUICK**  
19 **REPONSE FUND (QRF) FROM THE DA**  
20

21 Re the ECA, Hon. Administrator reported that yesterday, he just received the  
22 SAR0 (Special Allotment Release Order) of the ECA for the farmers. He called  
23 on the DAOP to discuss.  
24

25 DAOP informed NTA operations is now complying with the required listing of  
26 farmer-beneficiaries, per prescribed BED (Budget Execution Document) forms  
27 (No.3?). They included all the tobacco farmers who were affected by the freak  
28 rains. They targeted to submit the list immediately the following week.  
29

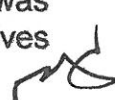
30 During the Committee meeting earlier, DAOP also reported about the QRF.  
31 He said they have already submitted all the requirements for the release  
32 of funding to the DA-Regional Office I (RO I), which included:  
33

- 34 a. the revised report/target, as recomputed based on the format and method  
35 prescribed by the DA-RO I; and,  
36  
37 b. the signed Memorandum of Agreement for the above.  
38

39 NTA is now waiting for the DA-RO I to download the QRF to NTA; and, for the  
40 NTA to conduct the bidding/procurement of pre-identified commodities, at  
41 the prices set by the DA-RO I.  
42  
43

44 **3. REPORT ON THE RESULT OF THE MEETING WITH MMSU AND THE DA/**  
45 **OSec RE RENEGOTIATION WITH THE MMSU RE OWNERSHIP OF THE**  
46 **NTA PROPERTY (OLD PTRTC)- WIN-WIN PROPOSAL AS PROPOSED BY**  
47 **THE HON. SECRETARY**  
48

49 Hon. Administrator introduced the agenda item and called on the Committee  
50 Chair of Legal Matters and Properties, Director Wilfredo Martinez, to report.  
51 Director Martinez, however, preferred to call on Atty. Jun Fred Parado to discuss  
52 the matter.  
53

54 Atty. Parado started by extending his profound gratitude to the Hon. Secretary  
55 and to Usec/COS Leo Sebastian, for facilitating to settle the land dispute in  
56 Batac, I.Norte. As regards the subject matter, he reported that the meeting was  
57 presided by Usec/COS Sebastian and participated in by the representatives  
58 from the MMSU, the NTA and DA legal service.  
59  
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He then reported that based on the ooptions presented, it ws decided as follows:

1. For MMSU to donate the area currently occupied by NTA, including the NTA building complex and that the experimental areas, which are intended to be used for NTA Research and Development Projects, shall be covered by Usufructuary Agreement;
2. For NTA to cede to MMSU all other areas not affected; and,
3. The Agreement will be presented by MMSU Board of Regents for approval.

For NTA, the matter was reported during the Joint Board Committee Meeting, based on the options presented, a favorable recommendation was then formulated by the Board.

In view of the foregoing, the Committee on Legal Matters and Property, recommended to adopt the option offered, confirmed by the Hon. DA Secretary, that was unanimously approved during the Joint Committee Meeting yesterday, to the following effects:

1. For NTA to retain ownership of, the MMSU to cede its right to, the building and the land/premises, to which it was constructed;
2. For MMSU to grant a Usufructuary Agreement, for NTA to cede its right, to the experimental areas as needed, for 50 years, renewable for another 50 years; and,
3. For NTA to grant a Usufructuary Agreement to MMSU for 50 years, also renewable for another 50 years, for its unutilized building spaces, subject to final determination by the NTA Governing Board, after actual inspection of the facility to be conducted the soonest.
4. For NTA to provide a copy of the Board Resolution to MMSU, through its President, as basis for her request for final approval or ratification by the MMSU Board of Regents.

The proposal/recommendation was respectfully submitted for consideration and approval of NTA Governing Board.

Hon. Secretary remarked, "win-win" solution then asked whether there are any question before the adoption or is there any motion.

Director Casela moved for the approval to adopt this resolution as stated by Atty. Parado. Director Quintal seconded the motion.

The NTA Governing Board, therefore, adopted the following resolution for the purpose, to wit:

**RESOLUTION NO. 2153 - 2022**

**"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT**  
the NTA Governing Board approves to adopt the option offered that was confirmed by the Honorable Secretary, to the following effects:

1. For NTA to retain the ownership of, and for MMSU to cede its right to, the building and the land/premises to which it was constructed;



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2. For MMSU to grant a Usufructuary Agreement to NTA for, and for NTA to cede its right to, the experimental areas/stations (as listed) for 50 years, renewable for another 50 years; and,
3. For the NTA to grant a Usufructuary Agreement to the MMSU for 50 years, renewable for another 50 years, for its unutilized building spaces, subject to the final determination by the NTA Governing Board, after its actual inspection of the facility, to be conducted soonest.
4. Resolved finally, for the NTA to provide a copy of the Board Resolution, to the MMSU, through its President, as the basis for her request for the final approval/ratification by its Board of Regents."

UNANIMOUSLY APPROVED ....

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Hon. Secretary conveyed *"Thank you. Palakpakan tayo. Dapat mag celebrate"*.

**C. MANAGEMENT'S PROPOSED ADJUSTMENT/AMENDMENT OF THE NTA CORPORATE OPERATING BUDGET (COB) FOR FY 2022 (APPROVED PER BOARD RESOLUTION NO. 2128-2022 OF 10 MARCH 2022)**

Hon. Administrator called on the Finance/Budget Chief Reynaldo Aquino to discuss the proposal.

Recognized by the Hon. Secretary, Budget Chief Rey Aquino reported that:

1. The adjustment in the financial figures was based on audited report of the COA (Commission on Audit). He said the COB increased by PhP48,388,000.00, from PhP1,206,305,000.00 to PhP1,344,693,000.00.
2. The increased amount in the MOOE are for the Regular Administrative MOOE (PhP11.485M) and Subsidy for projects, which included IFOIGAP/Rice (PhP4.000M, Tobacco Production Assistance(PhP14.787M, Farm
3. Mechanization(PhP8.000M), Hauling subsidy (PhP3.000M) and Scholarship program (PhP0.362M).
4. The following Investment Outlays were likewise increased, as follows: IFOIGAP Rice (PhP6.000M), Tobacco Production Assistance (PhP22.105M), Curing Barn Assistance (PhP0.542M) and Farm Mechanization(PhP12.000M).

Against the earlier instruction of the hon. Usec/Chief of Staff, **the following unspent prior years' releases, earlier classed as restricted funds, amounting to PhP119.632M, will be returned to the National Treasury:** Quality Assurance Equipment, etc. (PhP60.222M); Renewable Fuelwood Energy Farm/REI/KPP/ (PhP16.674M); and, Maintenance and other operating expenses (MOOE) (PhP42.736M).

They justified, this is in accordance with the provisions of Administrative Code of 1987, PD No. 91, DBM MC Implementing the Cash Budgeting System.



1  
2 An explanatory memorandum will be submitted to the Hon. Usec/COS, including  
3 the result of their consultation with PCA following his earlier advice.  
4

5 Hon. Secretary asked whether the COB has already passed the Committee. Hon.  
6 Administrator replied yes.. He then asked whether there are additional comments  
7 on the proposed amendments or any move for its approval. Director Trongco  
8 moved and Director Serna seconded the motion to approve.  
9

10 The NTA Governing Board adopted the following resolution for the purpose:  
11

12  
13 **RESOLUTION NO. 2154- 2022**  
14

15 **“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the**  
16 **NTA Governing Board approves Amended NTA Corporate**  
17 **Operating Budget (COB) for CY 2022 in the total amount of**  
18 **Philippine Pesos (PhP) One Billion, Three Hundred and Forty-**  
19 **Four Million, Six Hundred Ninety- Three Thousand (PhP1,344,**  
20 **693,000.00), which will be spent for Personal Services (PS),**  
21 **PhP295,070,000.00; Maintenance and Other Operating Expenses**  
22 **(MOOE), PhP504,894,000.00; Investment Outlay (IO),**  
23 **PhP287,985,000.00; Capital Outlay (CO), PhP61,150,000.00; and,**  
24 **Accounts Payable (AP), PhP195,594,000.00.”**  
25

26 **UNANIMOUSLY APPROVED ....**  
27 -----  
28

29  
30  
31 **D. FOR NOTATION: SUBMISSION OF VARIOUS PENDING MATTERS WITH THE**  
32 **NTA GOVERNING BOARD, THROUGH THE APPROPRIATE BOARD**  
33 **COMMITTEES, AS FOLLOWS:**  
34

35 Hon. Administrator presented the different matter that, for various reasons, are  
36 still pending with the Board by the responsible departments/units/persons. Without  
37 discussing their respective status and justifications, he made mention of the **date**  
38 **that they will be due for submission to the Board**, through the appropriate  
39 Committee, as follows:  
40

41  
42 **1. TERMS OF REFERENCE (TOR) FOR THE PREPARATION OF THE NTA**  
43 **RESEARCH AND DEVELOPMENT AGENDA, INCLUDING THE**  
44 **ESTABLISHMENT OF THE RESEARCH AND GRADING INSTITUTE**  
45 **(BY DAOP, FTSD AND IRD, ON 08 JULY 2022)**  
46

47 DAOP reported that FTSD submitted its **initial list of priority researches**. The  
48 IRD, in this regard, has scheduled a **workshop for the whole research group**  
49 **for the formulation of the TOR and budget on July 15 2022.**  
50

51 Committee Chair for Research and Extension, Director Quintal said he **will be**  
52 **attending** the workshop, for him to know the **steps to be taken and to**  
53 **provide relevant inputs.**  
54

55 While Director Quintal emphasized on the **inclusion of socio-economic**  
56 **research**, Director Trongco suggested there should be a **demonstration farm**  
57  
58  
59  
60  
61

1  
2 for every location (branch); and, Director Casela, too, on the aspect of cost  
3 and return studies for the different tobacco types, so that the NTA will be  
4 able to break the "impasse" between tobacco buyer firms and the farmers  
5 during the tripartite conference to adjust tobacco floor prices. He, with  
6 other directors, pointed out the need for capacity building for our researchers  
7 and also the severe lack of manpower/ expertise for the research group.  
8

9  
10 **2. TERMS OF REFERENCE (TOR) FOR THE PREPARATION OF THE**  
11 **PROJECT PLAN/FEASIBILITY STUDY FOR THE "ASSESSMENT AND**  
12 **STRENGTHENING OF THE NTA KADIWA NI ANI AT KITA" IN NARVACAN**  
13 **(BY DAOP/ PMO/ OIC-MANAGER, ON 22 JULY 2022)**

14 DAOP reported they are still studying the financial report and other issues in  
15 connection with its operations.  
16

17 They were scheduling a conference to discuss same and for the formulation of  
18 the TOR.  
19

20 **3. STATUS REPORT/ACTION PLAN AND BUDGET FOR THE REVIEW AND**  
21 **STRENGTHENING OF NTA ORGANIZATION AND MANPOWER**  
22 **(BY DASS / CHANGE MANAGEMENT TEAM/ CORPLAN, ON 22 JULY 2022)**  
23

24 They are still waiting for the availability/schedule of the Development  
25 Academy of the Philippines (DAP).  
26  
27

28 **4. SPECIAL REPORT ON THE NTA FARM MECHANIZATION PROGRAM**  
29 **(IMPLEMENTING POLICIES/GUIDELINES/ DETERMINATION OF NEED, ORGANIZATION**  
30 **AND CAPACITY BUILDING, MANUAL OF OPERATIONS, ACTUAL UTILIZATION BY THE**  
31 **FARMERS, REPAYMENT OF ASSISTANCE, ISSUES AND RECOMMENDATIONS)**  
32 **(BY DAOP, FTSD, BRANCH MANAGERS/OICS, ON 08 JULY 2022)**  
33

34 DAOP initially submitted the implementing policies/guidelines for the review of  
35 the Hon. Board.  
36

37 He was asking the branch offices to submit report on the actual  
38 implementation of same and set a meeting with them next week.  
39

40 One issue pointed out during the meeting was on the determination of the  
41 need for and the actual utilization of the farm machinery by the farmers,  
42 because the local government units (LGUs) are providing free farm  
43 machinery, too.  
44

45 **5. STATUS REPORT/UPDATE ON THE INCLUSION OF THE TOBACCO**  
46 **FARMERS - TENANTS AND FARM WORKERS, IN THE NTA MASTER**  
47 **LIST/ REGISTRATION OF TOBACCO FARMERS AND IN THE RSBSA**  
48 **(REGISTRY SYSTEM IN THE BASIC SECTOR FOR AGRICULTURE AND FISHERIES)**  
49 **(BY DAOP, CORPLAN/MISCSD, BRANCH MANAGERS/OICS, FTSD, ON 22 JULY 2022)**  
50

51 DAOP reported that this is included among the agenda of the operations  
52 group meeting next week.  
53

54 **6. SUBMISSION OF FEASIBILITY STUDY FOR THE REHABILITATION AND**  
55 **OPERATION OF THE TOBACCO DUST PRODUCTION AGRIBUSINESS**  
56 **PROJECT (APPROVED PER BOARD RESOLUTION NO.2064-2021)**  
57 **(BY DAOP/PMO – OIC MANAGER, ON 22 JULY 2022)**  
58  
59  
60  
61  
62

1  
2 DAOP reported they have already come up with an initial report but still  
3 verifying certain assumptions.  
4

5 He mentioned that they are about ready for an initial operation,  
6 considering that:  
7

- 8 > In Pangasinan alone, there are two (2) dealers of the product, who  
9 are just waiting for tobacco dust to be available.  
10  
11 > The primary source of the raw material, ULPI, will also be starting its  
12 redrying operations, and therefore, raw material supply will be  
13 available soon.  
14  
15

16 Director Casela announced tobacco dust plus was able to get free  
17 advertisement and created a demand, during the conference conducted by  
18 BFAR, where it became the center of discussion.  
19

20 As awareness was created, participants were requesting for a demonstration  
21 in their areas.  
22

23 Director Trongco served as resource person during the forum for his actual  
24 experience on the use of the product.  
25

26 He emphasized on its being environment-friendly, and efficacy for  
27 controlling snails and other predators in fishponds and for promoting  
28 growth of algae, which serves as food for fish.  
29

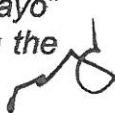
30 He mentioned likewise that a lot of tobacco farmers will be benefited, as  
31 they have started to engage in fishpond operation.  
32

33 Nicotine (which is the active ingredient for the product) is not an issue  
34 because it is highly volatile. In the nicotine degradation study conducted,  
35 under the nta-bfar-pcammard project, nicotine expires within two days (of  
36 the 7-day fishpond sterilization procedure), before the stocking of the  
37 fingerlings.  
38

39 The greatest challenge lies on the pricing of the product, which they said is  
40 quite expensive for the users, but lowering same would entail severe  
41 losses for the project.  
42  
43

#### 44 VI. OTHER MATTERS 45

46 Hon. Administrator informed the Hon. Secretary that the schedule for the 109<sup>th</sup>  
47 Special Meeting of the NTA Governing Board was proposed to be held on 23  
48 June 2022, Thursday, at 2:00 PM.  
49

50 Hon. Secretary replied that he will be travelling to Korea by that time and was  
51 scheduled to proceed to Isabela soon after. He, therefore, asked if it will be okay  
52 with them to have the Board Meeting on weekend. Specifically, he proposed that  
53 the meeting will be in Ilocos Norte on the 26<sup>th</sup> of June 2022, to where he will just  
54 be motoring from Isabela the day before. He quipped "*Magpa-hotel naman kayo*"  
55 and directed, "*i-prepare ninyo iyong Ayuda*". Everyone becomes jubilant with the  
56 mention of Ilocos Norte. They agreed to the proposal of the Hon. Secretary.   
57

#### 58 VII. ADJOURNMENT 59

60 As there was nothing more to discuss in the Agenda, Hon. Secretary formally  
61 adjourned the board meeting at about 3:40 PM.

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**VII. ADJOURNMENT**

As there was nothing more to discuss in the Agenda, Hon. Secretary formally adjourned the board meeting at about 3:40 PM.

Informal conversation, however, continues with the Hon. Secretary on broad range of topics, more particularly concerning recent news on politics and appointments.

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**PREPARED AND CERTIFIED CORRECT:**

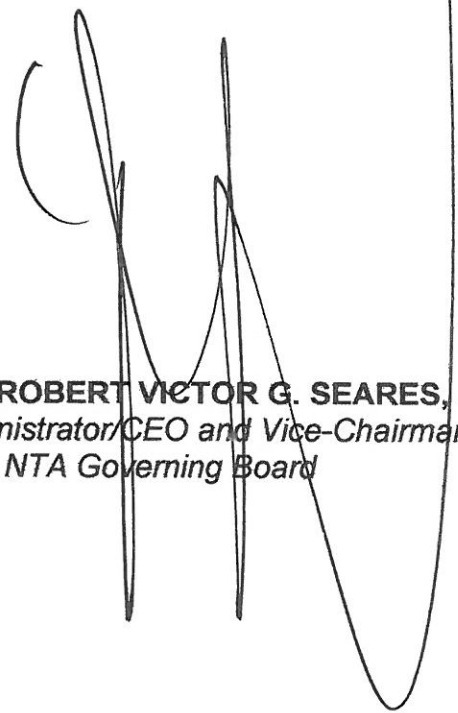


**REX ANTONIO P. TEOXON**  
Board Secretary V

**ATTESTED:**



**Hon. WILLIAM D. DAR, Ph.D.**  
*Secretary, Department of Agriculture  
and Chairman, NTA Governing Board*



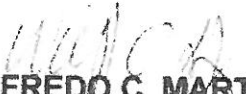
**Hon. ROBERT VICTOR G. SEARES, JR.**  
*Administrator/CEO and Vice-Chairman  
NTA Governing Board*

**Hon. LEOCADIO S. SEBASTIAN, PhD., CESO I**  
*Undersecretary and Chief of Staff, Ex-Officio Member*

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**Hon. JESSE PAT M. SERNA**  
*Appointive Director, Tobacco Manufacturing Sector*



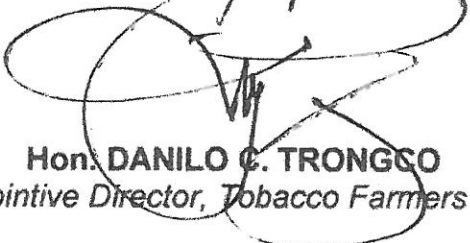
**Hon. WILFREDO C. MARTINEZ**  
*Appointive Director, Tobacco (Farmers) Sector*



**Hon. NESTOR C. CASELA**  
*Appointive Director, Academic Community Sector*



**Hon. TEOFILO R. QUINTAL**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. DANILO C. TRONGCO**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. WILSON R. VICTORIO**  
*Appointive Director, Tobacco Traders/Exporters Sector*



Republic of the Philippines  
DEPARTMENT OF AGRICULTURE  
**NATIONAL TOBACCO ADMINISTRATION**  
3<sup>rd</sup> & 4<sup>th</sup> Floor, Ben-Lor Building, 1184 Quezon Ave., Quezon City  
Tel No. (02) 8374-3987 / Fax. No. (02) 8374-2505 / website: nta.da.gov.ph  
ISO 9001: 2015 QMS CERTIFIED

**OFFICE OF THE NTA GOVERNING BOARD**

**ONE HUNDRED AND EIGHTH (108<sup>TH</sup>) SPECIAL MEETING  
OF THE NTA BOARD OF DIRECTORS, HELD AT THE BOARD ROOM,  
3/F BEN- LOR BLDG., 1184 QUEZON AVENUE, QUEZON CITY  
26 MAY 2022 (2:00 PM)**

**PRESENT:**

<b>Secretary WILLIAM D. DAR, Ph.D.</b>	-	<b>Secretary of Agriculture and Chairman, NTA Governing Board</b>
<b>Adm. ROBERT VICTOR G. SEARES, JR.-</b>		<b>Vice-Chairman of the Board and Administrator/CEO</b>
<b>Usec LEOCADIO S. SEBASTIAN, Ph.D., CESO I</b>		<b>Chief of Staff/Ex-Officio Member</b>
<b>Dir. JESSE PAT M. SERNA</b>	-	<b>Member, Manufacturing Sector</b>
<b>Dir. NESTOR C. CASELA</b>	-	<b>Member, Academic Community Sector</b>
<b>Dir. WILFREDO C. MARTINEZ</b>	-	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. TEOFILO R. QUINTAL</b>	-	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. DANILO C. TRONGCO</b>	-	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. WILSON R. VICTORIO</b>	-	<b>Member, Trader/Exporter Sector</b>

**OTHERS PRESENT:**

<b>Engr. CESARIO G. SAMBRANA</b>	-	<b>Deputy Administrator for Operations</b>
<b>Mr. BENEDICTO M. SAVELLANO</b>	-	<b>Deputy Administrator for Support Services</b>
<b>Ms. FORTUNA C. BENOSA</b>	-	<b>Manager, Corp. Planning Department</b>
<b>Atty. ROHBERT A. AMBROS</b>	-	<b>Manager, Regulation Department</b>
<b>Ms. DINAH E. PICHAY</b>	-	<b>Manager, Internal Audit Service</b>
<b>Ms. MYRNA O. LOZANO</b>	-	<b>OIC/Manager, Industrial Research</b>
<b>Dept.</b>		
<b>Engr. RANDY I. ABELLA</b>	-	
<b>Engr. FELISA AURELLANO</b>	-	<b>OIC/Manager, F. Techno. &amp; Services</b>
<b>Dept.</b>		
<b>MS. EVANGELINE CUANANG</b>	-	
<b>Atty. JUN FRED V. PARADO</b>	-	<b>Legal Officer V, Office of the Administrator</b>
<b>Mr. RAMON R. MUNCAL</b>	-	<b>Stenographer III</b>
<b>Mr. REX ANTONIO P. TEOXON</b>	-	<b>Board Secretary V</b>

**HIGHLIGHTS OF THE MEETING**

**I. OPENING PRAYER**

As introduced by the Honorable Secretary, Atty. Jun Fred Parado, Legal Officer V and concurrent OIC/Manager of the Administrative Department, led the opening prayer.

**II. CALL TO ORDER**

The Honorable Secretary formally called the meeting to order at 2:04 PM.



1  
2 **III. DETERMINATION OF QUORUM**  
3

4 Asked by the Honorable Secretary whether there is a quorum, the Corporate Secretary  
5 reported that all the members of the NTA Governing Board are present for its 108<sup>th</sup>  
6 Special Meeting. He informed that meeting face to face at the NTA Board Room, at  
7 present, are the Honorable Administrator/CEO and Vice-Chairman Robert Victor  
8 Seares, Jr, Honorable Directors Nestor Casela, Teofilo Quintal, Jessie Pat Serna,  
9 Danilo Trongco and Wilson Victorio. The Honorable Undersecretary and Chief of Staff  
10 Leo Sebastian has connected on line at his Office.  
11

12 "We have a quorum then" the Hon. Secretary declared.  
13

14 **IV. APPROVAL OF THE AGENDA OF THE 108<sup>TH</sup> SPECIAL MEETING OF THE NTA**  
15 **GOVERNING BOARD, HELD AT THE NTA BOARD ROOM, 3/F BEN- LOR BLDG.,**  
16 **1184 QUEZON AVENUE, QUEZON CITY, THIS 26 MAY 2022, AT 2:00 PM.**  
17

18 Moving toward the approval of the Agenda, the Hon. Secretary asked whether they  
19 have anything to add or delete in the proposed agenda or any move to approve.  
20

21 Honorable Administrator moved for the approval of the agenda. Director Trongco  
22 seconded the motion.  
23

24  
25 For the purpose, the NTA Governing Board adopted the following resolution, to wit:  
26

27 **RESOLUTION NO. 2147- 2022**  
28

29 **"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT** the  
30 **NTA Governing Board approves the Agenda of the 108<sup>th</sup> Special**  
31 **Meeting of the NTA Governing Board, held this 26 May 2022, at**  
32 **the NTA Board Room, 3F Ben-Lor Bldg., 1184 Quezon Avenue,**  
33 **Quezon City"** .  
34

35 **UNANIMOUSLY APPROVED ....**  
36 -----  
37

38 **V. FOR APPROVAL/CONFIRMATION/CONSIDERATION:**  
39

40 **A. MINUTES OF THE 152<sup>ND</sup> REGULAR MEETING OF THE NTA GOVERNING**  
41 **BOARD, HELD ON 12 MAY 2022, HELD AT THE NTA BOARD ROOM, 3/F BEN-**  
42 **LOR BLDG., 1184 QUEZON AVENUE, QUEZON CITY**  
43


44 Proceeding to the approval of the Minutes, after thanking the Hon. Administrator,  
45 Hon. Secretary reminded the Governing Board that they will be following the existing  
46 rule that they will approve the Minutes of the previous meeting, subject to the  
47 submission of any correction by any member, within 5 days from this meeting.  
48

49 Hon. Administrator moved for the Approval of the Minutes of the said Meeting,  
50 subject to the submission of correction by any member within 5 days from today.  
51 Director Casela seconded the Motion.  
52

53 The NTA Governing Board, therefore, adopted the following resolution, to wit:  
54

55 **RESOLUTION NO. 2148 - 2022**  
56

57 **"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT**  
58 **the NTA Governing Board approves the Minutes of the 152<sup>nd</sup>**  
59 **Regular Meeting of the NTA Governing Board, held on 12 May**  
60  
61  
62



1  
2 2022, at NTA Board Room, 3F Ben-Lor Building, 1184 Quezon  
3 Avenue, Quezon City, subject to the submission of any correction  
4 by any Member of the Governing Board within five days from this  
5 meeting (today)."  
6

7 **UNANIMOUSLY APPROVED ....**  
8 -----  
9


10  
11 **B. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETINGS:**  
12

- 13 1. **REPORT UPDATE (IF EVER): EXTENT OF COVERAGE OF THE PHP200 MILLION**  
14 **(M) FROM THE DPWH- PHASE I OF THE CONSTRUCTION OF THE NTA BUILDING**  
15 **VIS-A-VIS APPROVED DESIGN –.**  
16 ❖ **WRITE DPWH FOR IT TO RESPOND WITH ATTACHED OFFICIAL DOCUMENTS ON**  
17 **THE SPECIFICS OF WHAT WAS ACTUALLY BIDDED OUT; AND,**  
18 ❖ **FOR DPWH TO HAVE A FORMAL AGREEMENT WITH NTA ON THE EXTENT OF**  
19 **COVERAGE OF THE PHP 200M, TO SERVE AS REFERENCE FOR THE BOARD'S**  
20 **CONTINUING OVERSIGHT ON THE CONSTRUCTION IN THE FUTURE**  
21

22 Hon. Secretary requested the Hon. Administrator to report.  
23

24 Hon. Administrator narrated that yesterday, a group of DPWH personnel came  
25 over. They were welcomed by our Engineer here in the NTA. They mentioned  
26 that there was a failure of bidding, due to technicality, which details were not  
27 provided. Hon. Administrator thought this will be rebiddded anytime by June. He  
28 mentioned, too, Engr. Abraham Dela Pena's report, during the Committee  
29 meeting yesterday, that there was a difficulty in obtaining the information due to  
30 the procurement procedure. He said that DPWH did not want (to give out) any  
31 advance information. He, therefore, tasked Engr. Dela Pena to coordinate  
32 again with the DPWH/ NCR Regional Office, pertaining to the second bidding  
33 being made and asked him to talk again for a formal letter about the "extent of  
34 coverage" of the NTA Building. "*Parang pangit iyong procedure na iyon*" the  
35 Hon. Secretary retorted. He expounded, it is supposed to be that the Board will  
36 approve the procurement thru DPWH. He did not agree that DPWH should be  
37 telling us it (information) may leak. The project is ours (Tayo ang  
38 nagpapagawa). Yet, we were not given complete documents. He then declared  
39 that that is wrong and, therefore, we have to demand, we have to send a title(?)  
40 and a letter because it is the Board that is deciding and not them (DPWH). They  
41 have only to procure. He then directed, "*Send them a letter because it is their*  
42 *responsibility. Responsibility of the Board iyong extent of the PhP200M.*  
43 *Proceso iyon*".  
44

45 Hon. Administrator remarked they were surprised there was a failure of bidding.  
46 Early on, at the Bicameral level yet, he thought that because of the Tobacco  
47 Authority, there will have a problem.  
48

49 Hon. Secretary remarked "*That is not the main issue. The main issue is to know*  
50 *and approve the PhP200M design and how the PhP200M will be spent. You put*  
51 *that in writing.*" He then asked for any comments from other members of the  
52 Board, duly stressing, therewith, that this is a responsibility of the Board, which  
53 should not be taken for granted because in case of problems, it will not be  
54 DPWH alone that will be answerable. He then recalled that last time, the  
55 Administrator was requested, was directed to send a formal letter to this effect.  
56 Hon. Secretary ended saying, "*Tayong may report niyan, hindi naman tayo*  
57 *involved sa procurement, but, we must know where money goes*", to which the  
58 Hon. Administrator replied, "*OK, Sir. I will make a second letter, Sir.*"  
59  
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2  
3 **2. REPORT/UPDATE ON THE FOLLOW-UP OF VARIOUS REQUEST FROM AGENCIES RE**  
4 **THE STEP:**

- 5 ❖ **SEEK AUDIENCE WITH DBM ASEC CRISTINA CLASARA FOR THE PRESENTATION AND**  
6 **NEGOTIATION FOR THE INCLUSION OF BUDGET REQUEST FOR THE STEP IN THE**  
7 **NATIONAL EXPENDITURE PROGRAM (NEP), FY 2023;**  
8

9 Asked by the Hon. Secretary for the next item, Hon. Administrator called on  
10 DAOP Sambarana to present.

11  
12 DAOP Sambrana, addressing the Hon. Chairman and Members of the  
13 Governing Board, informed that they have already prepared a letter  
14 addressed to Asec Cristina Clasara, which is now ready for signature of the  
15 Administrator. He added that they, principally the Corplan, are just in the  
16 process of preparing the documentary requirements that are necessary for us  
17 to be able to explain to the DBM and support the budgetary request for the  
18 STEP. This will be done in the succeeding days.

19  
20 Hon. Secretary inquired "Totoo?". DAOP replied "Yes, Your Honor". Hon.  
21 Secretary then asked for comments from the Members of the Board.

22  
23 Hon COS asked whether the deadline for this submission to the DBM is May  
24 31. DAOP replied yes, that is why they were preparing all the documents.  
25 "*Then, the meeting with the DBM must be urgent*", the Hon. COS said, then,  
26 asked when the meeting will be. DAOP replied that it should be with the  
27 submission of documents on the deadline of May 31. Hon. COS asked again,  
28 "*Are the documents ready in case the DBM will say OK. You have to submit on*  
29 *time, will it be OK with DBM?*". DAOP answered "*Yes. Iyan po ang gagawin*  
30 *namin*". Hon. COS asked again, "*Can you request Ms. Benosa for urgency?*  
31 *Huwag siya magpapakita kapag hindi niya naipasok yung STEP*".  
32

33 Hon. Secretary directed, "*Request the management. This is very important. We*  
34 *should include to the letter, the RDC indorsement. Kailangan natin strong*  
35 *indorsement*".  
36

37 Ms. Benosa informed that there is none yet from Region II. Hon. COS added  
38 that last April, he talked with DA Region II Director who said they will go (to  
39 RDC). Ms. Benosa reported they have coordinated with the NEDA so they will  
40 be coordinating by June, prompting the Hon. COS to inquire "*how can we catch*  
41 *up the budget for 2023?*". Ms. Benosa replied we will be presenting, in the  
42 meantime, the Region I and provincial indorsements first and Region II, to  
43 follow. Hon. COS asked whether it is possible to submit on-line. Ms. Benosa  
44 said it will follow (later). They will submit the hard copy and on-line for the May  
45 31 submission. Hon. COS retorted, "*Oo nga. Pero, you have to comply before*  
46 *May 31. Kapag hindi, maghihintay na naman tayo ng isang taon. Kaya*  
47 *kailangan magpursige. Kaya iyong Budget Officer natin, kapag hindi niya*  
48 *nagawa, sabihin mo sa kanya, huwag na siya magpapakita. Iyong gusto natin,*  
49 *'URGENCY'*", Hon. COS concluded.  
50

51 Hon. Secretary directed to go to the next item.  
52

53 **3. REPORT ON THE STATUS AND/OR ACTIVITIES RELATED TO: BALANCED**  
54 **FERTILIZATION AND BALANCED CROP PROTECTION STRATEGIES:**

- 55 ❖ **ACTION PLAN AND BUDGET FOR THE CONTINUING VERIFICATION OF MOST**  
56 **PROMISING TECHNOLOGIES (TO INCL. LOCATIONAL DIMENSION, SOIL**  
57 **FERTILITY, YIELD, GRADE AND CHEMICAL QUALITY EVALUATION); AND,**  
58 ❖ **ACTION PLAN AND BUDGET FOR THE UPDATING OF SOIL FERTILITY MAP**  
59 **FOR TOBACCO AREAS AND TRAINING/ EDUCATION OF FARMERS ON SAME**  
60 **BEFORE THE TOBACCO SEASON**  
61  
62  
63  
64

1 Hon. Administrator introduced the topic and called on IRD Manager Myrna  
2 Lozano to report.


3  
4 Ms. Lozano presented the action plan for the balance fertilization and crop  
5 protection strategy, saying that since they have verified the review of the  
6 protocol Bio-stimulant, they have (2?) Bio-stimulants to be verified for the next 3  
7 years, starting crop year 2022 and 2023. The estimated project cost was  
8 PhP450,000.00 year. They identified the Bio-stimulants Ceres, Amo and Algiflo  
9 because the Ceres fertilizer has the characteristics that can mitigate stress and  
10 heavy rains. The Amo foliar fertilizer, on the other hand, has a component of  
11 neem oil, which is found effective to improved burley flavor. They can already  
12 identify soil, which for 2 years, they were not able to do. What they will do is to  
13 use rapid soil kits from the BSWM. This will be the target for the next 2 years.  
14 After the analysis shall have been completed for the 4<sup>th</sup> and 5<sup>th</sup> years, they will  
15 be adding next the training of the farmers on the soil fertility and the balanced  
16 fertilization of the tobacco areas. We need to know the fertility of the soil and  
17 the balanced fertilization of the tobacco areas.

18  
19 Pertaining to the upgrading (of the laboratory capability for) soils and water  
20 management, Ms. Lozano informed that the BSWM has already assessed the  
21 NTA. BSWM has to grant the NTA its license to operate, after ensuring that it  
22 can follow the prescribed methods and procedures, including the equipment to  
23 be used, in the soils and water analysis, which BSWM said must be uniform for  
24 all in the country. She ended her report with the information that in the 2<sup>nd</sup> year  
25 of implementation for 2023-2024, she included a budget for the purchase of  
26 equipment, estimated at PhP10M.

27  
28 Hon. Secretary asked the COS for any comment. Hon. COS asked for how  
29 many hectares is their budget for next year's planting season on the  
30 balanced fertilization. Ms. Lozano replied that the target was 11,500 hectares  
31 or ½ of 23,000 hectares and the other half will be used for rapid soil testing.  
32 Hon. COS remarked it is only for soil mapping so, how about the balanced  
33 fertilization, even if it will not be bio-stimulants.

34  
35 Ms. Lozano explained that the Ceres and AMO are included in the balance  
36 fertilization, since they are recommended in the NTA-financed production. Hon.  
37 COS clarified how many thousand hectares (not hundreds) are we talking  
38 about. DAOP replied that while we have 23,000 hectares, we can only  
39 implement balanced fertilization in NTA- financed TCGS (Tobacco Contract  
40 Growing System) because 80% of the total population of farmers are under the  
41 private sector-financed TCGS. DAOP said he would like to manifest that the  
42 private sector, particularly the tobacco buyer firms, have reservation on the  
43 balanced fertilization strategy, because of the market-oriented production, which  
44 is very difficult due to their established technology, which is different from the  
45 balanced fertilization technology. It should, therefore, be closely coordinated  
46 with private sector. NTA covers only 7,000 hectares.

47  
48 Hon. COS reiterated, NTA can cover 7,000 hectares for balanced fertilization.  
49 DAOP replied, *“Actually, we are using it, Sir. Pwede”*. Hon. COS asked *“if you  
50 have done this in the 7,000 hectares, why can you not recommend same for the  
51 other areas”*. He said they should already know the principle of fertilization and  
52 its interaction on the quality of tobacco leaves. You can already observe  
53 whether there will be negative or positive effects. The problem with tobacco is  
54 that when it is already near harvesting, tobacco leaves is about to ripen, you  
55 should no longer apply urea fertilizer because the leaves will harden/thicken.

56  
57 DAOP agreed, Hon. COS is right. He explained NTA has a control on the  
58 production assistance of its financed project and none for the private-sector - 

1 financed. Hon. COS inquired whether it cannot be done or **it is not done or no**  
2 **recommendation in the first place.** He said we have to see your  
3 recommendation. That we would like to see. What we would like to see, is to  
4 see what will be the test result of the recommendation. *"Why can't we formulate*  
5 *the balance fertilization?"*

6  
7 Ms. Lozano explained that in their proposed verification it is possible that those  
8 with 50% reduction in the recommended by FPA, may have high quality index;  
9 and, those with higher recommended rate, may have higher yield but adversely  
10 affected quality. Hon. COS remarked, *"we have technical information on that*  
11 *since time immemorial. Iyong hindi mag recommend ang NTA or iyong sila*  
12 *(farmers) mag imbento ng kanilang paraan. So, ano gusto natin – do we want to*  
13 *recommend or gusto natin iyong farmer gumawa ng sarili nilang paraan?"*

14  
15 DAOP stated what Hon. COS said is true. He explained however that while they  
16 can recommend the balance fertilization strategy for all tobacco types, the  
17 problem will be its commercialization because we have this market-oriented  
18 quality tobacco production, which means that the planting of tabako depends  
19 on the requirement of the end-users – from other counties and cigarette  
20 manufacturing. He reported he discussed this immediately last Friday with the  
21 TWG (Technical Working Group), which included the ULPI and tobacco  
22 companies. They have objected the reduction in the volume of fertilization,  
23 considering the market of the tobacco because what they were planting under  
24 the NTA program is based on established technology, which is using 8 bags of  
25 10-18-24. Under the study, reducing 75%, reducing 255(?) of Bio-stimulant, the  
26 private sector reacted that while they recognize the reduction, they cannot  
27 sacrifice the market because of the poor quality that will result. They will not buy  
28 from us (NTA) anymore.

29  
30 Hon. COS queried how many hectares have they contracted. DAOP replied,  
31 those that were not covered by NTA, estimated at 23,000 hectares minus 7,000  
32 hectares or 16,000 hectares. Hon. COS asked whether they buy the produce at  
33 guaranteed price. DAOP said yes, saying they will buy at guaranteed price, not  
34 below the floor price set by NTA. Hon. COS said if the tobacco buyer firms can  
35 guarantee the procurement, then they should make a contract with those  
36 farmers to follow the practice. He asked what about the farmers that cannot  
37 cope-up with high price of fertilizers? DAOP explained they were not saying  
38 they cannot cope-up with the balance of fertilization strategy. It is a matter of  
39 gradually introducing to the farmers because they need this very badly.

40  
41 Hon. COS said it is difficult if we say that this balance fertilization is  
42 compromising what they are requiring. However, we can view this balance  
43 utilization to meet their requirement. Then, we should employ our technical  
44 knowledge. We have a lot of technical people. Why do they readily believe the  
45 commercial sector. *"Ano talaga sinasabi natin sa balance fertilization?. Ano ba*  
46 *sinasabi natin diyan sa nutrient NPK?, iyong mga ganon"*, Hon. COS argued.

47  
48 DAOP suggested to balance off the fertilization strategy. We should introduce  
49 first to those that were given production assistance and then slowly inject to the  
50 private sector by inviting them to have collaboration with us so that they can see  
51 what we are talking about with this balanced fertilization strategy.

52  
53 Ms. Lozano, for her part, explained that we are with the government. The other  
54 one came from the private sector. She asserted they have concrete data. So,  
55 we cannot implement this Bio-stimulant, (but) *"nakita ko naman po hindi*  
56 *apektado yung quality so pwede natin i-verify ulit, but we should also*  
57 *recommend. Iyon naman po ang aking stand"*.

58  
59 Hon. Secretary declared that *"everything we do here is market-oriented. Kung*  
60 *ano bottom line, kung saan makakakuha ng mas-malaking presyo, iyon ang*  
61  
62

1 *bottom-line natin, whether we are government. Iyong private, talagang market-*  
2 *oriented na sila. We are now looking for basic strategy and based on your*  
3 *study, you have to put your recommendation sa balance fertilization and you*  
4 *are saying not enough confidence and you are saying not apektado iyong*  
5 *quality, so be it, we trust you. But if you are saying the quality is 'apektado', then*  
6 *you have to do some more trials. So, we need to start in a big way, balance*  
7 *fertilization, if you believe in your trials. Okay, that is overall of what is being*  
8 *discussed"*  
9

10 Addressing the Hon. COS, Director Trongco asked if its is possible for him to  
11 suggest, saying his farm is a learning site of the Agriculture. He added he  
12 should conduct research and should have data in his learning site. He observed  
13 that the research NTA conducted has no comparative study, particularly for  
14 ceres at amo, where only one variety was used. There should be comparative  
15 study, for us to see what is ideal for our tobacco in all sites. He emphasized, soil  
16 quality is different in Abra compared with that of the Ilocos Region. For instance,  
17 bawang and lasuna are suited in Ilocos Region but not in Abra. So, our  
18 research is lacking in NTA. *"Dapat magkaroon tayo ng sariling data. Ako lang*  
19 *hindi ako pabor sa ULPI lang ang nagconduct kasi nag-conduct ang nagbili ng*  
20 *ceres baka nakukuha lang sa "sales talk". Kaya sa akin, dapat i-prove natin".*  
21

22 Hon. Secretary said he thinks Director Trongco has a point. The company will  
23 always promote their own product, but, at the end of the day, the best thing,  
24 trials to be done by NTA that will matter. It is because before recommending,  
25 the NTA should have done various trials, which should be continuous research,  
26 which you have to compare which is the best among them. If you have  
27 recommended, when you do not have enough data yet, it will be very difficult.  
28


29 Addressing the Hon. COS, Ms. Lozano informed, they have this data on the  
30 protocol that was undertaken in La Union experimental site. She proposed that,  
31 in reply to the comment of Director Trongco, they will be covering Abra for their  
32 3-year verification studies.  
33

34 Hon. Secretary directed that *"wherever it is possible and where you have the*  
35 *confidence for balance fertilization, in a big ways, do it. The other side is to*  
36 *continue the multi-location trials towards balance fertilization. So, continue to*  
37 *firm-up your position".*  
38

39 **4. FINAL NEGOTIATING POSITION ON THE RENEGOTIATION WITH THE MMSU RE**  
40 **OWNERSHIP OF THE NTA PROPERTY (OLD PTRTC) - FOR A WIN-WIN**  
41 **ARRANGEMENT/ SOLUTION AS PROPOSED BY THE HON. SECRETARY**  
42

43 Hon. Administrator introduced the item and the Chairman of the Legal Matters  
44 and Properties, Director Wilfredo Martinez. Director Martinez called on the NTA  
45 Legal Officer, Atty. Jun Fred Parado, who, he said, can discuss the item better.  
46

47 Atty. Parado explained that as to the legal dispute between NTA and MMSU, he  
48 will be reporting on the background, based on the documents we have at the  
49 NTA, the arguments and discussion made yesterday, during the Committee  
50 Meeting, and the recommendations made by the Members of the Board. For his  
51 report he will be assisted by our Audio Visual technician. So, on the final  
52 negotiating position of NTA for the re-negotiation with MMSU on the NTA  
53 property, on the old PTRTC, he presented that.  
54

- 55 1. On January 9, 1990, a Deed of Exchange was executed between NTA  
56 and MMSU. The NTA was represented by then Administrator, Atty.  
57 Alonzo Ancheta; and, MMSU, by its former President, Dr. Cachola. 
- 58  
59  
60  
61  
62

1  
2 The PTRTC was established under RA 12348, as a unit of MMSU as  
3 such, the PTRTC was able to avail of the use of MMSU facilities in Batac,  
4 I. Norte, intended for the construction of its building, for the  
5 implementation of research and training program, and on the conduct of  
6 other related activities.  
7

8  
9 2. There was an EO 116, which abolished all tobacco agencies, including the  
10 PTRTC, and merged/ consolidated into single entity, now known as NTA,  
11 which, pursuant to existing laws, acquired all the assets, consisting of 59K  
12 sq. meters or equivalent to 5.9 hectares. The PTRTC, now NTA,  
13 constructed on the said parcel of land with prior knowledge and consent  
14 for permission of MMSU.

15  
16 3. In the Deed of Exchange, the MMSU ceded and transferred to NTA all its  
17 right in the parcel of land as identified in the said Deed. The NTA deemed  
18 necessary best interest if the ownership shall be consolidated to NTA so,  
19 in that Deed of Exchange, the MMSU ceded and transferred to NTA all its  
20 right, titles in the parcel of land as identified in the said Deed of Exchange.

21  
22 The NTA is now the beneficial owner of the following parcel of land located  
23 at Tabug, Batac, I. Norte, with aggregate area of 80,099 sq.mts or 8  
24 hectares. In the Deed of Exchange the NTA as successor of the PTRTC,  
25 ceded and waive, in favor of MMSU, all its right, titles and interest of the  
26 parcel of land above mentioned.

27  
28 4. The Deed of Exchange was Notarized January 29, 1990 by Atty. Danilo  
29 Resurreccion in Notary Public for and in QC. There was no record,  
30 however, to suggest that the Deed of Exchange was ratified by a Board  
31 Resolution by respective Directors of NTA and MMSU. Nevertheless, the  
32 Deed of Exchange remains valid pursuant and enforceable, pursuant to  
33 the law. even without such ratification.

34  
35 5. As the latest development, yesterday, we were able to uncover a MOA  
36 dated May 10, 2001, which was, likewise, executed by NTA by then OIC/  
37 Administrator Atty, Carlitos S. Encarnacion, and MMSU, thru its President,  
38 Dr. Saturnino M. Ocampo, strengthening the collaborative activities in  
39 tobacco research and development by the agencies and setting forth the  
40 obligations of NTA and MMSU.

41  
42 6. During the joint meeting between representatives of NTA and MMSU,  
43 which was held in November 2020 in MMSU, it was decided:

44 1. For the NTA and MMSU to conduct a joint inventory of real properties  
45 and holdings for both government agencies, as basis for new Deed of  
46 Exchange to be executed by both parties;

47  
48 2. In the meantime, the parties should maintain status quo, such as  
49 holding in abeyance all of NTA's pending application for titling and  
50 issuance of special patents involving the subject real properties; and,  
51

52 3. For the parties to explore alternative modes dispute resolution without  
53 necessity of court interference or any other legal interventions in settling  
54 disputes.  
55

56 A report from MMSU, NTA land holdings joint inventory as of December  
57 14, 2023, providing an updated list of the lots exchanged by MMSU in  
58 favor of NTA and the lots exchange by NTA in favor of MMSU was  
59 furnished to NTA Branch Office through Ms. Padayao,  
60  
61  
62

1 The legal basis of MMSU was PD No. 1248, which establishes the  
2 research and training center in the MMSU by virtue of OD No. 1249.  
3 Meanwhile, the legal basis of NTA claim is EO 116 and EO No. 245, as  
4 to the arguments and discussions, during the joint Committee,  
5 yesterday, the Members of Governing Board noted the following  
6 provisions:

- 7
- 8 1. the ownership claim of NTA over the disputed property base on  
9 Deed of Exchange executed between NTA and MMSU on January  
10 29, 1990.
- 11
- 12 2. with the identified property ceded by MMSU to NTA vice versa the  
13 MMSU 59,063 sq. mtrs in exchange for NTA's 80,099 sq, mtrs.
- 14
- 15 3. It was notarized in Notary Public hence, it is a legally valid and  
16 enforceable pursuant to the law.
- 17
- 18 4. the MOA subsequently executed by NTA and MMSU on Maay  
19 10,2001, only strengthen the collaborative activities of tobacco  
20 research and set forth the obligations and development between  
21 the agencies NTA and MMSU.
- 22
- 23 5. the MMSU President, Ms. Shirley Agrupis, did not mention about  
24 the Deed of Exchange in her letter to DA Secretary.
- 25
- 26 6. As to MMSU proposal Usufruct Agreement it was noted that the  
27 rights of NTA upon the agreement expiration are not absolutely  
28 protected and that the NTA cannot be a beneficiary to a  
29 Usufructuary Agreement for its own property.
- 30
- 31 7. during the joint Meeting in November 2020 the NTA and MMSU  
32 agreed to maintain the status quo.
- 33

34 Right now, there appears apparent reason for status quo condition.

35  
36  
37 Recommendation:


38  
39 In view of the foregoing, the Committee on Legal Matters and Property, as  
40 proposed by the Board, for the adoption of the following recommendation:

- 41
- 42 1. to request the representatives of NTA and MMSU, most specifically, their  
43 respective legal departments or offices, to confer and to discuss a win-win  
44 solution for the settlement of land disputes and to thresh out the issues,  
45 based on the documents presented in coordination with and under the  
46 guidance of the DA Legal Dept.; and,
- 47
- 48 2. bring resolution on the land dispute, the status quo, as previously agreed  
49 upon, based on the 2020 meeting of NTA and MMSU, shall continue to  
50 upheld.
- 51

52 In closing, Atty. Parado thanked the Hon.Chair and the Members of the  
53 Governing Board.

54  
55 Dir. Martinez stressed the recommendation remains then asked if there is  
56 anybody who wants to discuss about this matter.

57  
58 Hon. COS asked for any comment on the recommendation. Are we going to  
59 settle this through legal ways?  
60  
61  
62





1  
2 Director Martinez replied we should follow the recommendation of the legal  
3 officer that we should sit down with MMSU, to talk about this. In the meantime,  
4 like what he earlier said, status quo remains.  
5

6 Hon. COS repeated his earlier statement that if they meet with them, are they  
7 going to settle this in legal ways because if through the legal means, it is better  
8 to discuss the matter through the court. He expounded that if we talk about  
9 legalities, we cannot agree as based on his analysis, from his viewpoint, having  
10 discussed with both sides before this meeting, both parties have their legal  
11 basis, so this becomes the work of the lawyers, under the court. People like us,  
12 who have no legal backgrounds, will be caught in the middle. Our lawyers in  
13 the NTA and MMSU have their legal basis. We are not competent to be their  
14 judge, if we are going to base it on legal basis. Kaya nga, what is the purpose of  
15 discussing with NTA and MMSU, if the discussion is about the legal basis.  
16 Unless we meet in other way, to settle, then maybe, it is worth meeting with  
17 them.  
18

19 Hon. Administrator conveyed his humble suggestion that the legal officers of  
20 both parties should meet-up and discuss about the papers/documents they  
21 have. He stressed that only the legal officers should meet.  
22

23 Hon. COS queried, "*Di ba nag meet na sila? A meeting was mentioned*". Hon.  
24 Administrator confirmed, "*the meeting was done 2020. Ang usapan po ay*  
25 *magkita, magkaroon ng second round, but wala na pong nangyari na sumunod*  
26 *na meeting. But, ang sumunod na po ay iyong letter*". Hon. COS said OK, how  
27 do we proceed. Hon. Administrator suggested that, so that they will not be  
28 dragged into the issue, he will just instruct NTA's legal officer to call MMSU's  
29 legal officer, for them to talk and it may be good for them to talk at the DA office.  
30

31 Hon. COS asked who is out main negotiator for the NTA. We should be  
32 ready to discuss. We would like to settle it outside of the court. Ibig sabihin,  
33 huwag tayo pupunta sa court.

34 Hon. Administrator stated that as we are one family, we should not go to court.  
35 He will will instruct Atty. Parado and Atty. Ambros, because they know about  
36 the documents and they were the ones who met with them in November 2020.  
37


38 Hon. COS agreed and asked if we can have one Member of the Board to join  
39 the discussion. Hon. Administrator agreed and deemed it proper to have the  
40 Chairman of the Legal Matters and Properties to represent the NTA, since they  
41 were the ones who went last November 2020. Hon. Administrator enumerated  
42 the names again: Dir. Martinez, Atty. Parado and Atty. Ambros and Dir. Casela.  
43 Hon. COS directed the Board Secretary to secure a meeting with NTA, the  
44 Office of the Secretary, for discussion with MMSU and their legal officer, ASAP.  
45

46 He then asked if can we make that in motion that we adopt the recommendation  
47 of the Committee, for a Joint meeting with MMSU representatives and NTA  
48 representatives, headed by Dir. Martinez, Dir Casela and with the NTA legal  
49 officers together with the DA legal office. Director Casela respectfully moved for  
50 the adoption of the recommendation, as mentioned, a meeting with  
51 representative of NTA and MMSU. Hon. Administrator seconded the motion.  
52

53 For the purpose, the NTA Governing Board adopted the following resolution, to  
54 wit:  
55

56 **RESOLUTION NO. 2149- 2022**  
57

58 **"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT** the  
59 **NTA Governing Board adopts the recommendation of the Committee**  
60 **on Legal Matters and Properties, for a joint meeting with the**  
61  
62



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representatives of MMSU, with its legal officers, DA Legal Service and representatives of the NTA, to be led by Director Martinez and Director Casela, with Atty. Parado and Atty. Ambros”.

UNANIMOUSLY APPROVED ....

Hon. COS directed the Board Secretary to arrange the said meeting for the week after next (week).

**C. APPROVAL OF THE NTA AGENCY PLAN AND BUDGET (APB), FY 2023**

Hon. Administrator introduced the Committee Chairman on Audit and Finance, Director. Casela, to discuss the proposal.

Director Casela reported that yesterday, the Management discussed its submission of the budgetary requirement of NTA for CY 2023. He expounded that all the programs and projects are anchored on the aligned pillars, together with the NG (National Government) direction of development and the different projects have been discussed and properly identified. For the effective implementation of this program, the NTA needed a total budget of PhP3,646,482,000.00, which will be spent for Personal Services (PS) in the amount of PhP 339,590,000.00; Maintenance and Other Operating Expenses (MOOE), PhP1,443,340,000.00; Investment Outlay(IO), PhP1,607,951,000.00; and, Capital Outlay (CO), PhP255,673,000.00.

Hon. COS inquired whether the amount of PhP3B covered Tier 1 and Tier 2.

In earlier discussion, it was noted that the APB included the budgetary requirement for the initial implementation of (block farming components of) the STEP in CY 2023, under Tier 2.

The deadline for submission is May 31, 2022, for the inclusion of the budget in the NEP for 2023, to be submitted by the President.

The new DBM's budget calendar requires that APB, as approved, should be converted into Corporate Operating Budget (COB) by November, for submission to the DBM before the end of the year.

As has been readily endorsed for approval by the Joint Committee, Director Casela moved for the motion to approve the APB for CY 2023 and Hon. Administrator seconded the motion.

The NTA Governing Board adopted the following resolution for the purpose:

**RESOLUTION NO. 2150-2022**

**“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the**

**NTA Governing Board approves the NTA Agency Plan and Budget (APB) for CY 2023, with the total amount of PhP3,646,482,000.00, which will be spent for Personal Services (PS), PhP339,590,000.00; Maintenance and Other Operating Expenses (MOOE), PhP1,443,340,000.00; Investment Outlay (IO), PhP1,607,951,000.00; and, Capital Outlay (CO), PhP255,673,000.00.”**

UNANIMOUSLY APPROVED ....

1 **VI. OTHER MATTERS**

2  
3 Hon. Administrator stated that the proposed schedule for the 153<sup>rd</sup> Regular Meeting of  
4 the NTA Governing Board will be on 09 June 2022, Thursday, 2:00 PM.

5  
6 Hon. COS said OK. This, however, will still be subject to confirmation by the Hon.  
7 Secretary.

8  
9 **VII. ADJOURNMENT**

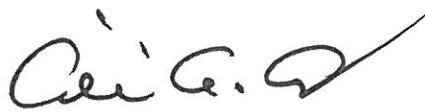
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11 As there is no more item to discuss, Hon. COS adjourned the meeting at 3:50 PM.

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17 **PREPARED AND CERTIFIED CORRECT:**

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19  
20  
21  
22   
23 **REX ANTONIO P. TEOXON**  
24 Board Secretary V

25  
26  
27  
28 **ATTESTED:**

29  
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33   
34 **Hon. WILLIAM D. DAR, Ph.D.**  
35 *Secretary, Department of Agriculture*  
36 *and Chairman, NTA Governing Board*

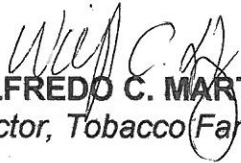
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46 **Hon. ROBERT VICTOR G. SEARES, JR.**  
47 *Administrator/CEO*  
48 *and Vice-Chairman, NTA Governing Board*

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54 **Hon. LEOCADIO S. SEBASTIAN, PhD., CESO I**  
55 *Undersecretary and Chief of Staff, Ex-Officio Member*  
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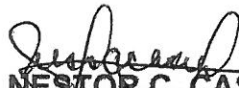
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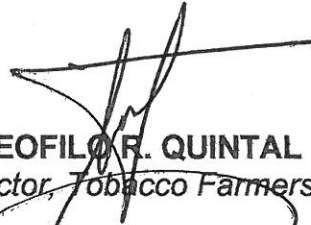
**Hon. JESSE PAT M. SERNA**  
*Appointive Director, Tobacco Manufacturing Sector*



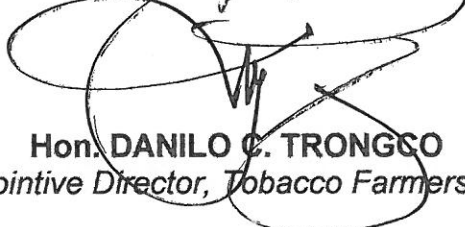
**Hon. WILFREDO C. MARTINEZ**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. NESTOR C. CASELA**  
*Appointive Director, Academic Community Sector*



**Hon. TEOFILOF R. QUINTAL**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. DANILO C. TRONGCO**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. WILSON R. VICTORIO**  
*Appointive Director, Tobacco Traders/Exporters Sector*



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**OFFICE OF THE NTA GOVERNING BOARD**

**ONE HUNDRED AND FIFTY SECOND (152<sup>ND</sup>) REGULAR MEETING  
OF THE NTA BOARD OF DIRECTORS, HELD AT THE BOARD ROOM,  
3/F BEN- LOR BLDG., 1184 QUEZON AVENUE, QUEZON CITY  
12 MAY 2022 (2:00 PM)**

**PRESENT:**

**Secretary WILLIAM D. DAR, Ph.D.** - Secretary of Agriculture and  
Chairman, NTA Governing Board  
**Adm. ROBERT VICTOR G. SEARES, JR.-** Vice-Chairman of the Board and  
Administrator/CEO  
**Usec LEOCADIO S. SEBASTIAN, Ph.D., CESO I -** Chief of Staff/Ex-Officio Member  
**Dir. JESSE PAT M. SERNA** - Member, Manufacturing Sector  
**Dir. NESTOR C. CASELA** - Member, Academic Community Sector  
**Dir. WILFREDO C. MARTINEZ** - Member, Tobacco Farmers Sector  
**Dir. TEOFILO R. QUINTAL** - Member, Tobacco Farmers Sector  
**Dir. DANILO C. TRONGCO** - Member, Tobacco Farmers Sector  
**Dir. WILSON R. VICTORIO** - Member, Trader/Exporter Sector

**OTHERS PRESENT:**

**Engr. CESARIO G. SAMBRANA** - Deputy Administrator for Operations  
**Mr. BENEDICTO M. SAVELLANO** - Deputy Administrator for Support Services  
**Ms. FORTUNA C. BENOSA** - Manager, Corp. Planning Department  
**Atty. ROHBERT A. AMBROS** - Manager, Regulation Department  
**Ms. DINAH E. PICHAY** - Manager, Internal Audit Service  
**Ms. MYRNA O. LOZANO** - OIC/Manager, Industrial Research Dept.  
**Engr. FELISA AURELLANO** - OIC/Manager, F. Techno. & Services Dept.  
**Atty. JUN FRED V. PARADO** - Legal Officer V, Office of the Administrator  
**Mr. RAMON R. MUNCAL** - Stenographer III  
**Mr. REX ANTONIO P. TEOXON** - Board Secretary V

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**HIGHLIGHTS OF THE MEETING**

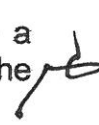
**I. OPENING PRAYER**

Atty. Jun Fred Parado, Legal Officer V and concurrent OIC/Manager of the Administrative Department, led the opening prayer.

**II. CALL TO ORDER**

The Honorable Secretary formally called the meeting to order at 2:16 PM, after some preliminaries about the recent presidential election.

**III. DETERMINATION OF QUORUM**

The Honorable Secretary asked the Honorable Administrator whether we have a quorum for today's meeting. The Honorable Administrator answered, we have the presence of all the members of the Governing Board. 

"We, therefore, have a quorum", the Hon. Secretary declared.

1  
2 **IV. APPROVAL OF THE AGENDA OF THE 152<sup>nd</sup> REGULAR MEETING OF THE**  
3 **NTA GOVERNING BOARD, HELD AT THE NTA BOARD ROOM, 3/F BEN-LOR**  
4 **BLDG., 1184 QUEZON AVENUE, QUEZON CITY, THIS 12 MAY 2022, AT 2:00 PM.**  
5

6 Proceeding toward the approval of the Agenda of this 152<sup>nd</sup> Regular Meeting of the  
7 NTA Governing Board, Hon. Secretary asked the Hon. Administrator if it is possible  
8 for them to talk under Other Matters what they discussed about the MMSU, "*para*  
9 *matapos na ito*". Hon. Administrator said, "OK, Sir, with the presence of the other  
10 *members of the Board*".  
11

12 Hon. Secretary added that they will discuss about the presence of NTA in Batac and  
13 related concerns. He and the Hon. Administrator already had a bilateral discussion  
14 and he will just explain later. He then asked for anyone moving to approve the  
15 agenda item as amended. Director Casela moved and Hon. Administrator seconded  
16 the motion.  
17

18 The NTA Governing Board, therefore, adopted the following resolution for the  
19 purpose, to wit:  
20

21 **RESOLUTION NO. 2144- 2022**  
22

23 **"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the NTA**  
24 **Governing Board approves the Agenda of the 152<sup>nd</sup> Regular Meeting of**  
25 **the NTA Governing Board, held this 12 May 2022, at the NTA Board**  
26 **Room, 3F Ben-Lor Bldg., 1184 Quezon Avenue, Quezon City, as**  
27 **amended, to include the discussion on the NTA's presence in Batac**  
28 **and related concerns/ response to the Letter of MMSU President**  
29 **Shirley Agrupis"** .  
30

31 **UNANIMOUSLY APPROVED ....**  
32 -----  
33

34 **V. FOR APPROVAL/CONFIRMATION/CONSIDERATION:**  
35

36 **A. MINUTES OF THE 107<sup>TH</sup> SPECIAL OF THE NTA GOVERNING BOARD HELD**  
37 **ON 28 APRIL 2022, AT THE PUGAD ADVENTURE, PUGO, LA UNION.**  
38

39 After thanking Director Casela and Hon. Administrator, he moved forward to the  
40 approval of the Minutes of the 107<sup>th</sup> Special Meeting of the NTA Governing Board,  
41 held on April 28, 2022, at Pugad Adventure, Pugo, La Union. Before asking for a  
42 move for approval, he emphasized they will be following existing rule that they will  
43 approve the Minutes of the meeting, subject to the submission of any member  
44 within 5 days from this day.  
45

46 Hon. Administrator moved for the Approval of the Minutes of the said Meeting,  
47 subject to submission of amendment within 5 days from today. Director Quintal  
48 seconded the Motion.  
49

50 The NTA Governing Board, then, adopted the following resolution, to wit:  
51

52 **RESOLUTION NO. 2145 - 2022**  
53

54 **"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the**  
55 **NTA Governing Board approves the Minutes of the 107<sup>TH</sup> Special**  
56 **Meeting of the NTA Governing Board, held on 28 April 2022, at the**  
57 **Pugad Adventure, Pugo, La Union, subject to submission by any**  
58 **Member of any correction within five days from today."**  
59

60 **UNANIMOUSLY APPROVED ....**  
61 -----  
62



1  
2 **B. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETINGS:**  
3

- 4 1. REPORT UPDATE (IF EVER): EXTENT OF COVERAGE OF THE PHP200  
5 MILLION (M) FROM THE DPWH - PHASE I OF THE CONSTRUCTION OF THE  
6 NTA BUILDING VIS-A-VIS APPROVED DESIGN -  
7 ❖ **LATEST UPDATE ON THE BIDDING BEING CONDUCTED FOR THE NTA**  
8 **BUILDING BY THE DPWH-NCR**  
9


10 The Hon. Secretary asked the Hon. Administrator for his report on the things  
11 about the coverage of Php200M from DPWH and the construction of NTA  
12 building.  
13

14 The Hon. Administrator reported that as discussed yesterday, during the  
15 Committee Meeting, he received a Notice, coming from DPWH-NCR, that the  
16 bidding for the Php200M NTA Building was an on-going. While he was not able  
17 to follow up, he assumed that the bidding was done properly. He was just  
18 awaiting for the Notice from the DPWH-NCR as to who the winning bidder was.  
19 Prior to this, however, he sent a letter to the Regional Director, bringing to his  
20 attention that there was a mistake in the title of the project under the GAA  
21 (General Appropriation Act), that is the construction of the building of the  
22 National Tobacco Authority. We therefore requested for a little correction, that it  
23 should be Administration, instead of Authority, in the construction of the 15-  
24 storey building of the National Tobacco Administration, in its property.  
25

26 With the Hon. Secretary asking for additional information they can appreciate,  
27 the Hon. Administrator added that, for the bidding, he instructed our NTA  
28 Engineer, Abraham Dela Pena, to coordinate with the DPWH-NCR so that we  
29 will be updated on what will be happening after bidding of this 15 storey NTA  
30 building. In furtherance, he explained that there will still be post-qualification  
31 after the bidding and this is the reason why they cannot still ascertain as to who  
32 the winning bidder is, as, based on the result of the post-qualification, there may  
33 still be some changes or adjustments to be made. The Hon. Secretary  
34 remarked, "*Matagal pa yan, almost one month pa*". About June, the Hon.  
35 Administrator said, based on the advance information that they gave.  
36

37 Hon. Secretary, then, opened the discussion for comments from the Board, for  
38 any concern or question related to construction of the new NTA building.  
39

40 Director Casela mentioned that earlier, there was a previous issue that there  
41 should be a report on the utilization of the Php200M. Hon. Secretary asked the  
42 Hon. Administrator for the answer to Director Casela's question. Hon. Secretary  
43 recalled that previously, they gave this advice to Management, for it to send a  
44 formal communication to DPWH, which is handling the procurement, for  
45 information to what extent the initial Php200M can support, or in other words,  
46 "*Ano ba yung "specifics" ng nabit-out starting yesterday. Are we furnished a*  
47 *copy coming from the DPWH. Did they furnish a copy to the Office of the*  
48 *Administrator, the copy of specific design and other specifics, relevant to this*  
49 *Php200M budget available*".  
50

51 Hon. Administrator replied that as of the moment, there was no information yet  
52 given to him about the "specifics". He expounded that when he asked them two  
53 weeks ago, very informally, they told him they were still computing. He therefore  
54 requested if they can give him a letter because the Hon. DA Secretary was  
55 asking as to the specifics where the Php200M will go/be spent. Their answer  
56 then was they were still computing. He was not aware they were heading  
57 towards the bidding already. Hon. Administrator, at this point, with his  
58 instruction to the NTA Engineer, they will prepare a letter, he would like to ask  
59 the DPWH what extent the Php200M will cover. Although in advance they told  
60 him, it will be about 2 floors, but still bare, "*parang skeleton pa siya*".  


1. Hon. Secretary retorted, *"It will be good kung ano yung bid out dapat formally*  
2 *copied ka naman para meron tayong point of reference for additional budget in*  
3 *the future. So, yung advice ko na matagal na, is still continuing policy advice that*  
4 *we must have to have. Dapat pirmahan nila para wala tayong problema in the*  
5 *future. They have to formally submit to you, 'this is what has been bid and*  
6 *this is for the 200M is being spent', para klaro ang Board continuous to have*  
7 *oversight, even in terms of construction"*.

8  
9 Hon. Administrator replied, *"Yes, Sir. It is fully noted"*. Hon. Administrator  
10 informed he thought of going to DPWH early on, but so as not to influence had  
11 they knew that he went, so he decided to go just after the bidding. Hon.  
12 Administrator asked if he will be allowed by the Hon. Governing Board, he will be  
13 visiting the DPWH-NCR next week.

14  
15 Hon. Secretary replied it will be good for the Hon. Administrator to carry with him  
16 a formal letter, which should be formally received and they have to formally  
17 respond, and attach those documents that they used in the bidding.

18  
19 Hon. Administrator reiterated, he intentionally did not go and did not answer as  
20 to what extent the PhP200M will cover, because he did not want they to say he  
21 was influencing the bidding. He concluded, *"For the information and approval*  
22 *and with your instruction, I will do that next week, with the letter that I am*  
23 *holding; and, I will report right away to the Governing Board"*.

24  
25 Hon. Secretary remarked, *"Very good. Let us do that kasi for documentation*  
26 *purposes. Dapat alam natin talaga to what extent the PhP200M to be spent. OK.*  
27 *Let us leave that now. That is the standing guidance from the Board, the*  
28 *standing guidance that the Management, the Administrator to seek and request*  
29 *the DPWH to formally give NTA a copy of what have been bid and*  
30 *indicating of course the PhP200M, as budget for that design and other specifics,*  
31 *what have been bid out"*. He, then, directed to move forward to the second  
32 matter.

33  
34 **2. REPORT/UPDATE ON THE FOLLOW-UP OF VARIOUS REQUEST FROM**  
35 **AGENCIES RE THE STEP:**

- 36 ➤ **ENDORSEMENT BY OTHER REGIONAL DEV'T COUNCILS (RDC)- II & CAR -**  
37 **DAOP C. SAMBRANA TO SEEK THE ASSISTANCE OF THE DA-REGIONAL**  
38 **EXECUTIVE DIRECTORS OF DA RFO'S II AND CAR IN THE SOLICITATION OF**  
39 **ENDORSEMENT OF THE STEP TO THE DBM FROM THEIR RESPECTIVE RDC'S**  
40

41 Hon. Administrator introduced that regarding the STEP, DAOP sought the  
42 assistance of the Regional Directors for the endorsement from RDC II and CAR,  
43 as what you have said during our previous meeting. They sought the guidance  
44 and help of the DA Reg. Office so as to have a faster approval of endorsement.  
45 He then called the DAOP to discuss this matter.

46  
47 DAOP reported that as instructed by the Governing Board, he, together with the  
48 Manager of the Planning Dept. had a chance to visit Region II and they met with  
49 the NEDA, where they discussed to them the purpose of the STEP and  
50 emphasized the possible help that our farmers in the industry will get. This project  
51 STEP should be endorsed by the RDC and approved later-on by the DBM. They  
52 gave them a copy of the STEP. Unfortunately, however, as per discussion with  
53 them (during that time), the meeting of the RDC was scheduled on the third week  
54 of June. Mr. Anselo of the NEDA informed them later that NTA will be presenting  
55 the STEP in the third quarter RDC meeting of this year. They will continue to  
56 follow up on the purpose of NTA, to present the STEP to NEDA/RDC.

57  
58 Hon. Secretary asked that in relation to STEP, did they properly include some  
59 components for proper implementation next year, in the budget next year. DAOP  
60 replied yes, saying that in the NTA's presentation to the DA, they included all the  
61 components.



1  
2 Hon. Secretary conveyed his suggestion (again) to Management that *"bago mag*  
3 *finalize ang DBM, to put-up NTA's budgetary request to the NEP. Kung mayroon*  
4 *kayong time, led by the Administrator, go and seek audience to the leadership of*  
5 *DBM, Asec. Clasara (Cristina) and Secretary of DBM"*.  
6

7 He explained, it will be good once the new DBM Secretary assumed office, it will  
8 be the best time to go and seek audience and be ready to explain what this STEP  
9 is all about and why NTA's budgetary request is big for 2023. Another good thing  
10 to do, once NTA already knew the new DBM Secretary, is also for the  
11 Administrator to talk with Gov. Chavit, for him, if possible, to help NTA to be given  
12 the budget level it was asking for 2023. Hon. Secretary concluded saying, *"We*  
13 *have to use all our political capital para iyong NTA budget will be properly funded*  
14 *next year"*. Hon. Administrator replied, *"Noted, Sir. Lahat ng sinabi ninyo 'we will*  
15 *do it"*.  
16

17 Hon. Secretary directed to move to number 3.  
18

19 **3. REPORT ON THE STATUS AND/OR ACTIVITIES RELATED TO:**

20 **A. BALANCED FERTILIZATION STRATEGY:**

- 21 1. PRESENTATION OF YIELD AND QUALITY/GRADE DISTRIBUTION, FOR THE VARIOUS  
22 ALTERNATIVES (AS AGAINST RECOMMENDED RATE) PER TOBACCO TYPE/SUB-TYPE  
23 2 CHEMICAL QUALITY EVALUATION OF THE LEAF YIELDS / PRODUCE FOR VARIOUS  
24 TOBACCO TYPES/ SUB-TYPES PER TECHNOLOGY APPLICATION/RECOMMENDATION  
25 BY THE NTA AND BY THE TOBACCO BUYER FIRM  
26

27 **B. CROP PROTECTION STRATEGY**

28 Hon. Administrator introduced DAOP to present, who, in turn, asked permission  
29 to allow FTSD/Engr. Randy Abella to discuss the details of the Balanced  
30 Fertilization.  
31

32 Engr. Abella discussed the balance strategy on spraying in tobacco growing for  
33 NTA. He explained its importance includes to increase crop yields and to  
34 improve gross, improve the quality of crops, nutrient efficiency, improve  
35 viability, avoid and check environmental soil underground water pollution, store  
36 soil fertility through fertilizer use.  
37

38 This is also to support MC 20-2020 of the DA, which is to strengthen productive  
39 balanced fertilization or enhance tobacco production income for rice farmers.  
40 NTA fertilizer recommendations, based on the result of our protocol research  
41 and soil monitoring project, FTSD project on plant nutrition, under our regular  
42 projects, and to trial of different fertilizers, based on soil fertility status, which  
43 was on-going. He continued, the next study is to conduct research protocol  
44 projects. This is based on organic and foliar combination. NTA fertilizer  
45 recommendation, mixed with foliar fertilizer from their previous protocol  
46 recommendation. There were three fertilizer combinations for number 1: RND-  
47 RR 103 23-1-46 kilogram NPK, as our base in recommending the combinations;  
48 RND-RR number 1 10-00-50 plus 1.5 kilo baxi-K, under this combination, the  
49 yield is 2,350 kilos, which is higher than yield of the recommended fertilizer at  
50 2,200 kilos. In grade distribution, high grade is higher but under the medium  
51 grade, the next combination was higher. Under chemical analysis, nicotine,  
52 under baxi-K, test of combination number 3, 50% plus 1 liter of Ceres, the yield  
53 of 2,381.5 kilos, is comparable to the average yield of the recommended rate.  
54 For grade distribution, we were able to harvest 74.36% high and medium grade  
55 and 25.64% low grade. Chemical analysis of nicotine reached 2.5%, within  
56 acceptable values, higher than the standard values, 2.5%. In reducing sugar, it  
57 is still acceptable at 8.5% while chlorine is lower at 0.36, compared to standard  
58 value of 1.0%, which means better quality, in terms of chlorine. In Ammo test,  
59 the combination to RR 75% yielded 2,953 kilos, which is higher than the  
60 average yield and the grade index was 89.45%, which is higher.  
61

1  
2 Under chemical analysis, nicotine is higher at 2.87% and the Reducing Sugar  
3 was lower than what was recommended for Burley. In terms of net income, they  
4 are comparable at PhP82,678 pesos, baxsi-K; PhP28,048, for Ceres;  
5 PhP88,188 for Amho, compared to PhP79,000, NTA recommended fertilizer.  
6

7 The Strategy is used for utilization of soil and water analysis and fertility  
8 mapping. NTA is preparing a mapping from our soil and water analysis, so that  
9 it can have a basis for the recommendation of appropriate rates/amount. This is  
10 a great help in the combination of precision farming and specific crop  
11 management, of course, to improve quality, yield and reduce production cost,  
12 specially on fertilizer inputs, minimize negative impact to the environment.  
13

14 With regards to balance crop protection strategy, he reported that they relied on  
15 bio-efficacy, still under protocol study, to protect micro-toxicity, at large; and, to  
16 determine best rate to avoid excessive pesticide load to the environment and  
17 tobacco leaves; implement good agricultural practices, through economic  
18 threshold. Under the table, they presented first the pest for tobacco, next was,  
19 if they met the minimum given number of pest before they will spray, to control  
20 the use of insecticide, 5 out of 500 plants or 5% actual damage. We should  
21 already apply crop protection agents which has undergone protocol research.  
22 NTA recommended for tobacco use: for seedling, agri-guard and abamectine,  
23 the dosage is 60 liters and steward, indoxecard, for grams 1cc only; at early  
24 maturity, what is used is livel, with the given dosage; for mature, we can apply  
25 livel, steward, premacton in bud worms. We also have crop protection for  
26 seedlings, early maturity and maturity for leaves 5-10 leaves, NTA recommends  
27 biorational, sinamaldilate, which is not so toxic.  
28

29 With the Hon. Secretary opening the floor for discussion, for any points to be  
30 raised, Director Casela recalled that during the previous meetings, they  
31 discussed balanced fertilization and NPK usage. He said that the first report  
32 included the level of yield per trial, so they requested the research group to  
33 include, also, the quality index that was derived in the different trials conducted.  
34 Best recommended for the use of fertilizer was the use of 50% recommended  
35 by NTA and the use of Ceres, in which case, the yield increased, the quality  
36 improved, also, and correspondingly, the chemical component, which is very  
37 important here, just like, the chlorine and sugar, that particular technology on  
38 the use of fertilizer. The best recommended application combination for fertilizer  
39 is the use of 50% of recommendation and the use of 1.5L of Ceres.  
40

41 Hon. Secretary said, "Ok. Using of number 4 is the best". He asked for  
42 response to the concern or are there other positive comments. DAOP  
43 commented that the recommendation of Director Casela, the Bio-Stimulant  
44 Ceres, was actually already included in the package of technology of NTA and  
45 the recommendation of the technology was their basis in allowing the farmers  
46 its use in the tobacco contract growing system and, definitely, if they reduced  
47 the number of bags per hectare, the farmers will benefit in terms of reduced  
48 cost of production and, also, in affecting the yield and quality of tobacco. He  
49 said he agreed with Director Casela that they have to consider in the TCGS, the  
50 recommendation of the research group of FTSD.  
51

52 Hon. Secretary, at this point, asked for any explanation on one point he said he  
53 was not able to understand, "*meron lang ako na hindi maintindihan dito, meron*  
54 *kayong sinabi na 55.85% high grade, pero on some of your observations,*  
55 *percentage of high quality, lower than 65% (minimum) so, hindi ko maintindihan*  
56 *iyon, any explanation?"*

57  
58 DAOP explained that this is possible, because when they implemented the  
59 project, there was occurrence of climate change, like freak rains. They still have  
60 to look into this, as the percentage high grade was affected by the occurrence  
61 of the freak rains that happened during the last two cropping seasons.

1 Hon. Secretary concluded, it was not about the fertilizer combination, to which  
2 DAOP remarked that if we look at them, all of them were affected. Then, it  
3 should be presented that way, Hon. Secretary retorted. Then he asked why  
4 fertilizer cost is so high. DAOP explained, this is the requirement for producing  
5 the market-oriented quality production. If there is corresponding physical and  
6 chemical properties consideration in this recommendation, this is the result of  
7 the TWG (technical working group) for tobacco, where the private sector under  
8 the NTA's TCGS (tobacco contract growing system), as we are in the market-  
9 oriented quality tobacco production. This is the technology that was developed,  
10 so that the cost is really high.

11  
12 Hon. Secretary said he needs to further, thorough research to verify further  
13 whether what is that quality, which of course, is the number one consideration,  
14 that must be looked into, then look into the yield. It may need further validation,  
15 even if you say this has been done already previously.

16  
17 He asked whether or not they are considering the result of the soil analysis. Is  
18 the recommendation for all tobacco growing, no lower recommendation, even if  
19 there are high nutrients available in the soil.

20  
21 DAOP agreed, this is the general recommendation that they were using. During  
22 the discussion yesterday, therefore, they will be updating the soil fertility and  
23 water quality (evaluation) of the tobacco growing areas so that they can relate  
24 them with our recommendation. They will categorize the areas planted tobacco,  
25 so that they can adjust, if needed to adopt, reduce the recommendation. This  
26 will be done in a very good time so, the research group can present the updated  
27 soil fertility and water quality map of tobacco growing areas. He affirmed the  
28 Hon. Secretary was right, there is still a chance for them to reduce the  
29 fertilization, considering that the cost of fertilizer this time is very high.

30  
31 Director Martinez observed that the yield (kilos/hectare) in Amho was 2,953  
32 kilos, compared to 2,300 kilos and 2,200 kilos, for foliar and yet, their net  
33 income, was only PhP88k only, which is next to Ceres. He asked what made its  
34 cost of production so high, PhP98K? Is it because of the fertilizer or is it Amho,  
35 which one?

36  
37 Hon. Secretary interjected, pointing out that one was under Virginia Improved  
38 flavor while the other one was Burley, after which he asked for any other  
39 comments.

40  
41 Director Casela informed that in their discussion this morning, he emphasized  
42 the importance of determining the level of fertility of our tobacco areas and the  
43 reference point in the recommendation on the volume and kind of fertilizer and  
44 that is one of the measures to reduce cost of production.

45  
46 Hon. Secretary confirmed Director Casela was right if we have fertility maps.  
47 He asked for any other observations

48  
49 Director Casela revealed that the recommendation of the research group  
50 includes the Ceres which he mentioned this morning that there was no protocol  
51 research conducted yet on this Bio-Stimulant. The basis for the inclusion was  
52 the practice of the farmers which, they claimed, really helped in the  
53 improvement of quality and yield and documented by NTA's field personnel  
54 there. The question is it did not pass the process in the conduct of research.  
55 He, therefore, requested that a protocol research shall be conducted for the  
56 purpose.

57  
58 At this juncture, the Hon. Secretary declared, we are also conducting that  
59 (research) in the regions and if it has not passed the testing of the government,  
60 it is better that for the private sector should be tested by us, the government,

1  
2 until we have that confidence to recommend. The testing should be continuous,  
3 for all studies, not only one time or twice, but more analysis should be done.  
4 Those which have passed our validation process, that will move forward. As  
5 initial recommendation, therefore, there should be continuous monitoring and  
6 testing of the quality of the bio-stimulants, so that they will be on guard, sustain  
7 the quality of their stimulants. This has been discussed earlier about bio-  
8 fertilizers and bio-stimulants. While initial presentation by the companies was  
9 good, once they were already able to establish, maintaining the levels was not  
10 sustained. The research group, therefore, should continue to monitor and test.  
11 With all the comments given, let us have more evaluation, looking at quality  
12 parameters, without forgetting the yields. We need to continue monitoring and  
13 testing, quality of fertilizer and quality of pesticides, sustained by companies,  
14 that are promoting, marketing and let us see how can we really have soil fertility  
15 maps, that will guide our farmers and before the planting season, we should  
16 teach them on the result of the fertility maps so that there will be no more over  
17 fertilization, for our farmers, now that the prices of fertilizers are so high.

18  
19 With that, we can now proceed to the aspect of balanced crop protection. The  
20 same principle should be applied - continuous testing and monitoring, we have  
21 to follow the process, for that part of our POT.

22  
23 **C. APPROVAL OF ACTION PLAN AND BUDGET FOR THE PREPARATION OF**  
24 **THE RESEARCH AND DEVELOPMENT AGENDA, INCLUDING THE**  
25 **ESTABLISHMENT OF THE RESEARCH AND GRADING INSTITUTE**

26  
27 Hon. Administrator introduced the item and called on the Board Committee  
28 Chair, Director Quintal, to present.

29  
30 The number 1 in Director Quintal's presentation was the action plan and the  
31 duration for agricultural research and production inputs, undertaken by FTSD,  
32 which included soil and water fertility for tobacco areas, which was said to be  
33 on-going and will be finished soon, by October 2022; upgrading of NTA  
34 laboratory, crop protection and then, further evaluation for recommended Bio-  
35 Stimulants.

36  
37 Hon. Secretary interjected, *"Balik tayo. Hindi ko maintindihan itong updating of*  
38 *soil and water fertility of tobacco areas. Sandali, hindi ko nga maintindihan*  
39 *iyong number 1. Hindi ganyan iyong English natin, updating of soil and water*  
40 *fertility. Mayroon bang ganoon, water fertility? Soil fertility and water quality,*  
41 *siguro, ang ibig mong sabihin".*

42  
43 Director Quintal continued his presentation that we have crop protection  
44 strategy and to further evaluate the recommended Bio-Stimulants. The next  
45 number was improvement of variety, so as to acquire pest -resistance.

46  
47 Hon. Secretary asked again why he was not able to understand and looked for  
48 the research division for them to report. *"Dumaan na sa sub-committee, but*  
49 *they should continue the report para sila ang magisa, hindi ikaw,* addressing  
50 Director Quintal. Hon. Administrator called on FTSD OIC/Manager Ms. Arellano  
51 to report.

52  
53 Ms. Aurellano informed that they have discussed these items together with  
54 Director Quintal and that they will continue the concerns on agricultural  
55 research. Hon. Secretary said he cannot understand the action plan,  
56 acquisition and evaluation. What does acquisition mean when you do varietal  
57 improvement, he asked. Ms. Aurellano replied, they plan to import seeds. Hon.  
58 Secretary retorted, *"Ganyan pala varietal improvement, importation of seeds.*  
59 *Hindi lang naman ganoon. Ano ba varietal improvement? Can you describe or*  
60 *define?"* Ms. Aurellano replied that they have existing varieties. They have

1  
2 reached their potential so they were adding more. Hon. Secretary directed Ms.  
3 Aurellano to answer his question, *What is the definition of varietal*  
4 *improvement?* Ms. Aurellano informed that the breeder of the department is  
5 assisting.

6  
7 Hon. Secretary asked where is the breeder. The Breeder responded, *“varietal*  
8 *improvement is the process of producing improved varieties, utilizing the*  
9 *existing ones”*. Hon. Secretary asked whether is that all. What about the  
10 species? All of them. You should be thorough breeder.

11  
12 The Breeder admitted that actually, that was the first thing (research) they do.  
13 She related that breeding hybrid (it) takes them a long time. Hon. Secretary  
14 affirmed, that should be continuous hybridization. On top of that they can  
15 acquire from the outside. *“Wala na ba kayo more on imagination na breeders*  
16 *ng NTA?”* The Breeder replied “yes, sir”, saying they plan to acquire from  
17 other sources.

18  
19 Hon. Secretary declared that he was not happy with this action plan and  
20 directed agricultural research to go back to drawing board, declaring further that  
21 the presentation was very simplistic and not the kind of research that we want.  
22 Addressing the Hon. Administrator, directing to go back to the drawing board,  
23 and to consult with other scientists outside of NTA, that are good in agricultural  
24 research. He pronounced that it is a waste of money if the explanation is only  
25 like that. He said he cannot understand. He wanted a group from the outside  
26 (NTA), who know plant breeding and other components of agricultural research.  
27 *“Let us elevate. Let us do it properly”*, he concluded.

28  
29 DAOP requested permission that they be allowed to go back to the drawing  
30 board and present their output in the next board meeting. Hon. Secretary  
31 directed them to *“Go ahead”* and to *“Please identify, if you consulted”*.


32  
33 **D. APPROVAL OF THE ACTION PLAN AND BUDGET FOR THE PREPARATION**  
34 **OF FEASIBILITY STUDY FOR MAKING THE NTA KADIWA NI ANI AT KITA IN**  
35 **NARVACAN INCOME-GENERATING (PROFITABLE), INCLUDING THE**  
36 **IDENTIFICATION OF PRIVATE SECTOR PARTNER**

37  
38 Hon. Administrator introduced Director Casela, who in turn requested the  
39 DAOP to make the presentation on the Kadiwa ni Ani at Kita.

40  
41 DAOP informed the Governing Board that the operation of the NTA Kadiwa in  
42 Narvacan, Ilocos Sur has slowed down because of the incidence of ASF and  
43

44 However, with the guidance of management and the improvement of animal  
45 protocol in that particular area and considering the latest information that there  
46 are already some green zones in that particular location, they intend to  
47 operationalize the processing plant.

48  
49 DAOP expounded that the purpose is to be able to provide our tobacco farmers  
50 additional livelihood by growing hogs and perhaps, chicken, so that the  
51 processing plant will continue to operate. He then presented the major activities  
52 that they will have to conduct, that will include:

- 53 ❖ assess its financial status, especially with the report that it has incurred  
54 severe losses;
  - 55 ❖ operationalize the plant so that they would be able to produce meat and meat  
56 products that they intend to sell/provide to our tobacco farmers;
  - 57 ❖ disperse (magpapa-alaga) piglets for fattening to the tobacco farmers,  
58 through the block farm;
  - 59 ❖ buy back the fattened pigs and process them into meat and meat products;
  - 60 ❖ provide to our tobacco farmers the said fresh and /or processed meat.
- 

1 He said that they were instructed to show to Management that the operation  
2 should be viable. They, therefore, have to take a closer look into the past  
3 and present operation, to find out why it was not earning. He said he needs  
4 to examine the financial status, the production capacity, the cost of  
5 production, the overhead cost; and, analyze the cost and return. The  
6 assessment will be started May 16 and hope to complete the assessment on  
7 May 30.  
8

9 Another major activity pertains to the assessment of the present situation on  
10 the operation in the plant, in terms of compliance to ECC of DENR, including  
11 that of NMIS. They have to look into the slowing down of the operation of the  
12 plant, the technical evaluation of the plant, after the building was affected by  
13 the flood during the time of typhoon Maring, including the storage facilities,  
14 and the whole compound, so as to evaluate the integrity of our building and  
15 machineries within our compound.  
16


17 They would also like to identify and evaluate the possible sources of piglets  
18 at present, within the vicinity of the plant, because earlier, they had great  
19 difficulties in sourcing the piglets. Director Domenden, however, informed  
20 that the DA, at present, has a re-population program that may be tapped for  
21 the purpose. They will coordinate with DA Regional Office to seek for their  
22 assistance, with regards to the sourcing of raw materials that is needed with  
23 the operation and, of course, identify existing animal protocol in the areas,  
24 where they have identified as green zone, pink zone and still have some red  
25 zone. DAOP assured the Hon. Secretary that they will be doing their best to  
26 coordinate with DA-RFO-I so that they will be able to seek assistance, with  
27 regards to the purpose of operationalizing the Kadiwa ni Ani at Kita.  
28

29 DAOP informed that in the COB, there is budget allocation PhP5M, to be  
30 used as production assistance to farmers, for hog fattening and broiler  
31 production, which the NTA will buy back by NTA and processed into meat  
32 products.  
33

34 Another activity is the formulation of marketing strategy so that, immediately  
35 after the product has been processed, they have to be moved out  
36 immediately, and to save on warehousing for meat/meat products.  
37

38 DAOP estimated that as they are directly assisting 2,000 tobacco farmers in  
39 a week, assuming that each of them will eat 2 kilos of meat, they will be  
40 butchering 29K kilos a week. This is a very big volume that will make the  
41 plant viable. How? They will provide the farmers with social amelioration or  
42 subsistence allowance, to be integrated to the production assistance, that  
43 they can pay for the meat and meat products coming from the Kadiwa ni Ani  
44 at Kita. This is the concept they are looking into. All of the above will be  
45 worked out by the operations Group and the whole Feasibility Study will be  
46 completed by August 15, because they need time to gather and analyze the  
47 data/information for Feasibility Study preparation.  
48

49 Hon. Secretary pronounced, "*Alam Ninyo, we are wasting time and money.*  
50 *Gusto ko, operational ang Kadiwa ni Ani at Kita. Alam Ninyo, you can hire a*  
51 *team from the outside who can do all the assessments to these activities in*  
52 *one to two months. Kahit for PhP1-1.5 Million. You will be saving PhP4*  
53 *Million. You just have to put up a TOR (Terms of Reference) and indicate the*  
54 *services from the outside experts. Hindi kaya ng from the inside. Mas marami*  
55 *pa tayong makukuha ng mga ideas from experts from the outside - iyong*  
56 *mag a-assess, na mag bibigay ng (ideas to) strengthen the operations. So,*  
57 *why spend PhP5M? Anyway, its too long. Ang ano ko dito, pag may*  
58 *maganda kayong TOR in the assessment and strengthening the operations.*  
59  
60



1  
2 *Ganoon po ang title, "Assessment and Strengthening of the Operations" of*  
3 *the NTA Kadiwa ni Ani at Kita. So, lahat ng components na iyan pag experts*  
4 *ang kinuha niyo na magaling sa feasibility study sa business. Kung sa atin sa*  
5 *loob ay hindi natin kaya. I should be corrected if my observations is wrong.*  
6 *Mas kaya ng labas na experts that we can engage. Hindi kaya ng sa loob."*  
7 Any comments, he asked.

8  
9 DAOP replied, "Yes, Sir. *We will take note of it, Sir*". The Hon. Secretary  
10 countered, that it is not "take note" but "comment" that he likes for his  
11 statement, "*Expertise, better from the outside*".

12  
13 DAOP responded that the Hon. Secretary's suggestion was good and they  
14 will follow. Additionally, he informed the Hon. Secretary that the Php5M  
15 indicated was totally recoverable. Hon. Secretary said no. He reiterated  
16 earlier instruction to make assessment and strengthening of the project. He  
17 asked why the Php5M should be placed there. He directed to use the  
18 remaining amount for the livelihood project for the farmers so that they will  
19 have something to buy when the facility shall have started to operate. DAOP  
20 answered yes, saying that this is the purpose of the Php5M, and said sorry  
21 for placing the said amount there.

22  
23 Hon. Secretary followed on earlier statement. He said, maybe they can use  
24 less than a million, if they tap one from the outside who knows about the  
25 business and knows how to prepare a feasibility study. They can use the  
26 remaining amount to have capital for their operations. He, then, instructed,  
27 "*You put up the TOR and come back to the Board with a Budget*".

28  
29 Hon. Administrator suggested to the Hon. Secretary, to defer this in the  
30 meantime, saying the Hon. Secretary is right, for them to hire expert from  
31 outside and the remaining (amount) will be for livelihood program. He  
32 informed the Hon. Secretary that NTA has a new entrant, who can help in the  
33 review of the Kadiwa and the TDPP and also another new entrant, who is  
34 good/magaling in marketing, that we can use her talent, together with the  
35 consultant that we are going to tap.

36  
37 Finally, he informed the Hon. Secretary that he received information from the  
38 Office of the President (OP) that the ECA is now approved. He will discuss  
39 this with the Hon. Secretary privately, together with the Php50M that he  
40 approved.

41  
42 The Hon. Secretary asked whether they have already submitted the  
43 requirements for the Php50M coming from the QRF of the DA, for those who  
44 were affected by freak rains. Hon. Administrator answered yes, we have  
45 submitted that, Sir.

46  
47 Hon. Secretary explained that Gov. Chavit was asking why we were not able  
48 to give yet. This must be submitted already so that the assistance can be  
49 released by May and June. Hon. Administrator answered Yes, Sir, saying  
50 that the same was said by the DBM, that the ECA has been approved and  
51 the one that the DA gave.

52  
53 Hon. Secretary acknowledged, "*Very good. Let us do that kasi kahit*  
54 *mayaman ang mga farmers natin, nagbigay naman iyong mga politico,*  
55 *dagdagan pa natin para makatanim sila ng rice na maganda, hindi titipirin*  
56 *ang fertilizer, pati iyong ibibigay din namin na Php5K sa rice farmer and*  
57 *tobacco farmer din, yon doble doble ang kita nila*".



1 VI. OTHER MATTERS

2  
3 A. NEGOTIATING POSITION OF THE NTA IN THE RENEGOTIATION WITH  
4 MMSU RE THE NTA'S PROPERTY IN BATAK CITY  
5

6 The Hon. Secretary started saying he would like to project the letter coming  
7 from the President of the MMSU, Shirley Agrupis, which he discussed earlier  
8 with the Hon. Administrator. Hon. Secretary believes they can come to the  
9 Board for the resolution of the concern. He exhorted everyone to try to  
10 understand the letter before they started, because what he likes is for everyone  
11 to have full understanding of what has been requested. So, he requested to  
12 project the letter and requested the Corporate Secretary to read the letter  
13 coming from the MMSU President. The Corporate Secretary, then, read the  
14 letter aloud.  
15

16 Hon. Secretary said this is the letter from the President of the MMSU in its  
17 entirety. He informed that for quite a time there have been "exchanges", so it is  
18 now time for the 2 institutions to have a "win-win" arrangement between them.  
19 He informed there is now a guarantee /katibayan in the proposal of MMSU, that  
20 the existing institutions of the DA inside the MMSU, the continuous utilization of  
21 the lot area of the University. So, they are not inhibiting us. They are giving us  
22 free use of the land over 25 years, renewable every 25 years. For the Hon.  
23 Secretary, he said he would like that before the ascension of the new President,  
24 the issue shall have been resolved, and honor the letter. He stressed, this is a  
25 win-win arrangement, and the direction for them should be to honor the letter  
26 and agree that the intent and purpose that have been described and  
27 enumerated in this letter-request for the President, so that it will become  
28 peaceful and good collaboration, partnership between the NTA and the MMSU.  
29 Hon. Secretary emphasized that partnership must be enhanced. He said he  
30 and Administrator JR have talked about this win-win arrangement. We really  
31 have to go forward at this win-win arrangement and everybody will be happy.  
32 He, then, asked for some words from the Administrator.  
33

34 Administrator said, 'actually for the betterment of the industry, we all want a win-  
35 win solution but before we come up with the decision, we are proposing for us,  
36 so may I call on our directors here to give us short comments/suggestions that  
37 before coming with the decision'. Hon. Secretary remarked that is a good thing  
38 to do. He gave the floor to the members of the Board to give their views and  
39 comments or suggestions. The Hon. Administrator suggested to start with  
40 Director Trongco, who said, "Maganda naman proposal ng MMSU. We are one  
41 family. But the Governing Board dapat mag meet with the 7 agencies for more  
42 understanding agreement". Hon. Secretary said that is okay. There is no  
43 problem. Director Serna was called next. He said, we have to refer that to the  
44 committee concerned, that is Legal Matters and Properties, to sit down and  
45 discuss together with other government agencies. From that, we will have  
46 outcome and we will provide you the result". Director Quintal said he was  
47 aware of the situation and the condition between the 2, the NTA and the 7  
48 agencies. He asked who is the legal owner and from there, may be during the  
49 dialogue between the 7 agencies, they could identify the real owner so that  
50 MMSU will be asking the real owner to either waive his or her right or may be,  
51 some amicable settlement". Hon. Secretary interjected, that Director Pilo was  
52 out of order, as the 7 agencies mentioned in the letter, have already signed a  
53 Usufruct Arrangement with the MMSU. It was not the question. That was  
54 already settled. That win-win arrangement, should be highlighted, as mentioned  
55 in the letter.  
56

57 The Hon. Chief of Staff (COS) volunteered to provide some background  
58 information. He narrated that before 1986, there was a PTRTC, which was  
59 originally created in 1977, with President Marcos, as part of the University  
60 (MMSU), but eventually devolved as separate agency, but hosted by MMSU.  
61 So, from 1977 to 1986, the PTRTC was hosted by MMSU and the lands where



1 the PTRTC was built was procured by the PTRTC in the name of the University,  
2 which holds the title. Some of the titles were only transferred later.  
3

4 In 1986, the 8 tobacco agencies were merged into one agency, the NTA,  
5 through Executive Order No. 116 (Reorganization of the Ministry of Agriculture  
6 and Food). Executive Order No. 245 implemented the merger/consolidation.  
7

8 In the merging of the agencies, their assets were also transferred to the NTA so  
9 that the property being occupied by PRTC was, under that E.O., transferred and  
10 has become part of the NTA. On the part of the University, on the other hand,  
11 as the titles of the property originally was with University, the property is still  
12 with the University. This is what President Agrupis would like, that the property  
13 would still be part of the University. NTA, on the other hand, claimed that due to  
14 the EO of 1986, Executive Order No. 116 (Reorganization of the Ministry of  
15 Agriculture and Food), the PTRTC, together with other tobacco agencies, has  
16 been consolidated with the NTA. The present conflict when the titles are being  
17 transferred to NTA, which the MMSU would like for itself, being the original  
18 owner of the area, through its hosting PTRTC. This is the conflict at present, the  
19 Hon. COS explained.  
20

21 Hon. COS continued, that in 1999, the then Administrator Ocampo?, had  
22 entered into an agreement with PhilRice, signed in the presence of then Acting  
23 Secretary William Dar, the transfer of the building to PhilRice, which it  
24 rehabilitated. It was rehabilitated because it was not completed by PTRTC.  
25 This is the reason why the PhilRice was there. Later on, however, NTA was  
26 reclaiming the other parts of the building. This situation today is that there are  
27 parts being occupied by PhilRice and there are parts occupied by NTA.  
28 However, there was no actual transfer of the title of the building. Legally,  
29 therefore, the ownership of the building remains with NTA, although there is this  
30 agreement that some parts were occupied by PhilRice, just for training. The  
31 present request of the MMSU is that they would like to maintain the integrity ng  
32 University, because the land around that area, except for some private  
33 properties, remain part of the University experimental area, like the one beside  
34 NTA, the CRDI and the CODA. The University, therefore, would like that, if  
35 possible, maintain the integrity, and just be given to the University.  
36

37 Hon. Secretary suggested that the title be maintained with the University  
38 because it was not transferred and there was no process to transfer.

39 Hon. COS reiterated the request, if the NTA can allow them to maintain the  
40 ownership. They are also willing to give the area to NTA through a Usufruct  
41 agreement.  
42  
43

44 Saying OK already to the Hon. COS, Hon. Secretary gave the floor to Director  
45 Quintal to say his piece. After thanking the Hon. COS for the information,  
46 Director Quintal opined that if ever MMSU is the original owner, NTA does not  
47 have any right to reject the desire of the MMSU President.  
48

49 Hon. COS explained that NTA has also a right over the property. "*Kaya lang, kung*  
50 *titignan natin yung University, meron kasi kalabuan yung EO 116, kasi the*  
51 *PTRTC is never part of the DA. It was hosted by the University. It was a*  
52 *separate entity. Ang nangyari, noong nagkaron ng EO 116, biglang napunta sa*  
53 *DA. Kaya sabi nila, iyong University hindi pwede akuin ng NTA iyong property,*  
54 *na dadalhin na kasi na merge na sa NTA. Claim naman ng NTA, kasama iyan*  
55 *sa EO 116, itransfer na iyan sa NTA. Iyon ang nakikita ko diyan na place,*  
56 *government to government ang nagkakwan (settle?) diyan."*  
57

58 Hon. Secretary complemented, what is important is that we all belong to One  
59 DA family. All of us are looking for solution for this not to become an issue. Win-  
60 win solution is what we are looking for.  
61

62 Director Quintal remarked that now we know the arrangement, we may be the  
63 real owner but the first owner should have the right. Anyway, we can use  
64 whatever we like, like the building, just like a squatter, the land is theirs, the  
65 building is ours.

1 Hon. Administrator called Director Martinez next, who said he will support all the  
2 way.  
3

4 Hon. Secretary called on Director Casela. He said that *"the Members of the*  
5 *Board who were here yesterday, appreciated the gesture, considering that the*  
6 *Member of the Board is a collegial body, meaning to say we were given a*  
7 *chance, just like now, to manifest our opinion with respect to the issue at hand.*  
8 *I for one, I recognized the magnanimity and the wisdom of both heads, Hon.*  
9 *Secretary Dar and Administrator JR, established to come-up with harmonious*  
10 *relationship among the agencies within the DA family, and specifically on this*  
11 *issue of establishment of legal ownership of the property, but rather the*  
12 *intention to have a win-win situation; and, that the President, Hon. Agrupis, is*  
13 *urging or requesting NTA to come-up with an agreement on the use of the*  
14 *facilities or properties by way of Usufruct agreement. I consider the issue very*  
15 *critical and very sensitive, so much so that, I, for one, is requesting for ample*  
16 *time, well of course legal of the Governing Board of the NTA to attend to the*  
17 *situation for the suggestion of other Members of the Board, that NTA would like*  
18 *to request to sit down with the other 7 agencies, as mentioned in the letter of*  
19 *Pres. Agrupis, together with NTA, so that each one will have an opportunity to*  
20 *come-up with their decision or intention with respect to the issue".* Hon.  
21 Secretary advised Director Casela not invite the 7 agencies anymore because  
22 they have no problem with MMSU, as they have already signed a usufruct  
23 arrangement, which should no longer be complicated.  
24

25  
26 Hon. COS emphasized that the agencies involved are the MMSU and the  
27 NTA. There is no quarrel between PhilRice and NTA in this respect. He asked  
28 if the Board is willing, if they want NTA and MMSU to negotiate. (He said it will  
29 be PhilRice that will have a conflict here?). MMSU would like that the  
30 ownership should be given to them so that the title for the area will remain intact  
31 with them. The other way is for the MMSU to give in to NTA and NTA maintains  
32 its ownership. Hon. COS however said it is not known at this point whether the  
33 title is now in the name of NTA or still with MMSU. In any case, his suggestion  
34 is that for NTA to maintain its presence in that area, which may be through a  
35 Usufruct agreement, say for 50 years or 99 years. So it will stay that way, that  
36 will be status quo, the land is theirs for the next 50 or 99 years, than under NTA  
37 development and use.  
38

39 Hon. Secretary, at this juncture, summarized what have been said. *"I think*  
40 *there is openness among Members of the Board to look forward for a win-win*  
41 *solution. I think that's fair. Only, we have to have some process, some more*  
42 *time to have further discussion and dialogue with NTA. So, part one of that*  
43 *process on time, have the Committee of the Board to look at this in the*  
44 *meantime, with all the discussion, for the background and the process. The*  
45 *leadership will be given authority. Administrator JR will be given authority by the*  
46 *Board to continue dialogue and discussion towards the win-win solution para let*  
47 *us have it once and for all, as I have said, ako pa naka-upo dito resolutionan na*  
48 *natin ito. We are not losing anything. I mean, of course, kung ano iyong usufruct*  
49 *na pipirmahan ng NTA, 50 years? Why not? Wala na tayong lahat dito. OK.*  
50 *Shall we have the Committee work on this before the next Board Meeting and*  
51 *give your comments/suggestions from there. We will direct the Administrator to*  
52 *go further with negotiation with MMSU President for a win-win solution".*  
53

54 Asking permission from the Hon. Secretary, Director Casela suggested that, on  
55 the context we are all in direction of win-win situation/solution to the issue, the  
56 Committee on Legal Matters and Properties, chaired by Director Martinez,  
57 would handle this and will consider all the legalities with respect to the issue  
58 From that, the Committee will make its recommendation to the Management, to  
59 the Board.  
60

61 Hon. Secretary said the Board is directing so it has to come back to the Board.  
62 In the next two weeks, you can have some deliberations. Before the next Board  
63 Meeting, there should already be a report. The second phase that the Hon.

1  
2 Secretary said is to give authority to the Administrator to discuss/dialogue with  
3 the MMSU President on a win-win solution.  
4

5 Addressing the Chair, Hon. COS moved that that the Board authorize the  
6 Administrator and the Chair of the Committee on legal Matters and Properties to  
7 conduct the negotiation with the MMSU.  
8

9 Hon. Secretary, however, advised it will be a stage process (hindi bigla lang).  
10 First, the Committee led by Director Martinez will have deliberations to consider  
11 all the issues and they will submit a report to the Board on next Board Meeting.  
12 After that, there will be a resolution to request the Administrator, maybe we  
13 could include the Chair of the Committee, Dir. Martinez, to be part of the  
14 Committee of two, to discuss the win-win solution with the University. So it will  
15 be that way, two stage process. He then asked for any second. The Hon.  
16 Administrator and Director Martinez seconded the motion.  
17

18 The NTA Governing Board adopted the following resolution for the purpose:  
19

20 **RESOLUTION NO. 2146- 2022**  
21

22 **"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT** the  
23 NTA Governing Board authorizes the Committee on Legal Matters  
24 and Properties, led by Director W. Martinez, to have deliberations  
25 considering all the issues, to come up with a report/recommendation  
26 on the win-win solution for negotiation with MMSU; and, authorizes  
27 the Administrator/CEO, Robert Victor G. Seares, Jr., together with  
28 the Chairman of the above Committee, to discuss the win-win  
29 solution with the MMSU."  
30

31 **UNANIMOUSLY APPROVED ....**  
32 -----

33 Hon. Secretary directed let us be ready for that as he knows that "*Kaya ni*  
34 *Director Willy ito*". It will be discussed in the Committee and be reported to the  
35 Hon. Secretary during the next Board Meeting, scheduled 26 May 2022, 2 PM.  
36

37 Conveying his thanks to all and his wish that "sana tuloy-tuloy ang STEP natin,  
38 it will save the industry. It will make a big difference, if we have the STEP  
39 including the budget to be in place next year.  
40

41 **B. PROPOSED SCHEDULE FOR THE 108<sup>TH</sup> SPECIAL MEETING OF THE NTA**  
42 **GOVERNING BOARD WILL BE ON 26 MAY 2022, THURSDAY, 2:00 PM.**  
43

44 **VII. ADJOURNMENT**  
45


46 The Hon. Secretary official adjourned the meeting at about 3:55 PM.  
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50 **PREPARED AND CERTIFIED CORRECT:**


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52 **REX ANTONIO P. TEOXON**  
53 Board Secretary V  
54


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56 **ATTESTED:**

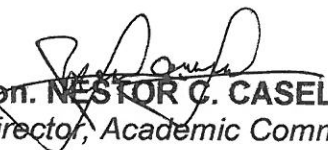
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58 **Hon. WILLIAM D. DAR, Ph.D.**  
59 Secretary, Department Agriculture  
60 and Chairman, NTA Governing Board  
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4 **Hon. ROBERT VICTOR G. SEARES, JR.**  
5 *Administrator/CEO*  
6 *and Vice-Chairman, NTA Governing Board*  
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10 **Hon. LEOCADIO S. SEBASTIAN, PhD., CESO I**  
11 *Undersecretary and Chief of Staff, Ex-Officio Member*  
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16 **Hon. JESSIE PAT M. SERNA**  
17 *Appointive Director, Tobacco Manufacturing Sector*  
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22 **Hon. WILFREDO C. MARTINEZ**  
23 *Appointive Director, Tobacco Farmers Sector*  
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28 **Hon. NESTOR C. CASELA**  
29 *Appointive Director, Academic Community Sector*  
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34 **Hon. TEOFILO R. QUINTAL**  
35 *Appointive Director, Tobacco Farmers Sector*  
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40 **Hon. DANILO C. TRONGCO**  
41 *Appointive Director, Tobacco Farmers Sector*  
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46 **Hon. WILSON R. VICTORIO**  
47 *Appointive Director, Tobacco Traders/Exporters Sector*  
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Republic of the Philippines  
DEPARTMENT OF AGRICULTURE  
**NATIONAL TOBACCO ADMINISTRATION**  
3<sup>rd</sup> & 4<sup>th</sup> Floor, Ben-Lor Building, 1184 Quezon Ave., Quezon City  
Tel No. (02) 8374-3987 / Fax. No. (02) 8374-2505 / website: nta.da.gov.ph  
ISO 9001: 2015 QMS CERTIFIED

**OFFICE OF THE NTA GOVERNING BOARD**

**ONE HUNDRED AND SEVENTH (107<sup>TH</sup>) SPECIAL MEETING  
OF THE NTA BOARD OF DIRECTORS, HELD AT THE  
PUGAD ADVENTURE, PUGO, LA UNION  
28 APRIL 2022 (2:00 PM)**

**PRESENT:**

<b>Usec LEOCADIO S. SEBASTIAN, Ph.D., CESO I - Chief of Staff/Ex-Officio Member</b>	<b>Presiding Officer</b>
<b>Adm. ROBERT VICTOR G. SEARES, JR.-</b>	<b>Vice-Chairman of the Board and Administrator/CEO</b>
<b>Dir. JESSE PAT M. SERNA</b>	<b>Member, Manufacturing Sector</b>
<b>Dir. NESTOR C. CASELA</b>	<b>Member, Academic Community Sector</b>
<b>Dir. WILFREDO C. MARTINEZ</b>	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. TEOFILO R. QUINTAL</b>	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. DANILO C. TRONGCO</b>	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. WILSON R. VICTORIO</b>	<b>Member, Trader/Exporter Sector</b>

**OTHERS PRESENT:**

<b>Engr. CESARIO G. SAMBRANA</b>	<b>OIC/Deputy Admin. for Operations</b>
<b>Atty. JUN FRED V. PARADO</b>	<b>Legal Officer V, Office of the Admin.</b>
<b>Ms. FORTUNA C. BENOSA</b>	<b>Manager, Corplan Department</b>
<b>Atty. ROBERT A. AMBROS</b>	<b>Manager, Regulation Department</b>
<b>Ms. MILAGROS TIU</b>	<b>Chief Accountant, Finance Dept.</b>
<b>Mr. RAMON R. MUNCAL</b>	<b>Stenographer III</b>
<b>Mr. REX ANTONIO P. TEOXON</b>	<b>Board Secretary V</b>

**HIGHLIGHTS OF THE MEETING**

**I. OPENING PRAYER**

**Atty. Jun Fred Parado**, Attorney V of the Office of the Administrator, and concurrent OIC/Manager, Administrative Department, led the opening prayer.

**II. CALL TO ORDER**

As directed by the Honorable Secretary, the Honorable Undersecretary and Chief of Staff (COS), Dr. Leocadio S. Sebastian, CESO I, presided the meeting. He called the meeting to order at about 2:05 PM.

**III. DETERMINATION OF QUORUM**

He asked the Corporate Secretary if there is a quorum.

The Corporate Secretary reported that for today's meeting, present are the Honorable Administrator/CEO and Vice-Chairman of the Governing Board, Robert Victor Seares, Jr., Honorable Directors Nestor Casela, Teofilo Quintal, Wilfredo Martinez and Danilo Trongco, who are in the venue. Director Jesse Pat Serna connected virtually in Ilocos Sur. Director Wilson Victorio informed he is on his way to the site and will be in shortly.

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The Corporate Secretary declared that there is quorum for today's Special Board Meeting.

**IV. APPROVAL OF THE AGENDA OF THE 107<sup>TH</sup> SPECIAL MEETING OF THE NTA GOVERNING BOARD, HELD AT THE PUGAD LAWIN ADVENTURE, PUGO, LA UNION**

Moving forward to the approval of the Agenda, the Honorable Chief of Staff (COS) immediately called for a motion to approve. The Honorable Administrator interposed, he would like to add, under Other Matters, the discussion on the Release of the Php50 Million Quick Response Fund (QRF) from the Department of Agriculture (DA). Director Trongco moved and Director Casela seconded the motion to approve the Agenda.

The NTA Governing Board, then, adopted the following resolution, to wit:

**RESOLUTION NO. 2140- 2022**

**“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the NTA Governing Board approves the Agenda of the 107<sup>th</sup> Special Meeting (Virtual) of the NTA Governing Board held this 28 April 2022, at the Pugad Adventure, Pugo, La Union, as amended with the inclusion of the discussion on the release of the Php50Million QRF from the DA.”**

**UNANIMOUSLY APPROVED ....**  
-----

**V. FOR APPROVAL/CONFIRMATION/CONSIDERATION:**

**A. MINUTES OF THE 151<sup>ST</sup> REGULAR MEETING OF THE NTA GOVERNING BOARD HELD ON 04 APRIL 2022, HELD AT THE BOARD ROOM, 3/F BEN-LOR BLDG.,1184 QUEZON AVENUE, QUEZON CITY**

As has been in the previous meetings, the Honorable COS reminded that they have five days from this meeting within which each Member can submit any correction to the minutes; then, asked for a motion to approve the Minutes. Director Quintal moved and the Hon. Administrator seconded the motion.

For the purpose, the NTA Governing Board adopted the following resolution, to wit:

**RESOLUTION NO. 2141- 2022**

**“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the NTA Governing Board approves the Minutes of the 151<sup>st</sup> Regular Meeting of the NTA Governing Board, held last 04 April 2022, at the Board Room, 3/F Ben-Lor Bldg., 1184 Quezon Avenue, Quezon City, subject to submission by any Member of any correction within five days from today's meeting.”**

**UNANIMOUSLY APPROVED ....**  
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4 **B. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETINGS:**  
5

6 **1. REPORT UPDATE (IF EVER): EXTENT OF COVERAGE OF THE PHP200**  
7 **MILLION (M) FROM THE DPWH - PHASE I OF THE CONSTRUCTION OF THE**  
8 **NTA BUILDING VIS-A-VIS APPROVED DESIGN -**  
9

10 (INFORMATION THAT THE DPWH CANNOT PROCEED WITH THE BIDDING WITHOUT  
11 THE NTA GOVERNING BOARD'S APPROVAL OF THE CONSTRUCTION PER PRE-  
12 APPROVED DAED, WITH THE ADJUSTED COSTINGS)  
13

14 The Hon. Administrator reported that he was given a copy of the report up-  
15 date coming from DPWH, indicating that the bidding was already posted in  
16 the website of the DPWH. We will therefore know within two weeks more  
17 who the winner of the bidding will be, subject however to issuance of Notice  
18 of Award and the Notice to Proceed later on.  
19

20 The Hon. Administrator informed further that while earlier this was said to  
21 fall under FLR (For Later Release), but there was already a letter from OP  
22 (Office of the President), so it was already published / posted in the website  
23 for two weeks. It can therefore be bid but short of awarding. The  
24 Awarding to the winning bidder maybe done only after the election.  
25

26 The Hon. COS asked for comments from any member. Hearing none he  
27 directed to proceed to the next item.  
28

29 **2. REPORT/UPDATE ON THE FOLLOW-UP OF VARIOUS REQUEST**  
30 **FROM AGENCIES RE THE STEP:**

31 **A. ENDORSEMENT BY OTHER REG'L DEV'T COUNCILS (RDC)- II &**  
32 **CAR**

33 **B. REQUEST FOR FUNDING FROM DBM (REQUEST FOR APPROVAL**  
34 **OF NEDA ICC / SECRETARIAT / MYOA?)**  
35

36  
37 The Hon. Administrator called on the DAOP to give the report.  
38

39 DAOP read the report submitted by Corplan Manager on the subject issue.  
40 He reported that letters were sent to Cagayan and Isabela but there was no  
41 response yet from Region II.  
42

43 RDC Region I, however, has already endorsed to the request for funding. The  
44 first physical and financial requirement of the STEP were proposed in the  
45 Agency budget for 2023, under Tier II. This was presented in the Technical  
46 Budget Hearing of RDC I and in the DA, for preparation of data supplement for  
47 submission to the DBM. This is for the information of the Hon. Governing  
48 Board  
49

50 The Hon. COS asked pertaining to the request from the Region II and CAR,  
51 have already been presented to the RDC. He said NTA can coordinate with  
52 the Regional Directors of the DA. *"You ask their assistance to follow-up.*  
53 *Please inform us if you need an assistance, kasi ang alam ko nag meeting na*  
54 *yung RDC for the endorsement regarding the DA budget. Please follow-up,*  
55 *para isama natin."*  
56

57 DAOP replied, *"We will go to Region II next week to personally appeal to the*  
58 *Regional Director."*  
59  
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4 Hon. COS added, "Sabihin mo pinapa-follow-up ni Secretary na tulungan kayo.  
5 Ganoon din sa DA CAR. Sa Baguio yung DA-CAR."  
6

7 DAOP agreed, "Yes Sir. We will submit our report in the next Board Meeting."  
8

9 Addressing the Hon. Administrator, Hon. COS expounded that this is for Tier II.  
10 We will need support from our Congressmen from Northern Luzon. Otherwise,  
11 that Tier II, kasi hindi napondohan, hindi natutuloy". So, we will be having a  
12 new administration already". If the Hon. Administrator will still be there by then,  
13 he can greatly help. "We will be getting support, even by the new President, to  
14 support the tobacco farmers. We can move it from Tier II to Tier I. Kailangan  
15 ma work out yan sa Congress."  
16

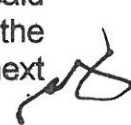
17 Hon. Administrator affirmed, Yes, Mr. Chair. Sana ma-work-out natin. Like the  
18 tobacco farmers dito sa STEP natin, I wish yung next administration natin will  
19 give support dito sa STEP natin."  
20  
21

22 **3. SUMMARY REPORT ON THE MEETING WITH THE SUPPLIER RE THE**  
23 **RESULT AND RECOMMENDATION IN CONNECTION WITH THE**  
24 **INVESTIGATION CONDUCTED ON THE CAUSE/S OF THE DELAY IN THE**  
25 **DELIVERY OF FERTILIZERS, OTHER INPUTS TO FARMERS / RESPONSE**  
26 **TO SHOW CAUSE ORDER ISSUED BY THE NTA**  
27

28 Hon Administrator introduced Director Casela to give the final report on the  
29 issue.  
30

31 Director Casela reported that during the last Committee meeting, that was held  
32 at La Union Branch Office, last April 6, the representative from LEADS Agri  
33 Corp., in the name of Mr. Alejar, was invited as Resource Speaker to shed light  
34 on the reasons why, as to the delay of delivery as far as the corporation is  
35 concerned, because of the pandemic. However, there were some queries  
36 raised by some Members of the Board and finally, during the Committee  
37 meeting yesterday, there was already a decision on the penalty to be imposed  
38 by NTA to LEADS Agri in the amount of Php261K (as re-computed from  
39 Php252K) and likewise on the issue of black listing, which representative has  
40 accepted.  
41

42 Therefore, the recommendation through the Chairman of the BAC states that  
43 instead of black listing, the LEADS Agri will pay the penalty (because the farm  
44 input to our farmers, in compliance to the technology, it needs time of delivery, the  
45 growth of tobacco plants will not be impaired, so much so the decision arrived at  
46 yesterday the management will communicate with LEADS Agri informing the company  
47 on the penalty) of Php261K plus; and, of course, the corresponding decision (of  
48 the recommendation) of Management and approved by the Board, as stern warning  
49 for LEADS Agri. The Secretary, Mr. Teoxon, was asked if there is a need of  
50 Resolution on this and it was suffice that there is no need for resolution for this  
51 but rather a communication should be prepared by Management, the contents  
52 of which is the penalty and the stern warning and this will be communicated to  
53 LEADS Agri.  
54

55 Hon. COS asked for any comments from the Members. Director Trongco said  
56 none. The Hon. COS, saying he thinks this was already implemented by the  
57 Administrator, declared the case is closed. He directed to proceed to the next  
58 item.   
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**4. REPORT ON THE STATUS AND/OR ACTIVITIES – WHERE IS THE NTA WHEN IT COMES TO THE STUDY /INSTITUTION OF THE FOLLOWING:  
A. BALANCED FERTILIZATION; AND,  
B. BALANCED PESTICIDAL APPLICATION**

Hon. Administrator introduce the DAOP to report.

DAOP informed he had a meeting presided by the FPA (Fertilizer and Pesticide Authority), on the formulation of Balanced Fertilization. He also attended the meeting at the DA and was given an assignment that each crop will submit on Balanced Fertilization. He informed they already have a report on the Balanced Crop Protection and Balanced Fertilization for comment by the Honorable Board. He went directly to the recommendation for his presentation.

Dir. Casela commented that there was a lengthy discussion yesterday on the issue on Balance Fertilization and Balance Pesticidal application. Part of the presentation was the research conducted, presented by the Manager of FTSD, which incompleteness he personally questioned. There was a decrease as to cost of production but there was no result on the yield level and the quality of tobacco, of this fertilizer used. That is to be conducted yet. He therefore moved for the deferment, for the inclusion of other data needed to these two particular issues to be submitted by DAOP on next meeting.

Hon. COS, while asking for any other comment, conveyed he thinks DAOP will meet other people of the department and submit the data requested by Director Casela. For tobacco, there is a need to reflect not only their effects on the yield but also on the quality of the leaves, which may not be as desired. He asked, with previous research done by NTA, has there been any result on this.

DAOP replied that there is. Actually, we already directed our researchers to go back/ review the results to indicated the yield per hectare and grade distribution. Although, they already have looked at the net income, which is also associated with quality and yield. So, what we need to indicate are the data on the yield and grade distribution that we will submit to the Governing Board.

Hon. COS said he know there were a lot of these aspects, dating back to the time of the late DAOP Dr. Bonoan. DAOP explained they have already shown the different stimulants and so with the level of fertilization, the recommended rate plus the Bio-stimulant. Yield/hectare and net income were reflected. The data were presented including re-distribution and we already directed the Manager of FTSD to include in the report for submission in the next meeting.

Hon. COS opined "*hindi lang siguro ang tawag doon Balanced Fertilization. There is this Balanced Fertilization for Rice. Meron na ba Balanced Fertilization sa tabako. Baka wala pa yon.*"

DAOP explained their test is for Bio-stimulant, but they were right in saying that we have to consider also the up-dated NPK level of the soil. In fact, in the last meeting with FPA at BSWM, we have to consider the result of soil analysis

Dir. Quintal commented that in addition to what the DAOP have mentioned, we have also to consider the marketing of tobacco. He said that right now, it depends on the buyers. Under the contract growing, if we do not have to follow the technology of the buyers, we alter by this combination in the fertilizer

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application, maybe nobody would buy, because the technology of the buyer was not followed. There should be something in the combination of the fertilizers and in terms of combination of Bio-stimulant and other fertilizers that would possibly affect, not only in terms of quality, but maybe in the chemical contents of the tobacco that might affect. So, it may be that they will no longer buy because of this, which should be the first consideration. DAOP may be right that we have also to consider the package of technology of the traders because, if we were the ones to buy the produce, we can do anything. But they have the technology of the buyer, maybe that is another question.

Hon. COS would like to ask NTA's Chemist, Myrna Lozano, about these things.

DAOP commented on the Director Quintal's earlier statement about the contract growing. The company/buyers know what they need and these were the ones they planted. Hon. COS replied we have to ask our technical people here. DAOP affirmed and added, there is also a need to consult the buyers, to which the Hon. COS replied, that's already considered. Sometimes, buyers would think like us. .

At this juncture, Director Casela gave additional comments pertaining to the issue on fertilizer and also pesticides/CPAs used for tobacco. To resolve the issue and to come-up with unified technology on the use of fertilizer and CPA's, there is a collaboration between NTA and Private Sector in the conduct of technology updating, in which the researchers of the private sector and the NTA, sit down together and share their experiences and resolve the researches on tobacco, so much so the issue the kind, volume and BOT has agreed with the two groups. But the issue right now, in a way of helping the farmers, the thrust of NTA two years ago, because of the high cost of fertilizer and cost of production for tobacco, the **strategy to reduce the cost of production**. That is why researches conducted, using alternative fertilizer, in which case, there is a considerable amount of cost of production, **but in the issue of determination of the yield and quality has not been determined**.

Director Martinez asked *"why don't we listen to Ms. Lozano first. You are right we have to call on Ms. Lozano"*.

Hon. COS interjected, that has to be done before the next Board Meeting. *"As part of the postponement of discussion of this matter to be presented on the next meeting, we should fully consult our technical people."*

Director Martinez commented that personally, he is not satisfied the research. He conveyed his opinion that we should have a better research. We should heavily work on that. He observed a while ago, that NTA is using 8 bags of NPK, 10-18-24 and 10 bags and another 6 bags Urea. We are using 16 bags/hectare, which is a lot. We should realize that we are spending so much for fertilizer. He said we should have met our researchers, because once upon a time, he was a farmer, a certified grower and he had a farm. He was only using 7 bags/hectare. This 16 bags therefore is too much. That is Director Martinez's opinion.

Hon. COS declared, it was agreed that this will be discussed in the next meeting. We will ask Members of the Board to support the technical people for better presentation and discussion



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6 **5. RESEARCH AND DEVELOPMENT AGENDA (INCLUDING THE**  
7 **ESTABLISHMENT OF RESEARCH AND GRADING INSTITUTE)**  
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9 Hon. Administrator introduced the item and called on Director Quintal to report.  
10

11 Director Quintal reported that yesterday, the research agenda as well as the  
12 establishment of Research and Grading Institute was discussed, through the  
13 presentation of Ms. Lozano. He said she mentioned about the agricultural  
14 fertilizer, the old balance of fertilizer strategy. In the developments agenda on  
15 research, Director had asked Ms. Lozano to add the economic researches,  
16 because the agricultural aspect covers all on fertilizer, pesticide, pest control  
17 and neglect the research on the economics of the tobacco crop, so that was  
18 one. He added he also wanted to see a research proposal on the socio-  
19 economic aspect. Then in the establishment of the virginia training institute,  
20 NTA had already initiated 2 or 3 years ago, the trainor's training in international  
21 grading system. Just to make sure that the national grading system will be in  
22 consonance with the international grading, there will be harmonization of these  
23 two grading system and that to strengthen this knowledge of grading, the first  
24 training of trainors was conducted. Further, these trainors made also trainings  
25 from different provinces regarding the harmonized grading and these trained  
26 technicians regarding grading, they should be deployed in the trading centers or  
27 to the so called block farming, because in the block farming, as a forward  
28 knowledge of the system, this STEP will be implemented in the block farming.  
29 In this block farming, there will be a warehouse and a research also, that the  
30 tobacco produce of the farmer-members of the block farm should be delivered  
31 to these warehouse, where the graders should be assigned. As a research,  
32 maybe we could initiate the so called assigned market. So, after the grading of  
33 the graders, there will set a date for the buyers to come, then we can set  
34 auction. This is a new idea on the marketing aspect of the tobacco to be  
35 "traditionalized" that the traders will finance through tobacco contract growing.  
36 They will finance these farmers and buy back their produce. So what we are  
37 proposing is a part of research aspect. Inasmuch as this STEP will be  
38 implemented with block farming, which will be governed by organized registered  
39 cooperative in this block farming that will be provided by this warehouse, then  
40 from there, they will have to buy the produce of members of the block farms and  
41 the traders and then, the graders evenly assigned with this block farm, to do the  
42 harmonized grading system. He continued that after this, perhaps in a bigger  
43 context, maybe in cluster block farm, there will be a bigger warehouse.  
44 Perhaps, preparation of cooperatives will also be involved that there will be  
45 more capitalization on this federation of all tobacco produce of the farmers  
46 within the block farm.  
47

48 Hon. COS acknowledged Director Quintal, "*Maganda yung ginagawa mo,*  
49 *defining some of the problems that are probably the research and development*  
50 *approach. Dapat ganoon ang gawin natin. We try to identify areas na nakikita*  
51 *natin na kailangan ng research or some education because some of them*  
52 *research, some of them innovation, some of them come from existing*  
53 *technology, so, hindi naman kailangan research pa. Huwag lang natin*  
54 *pabayaang yung research group to identify their research agenda. Kung kay*  
55 *Engr. Sambrana, engineering problem yan; tapos, pag chemist, puro chemistry*  
56 *problem yan. Kung anong gusto gawin, ganun nangyayari sa research, kung*  
57 *minsan. So, kailangan i-define natin kung ano mga area kailangan ng R & D*  
58 *and then given to them that these are the problem, then, propose to us how*  
59 *can you can solve them. At kung hindi niyo kaya, then, maghahanap tayo ng*  
60 *ibang grupo na maka solve kasi yung promo ng research group, wala ng*

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3 *capacity to solve the problem na sinasabi natin. But, we can also tap other*  
4 *organizations to help us address the issues. Hanggang ngayon, nakalagay dito,*  
5  
6 *the research and development agenda has not been submitted yet. So this is*  
7 *opportunity for us to better define what research group should be doing rather*  
8 *than asking them to propose. Kung hindi nila maisip, baka mamaya. Nakita ko*  
9 *kasi from experience, the disconnect between the management and research*  
10 *group. People from management do not appreciate what the research group*  
11 *are doing. Hindi sila maka-relate then, the farmers and the group cannot also*  
12 *relate to what the research group are doing. So, dapat maganda ang*  
13 *connection ng mga yon, para useful yung research output”.*  
14

15 Director Quintal, on the other hand, stated that right now, the 50% or even  
16 100% the tobacco leaf buyers/companies take advantage of the  
17 producers/farmers. Whereas, we empower the cooperatives to buy their  
18 products so that added income will go to cooperatives. So it is high time to put  
19 tobacco cooperative to compete with the existing tobacco buyers and we have  
20 to start upon implementation of the STEP.  
21


22 Hon. COS commented what Director Quintal was saying was no longer research  
23 but marketing already. Director Quintal countered we have to develop our own  
24 market because we have not yet started that. It is already for operations Hon.  
25 COS concluded.  
26

27 In this regard, DAOP explained that actually, the grading institute will address  
28 the problem of farmers, year-in year-out, the misgrading of tobacco because as  
29 of now the system of marketing and grading of tobacco, is at the buying station,  
30 where the grader, is under the payroll of the buying station. With the concept  
31 discussed by Director Quintal, we will make our farmers self-reliant. We will  
32 strengthen them so they will be able to put-up a warehouse, in which the  
33 grading of tobacco will be performed by the grader that is not under the employ  
34 of the tobacco company. He observed with the produce that was brought to the  
35 buying station, the farmers will be at a loss.  
36

37 Hon. COS directed that the concept should be developed. What they were  
38 saying indicate R & D operations. He therefore asked Director Quintal, what  
39 should be done now that he was able to hear what plan the DAOP will make  
40 under the operations.  
41

42 DAOP informed that the initial plan that he will be submitting in connection with  
43 the concept will include the training of the farmers, researchers and extension  
44 workers, and the greatest challenge, the grader of the company. They will make  
45 use of the harmonized grading system, not the company standard. As stated,  
46 they will train the farmers, researcher and EW's with regards to harmonized  
47 grading system, which will be used in the buying of tobacco, so that the  
48 feeling/belief of the farmers that they will be disadvantaged / were at a loss in  
49 the selling of tobacco will be lessened/diminished.  
50

51 Hon. COS reiterated earlier directive, enhance the concept and alter the  
52 issues. He directly moved forward to the next item.  
53

54 **C. PRESENTATION OF THE FEASIBILITY STUDY ON THE REHABILITATION**  
55 **AND OPERATION OF THE NTA TOBACCO DUST PRODUCTION PROJECT**  
56 **PURSUANT TO BOARD RESOLUTION NO. 2064- 2021, DATED**  
57 

58 Hon. Administrator introduced Director Martinez, the Board Committee Chair on  
59 Legal Matters and Property, to present the He begged off however saying that  
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3 unfortunately he was late yesterday and was not able to capture the whole  
4 discussion. He called for the DAOP' to give his presentation.  
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6 DAOP informed he presented, yesterday, during the Committee Meeting. He  
7 recalled that the TDPP was established in 2009. The tobacco dust was used for  
8 the sterilization of fishponds before the stocking of fingerlings, to control the  
9 predators and at the same time promote the of algae/lablab, which serves as  
10 food of fingerlings. The tobacco dust plus was already commercialized, until the  
11 time it was gutted by fire in 2016. Since then, it ceased operations and incurred  
12 losses, subject of COA Memorandum. The issues included the restoration of  
13 electricity (incurring cost), limited source of raw material, damaged machine and  
14 small market, which resulted to the Governing Board's decision to stop its  
15 operation. The COA Observation indicated it incurred losses amounting almost  
16 PhP46M, since it was razed by fire in 2016. Its losses continue to increase  
17 because of the overhead expenses for security guard and electricity. The  
18 Administrator therefore directed the Operations group to look into the possibility  
19 of rehabilitating the plant, but duly considering that issues and concerns that  
20 were raised before and not being addressed up to this time.  
21

22 The DAOP's recommended Action included the (re)introduction of tobacco dust  
23 in the market, maintain lower prices, develop partnership with companies  
24 engage in tobacco production and aqua-culture and plywood manufacturing.  
25 The tobacco companies recommended to give their tobacco dust and  
26 sweepings, per packaged proposal, because it was NTA which developed the  
27 tobacco dust plus. NTA intended the tobacco dust for beneficial purposes and in  
28 fact, as of this time, there were some calls already for their need of the NTA's  
29 tobacco dust plus.  
30

31 As to the issued on the raw materials, DAOP informed he was able to talk with  
32 the operations man of ULPI, the company which buying about 48M kilos  
33 tobacco, the 3% of which will be tobacco dust. Traditionally, NTA was not able  
34 to get the supply from the company, but this time, to be used for beneficial  
35 purpose by NTA, it can get some 3M kilos volume that will be coming from the  
36 tobacco companies. DAOP added that there is also the possibility of gathering  
37 from the fields that can be converted into tobacco dust that can be used sa fish  
38 ponds, and as additives in the production of particle board, which said to be not  
39 attacked by termites. For this purpose, there was already initial meeting with  
40 the DOST, which expressed interest to enter into a project collaboration with  
41 NTA, where they would also like to tap the cooperatives or associations to  
42 produce tobacco dust and market it for the needs of these (particle board)  
43 companies. This triggered the NTA/the Administrator's decision to open the  
44 operation of the TDPP. Because of the fire that razed the plant, we sought the  
45 help of Philmech, which sent 2 Engineers to evaluate the damage. The  
46 Philmech engineers reported that the plant, particularly the machineries and  
47 equipment, was not damaged by the fire. The machineries and equipment only  
48 need little repair and maintenance. This is a very good development as far as  
49 TDPP is concerned, considering that earlier report (by an engineer) indicated  
50 that the rehabilitation ng plant was estimated to cost PhP25M.  
51

52 In the end, DAOP accorded due stress on the potential market demand of  
53 tobacco dust plus for fishponds and for particle board. Once operationalized,  
54 this will be the contribution of the NTA to the DENR (clean environment), to  
55 have better fishpond production without the trace of highly toxic cyanide. DAOP  
56 ended his report saying they will submit to the Board a complete report, with the  
57 new projection, which in the first year was very limited using the small machine.  
58 This time, we foresee a rehabilitated TDPP. They can explore possible markets,  
59 after the rehabilitation of the plant and can increase production to make it  
60 beneficial to NTA.

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Director Trongco volunteered: additional testimony regarding tobacco dust. He narrated that actually, tobacco dust has already been demonstrated in his 2-hectare fishpond. This has been truly very beneficial and sought after because tobacco dust is a 2 in 1 purpose – for pond preparation to control the predators before the stocking of fingerlings, which will be environment friendly; and later, to become food for the fish, so one will no longer be providing feeds for the growing fish, so you will be increasing your profit.

Hon. COS asked the Hon. Administrator if there are private sector interested with the project. Hon. Administrator replied he has not talked with anybody yet, because of the pandemic. He was still heeding his advice to closely coordinate with BFAR. We visited the plant and found it very promising. It was due to the pandemic the earlier plan did not push through. But this time, we can have the chance again to talk with the tobacco buyers and if fund becomes available, NTA can start buying the sweepings for the production of tobacco dust plus

Hon. COS asked again whether NTA has the people to be able to operate the plant. Hon. Administrator replied yes, saying he has re-organized the team in the TDPP, placing the knowledgeable ones to the project. Hon. COS inquired again if they are business-minded, to which the Hon. Administrator replied yes, they are business-minded. Hon. COS explained that sometimes there are no businessmen among the technicians and government personnel. "*Lugi negosyo*", he concluded. Hon. Administrator replied, "Yes, Sir". He said this is the basic factor that he and DAOP considered in the assignment of people to the TDPP.

At this juncture, Hon. COS asked how the operation of the Kadiwa ni Ani at Kita in Narvacan be managed to become income-generating/profitable.

DAOP informed there is a program in the NTA's COB (Corporate Operating Budget). The issue however is we cannot grow hogs now. We have to raise hogs which the Kadiwa will purchase and processed into longganisa. The business actually is ok. DAOP added he is suggesting to Management that the target market of Kadiwa will be our tobacco farmers. Because every farmer/family consume around 2 kilos (per week?) so, as of now, there is a little budget that was allotted but cannot be used due to the ASF. We therefore asked Dir. Domenden if it is already possible for NTA to proceed with its hog fattening project, to be processed in Narvacan. The problem however is that Narvacan has been categorized as a red zone yet. We have to wait for it to become a green zone. Another suggestion is the broiler /chicken production. Hon. COS asked again, whether or not they are earning/generating income at present. DAOP replied that the only way it can operate is if we can have paalaga - hog fattening and broiler production projects. Are there interested private? Hon. COS asked. DAOP replied there were some who were actually calling us to ask about the supply of tobacco dust, which we do not have at the moment.

Hon. COS recalled the discussion about Narvacan, saying that about the problems of hog, NTA may tap the big program of the DA, - A -Hog, which NTA can use if you like. The DA is providing Php5M grant to Farmer Cooperators, for the facilities. The tobacco farmers under the block farm may avail.

Going back to the tobacco dust, the Hon. COS inquired how does NTA proceed. Will NTA be willing to initially invest, first?

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DAOP responded that as of now, it will become an income generating activity of NTA. We will try our best as we have a lot of contacts there. For instance, somebody from Pangasinan called up looking for NTA's tobacco dust, but we have nothing to give. We are therefore asking from the Governing Board to allocate a budget so that we can proceed with the processing.

Hon. COS acknowledged that the product was really good, which he already heard for long and may have involved Rey Castro and the other engineers in their development. What was surprising however was that it has not taken off. Perhaps, if NTA can have a good private sector, who will take care, so that the NTA will just receive the sure income, so NTA will no longer be involved directly in the business, He cited the case of Philrice which he used to run, with the earning of about Php100M a year, involving seed production. When he left, however, the income has substantially fell down to only Php30M. This is the way of the government, the interest will start up high then in the process interest will die down. Bagsak na naman negosyo. This is unlike the private sector which life heavily depends on the business they are running. For the private sector, when they incur losses, they suffer. In the government, when they incur losses, they asked for new money again to bail out. Perhaps, together with the Board, if we can look for private sector, the NTA will just receive the rent for the facility and the share from the income.

Hon. Administrator informed that during his visit to the tobacco dust plant, together with our fellow Directors, they really have seen its big potential. Seemingly, however, it has become a white elephant. They were looking at the machineries and their first reaction was to sell them and, from the proceeds, procure a smaller one for the processing of tobacco dust plus. In our visit to other tobacco companies, we have seen machines similar to that of the TDPP. We also hired a Marketing Specialist in the NTA. She is a promising Marketing Specialist. She gave up her job from the OP, so may be one among those who can be of help, especially with her connections during her stint at the OP. Going back to the Kadiwa, the NTA cannot proceed as it was hit by the typhoon and the rehabilitation to be done was stopped. There were findings by the COA in 2019, pertaining to the hog dispersal and the feeds that need to be resolved, the findings are quite thick to settle. Hon. Administrator added that one thing we are assuring is, at least, it is already moving, save that it was again adversely affected by the pandemic. We have visited the plants again and we hope that these coming months, with the incoming administration, this will become active again in the NTA.

Hon. COS interpolated/directed, "so, do you want to do Feasibility Study ang action natin dito"

DAOP, going back to the discussion on tobacco dust, informed that during the Committee Meeting yesterday, they asked until May 31 to complete their report. He explained they would like to validate their data, particularly on the identified market outlets and the commitments of the companies /redrying plants, the source of the tobacco raw material for the TDPP plant, as they have already started processing/redrying their tobacco. Another existing activity is about the ratoons from the fields, which will be a great help in the supply of raw materials for the tobacco dust. It will also generate additional income for our tobacco farmers. DAOP said these are the things they would like to validate on the ground, now that we have started to open up because of the pandemic and they can already visit their clienteles in the places where they are located..

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Hon. COS directed, DAOP should also look if there are private sector who would be willing to partner with NTA in the product development. DAOP informed that they have talked with the BFAR Director of Region I, who is inviting them to present the tobacco dust plus and molluscicide for the control of predators in fishpond.

At this point, Hon. COS asked Director Martinez, if he would like to partner/invest with NTA, who replied that the project is good. Director Trongco, on the other hand, volunteered some business tips. *"You may just put up the TDPP because you have money. But you have to have enough courage to pursue the business"*. Hon. COS affirmed, *"This is the reason why I was asking whether or not you are willing to invest in the project"*. He ended saying let us just wait for the DAOP report in the coming meeting.

**C. REQUEST FOR APPROVAL OF THE PROPOSED PERSONNEL PLANNING ACTION FOR RETITLING OF ADMINISTRATIVE OFFICER III POSITION TO ADMINISTRATIVE OFFICER V**

Hon. Administrator, as the Chairman of the Committee on Remuneration and Personnel Management, discussed the topic.

He reported that this matter was discussed yesterday and has been moved and seconded for the approval of the Retitling of Administrative Officer III to Administrative Officer V.

Hon. COS asked whether there are incumbents to the position. The Hon. Administrator said yes, there are affected people, Administrative Officers in the provinces who have been caught up by the election ban. They are hoping that the issue will be resolved soon. Hon. COS asked again whether it is okay with the Management that the affected employee be upgraded. Hon. Administrator replied yes, as they were old employees of the NTA. Hon. COS explained, for that situation, whoever is the incumbent will be the one to be upgraded. He then asked for a motion to approve. Hon. Administrator moved and Director Casela seconded the motion.

The NTA Governing Board adopted for the purpose the following resolution, to wit:

**RESOLUTION NO. 2142- 2022**

**"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the NTA Governing Board approves the Management's Proposed Personnel Planning Action for the Retitling of Administrative Officer III position to Administrative Officer V."**



**UNANIMOUSLY APPROVED ....**

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**VI. OTHER MATTERS**

**A. DISCUSSION ON THE RELEASE OF THE PHP50MILLION QUICK RESPONSE FUND (QRF) FROM THE DEPARTMENT OF AGRICULTURE (DA) :**

Hon. Administrator called on the DAOP to present the agenda item.


DAOP explained that: in the previous meeting, there was a discussion on the ECA of the NTA amounting to Php50M. This was matched by another Php50M coming from the DA. There was a directive from the Hon. Secretary before regarding the said Php50M. According to Asec. De Mesa, the release can be best facilitated if the funding will come from Region I. They, therefore, discussed the matter with Regional Executive Director Domenden of DA Region I. There will therefore be a signing of a Memorandum of Agreement between the Regional Executive Director and the Hon. Administrator, with regards to the Quick Response Fund (QRF). The QRF will be for the farmers who were most adversely affected by the freak rains that occurred last 29 and 30 of January, February 16 and March 15. The total number of farmers affected in Region I is 14,618. When they started, Mr. Cacdac of Reg. I is the point person of Director Domenden for the project. It was agreed that what will be provided are seeds and farm inputs, and Bio-Stimulants, so that farmers will be given and their plants will recover. The farmers will be given a sack of 15-0-0, 2i sacks of Urea, because of the limited fund. .Pertaining to the question on I. Norte, DAOP explained that it was I.Norte that submitted the request for assistance from NAFTAC, which in turn submitted the letter to the DA. That is why this amount is for Hybrid seeds, organic fertilizer and Bio-Stimulants, so there will be more for I. Norte because of the letter submitted by the NAFTAC. The balance are equally distributed. DAOP submitted the necessary documents required by DA Reg. I., Approval of the MOA and the fund transfer of Php50M to be released to NTA-CO. Once approved, they will submit the proposal to DA RFO-I. This has to be implemented because the farmers need them already, DAOP said. He then requested for the approval of the Board so that they can implement immediately..

Hon. COS asked the Members of the Board if they have discussed the matter already and are ready to approve it.

Director Casela replied that they were already able to discuss this in the previous meetings. That is the initiative of the Hon. Secretary, the Php50M fund made available from quick respond fund of DA and this was approved in principle by the Board. This is a matter of coming-up of the proposal in which case with the presentation of the DAOP, I think its really justified as to the distribution of the amount and the kind of assistance that will be provided to farmers it is in the form of livelihood.

Director Quintal affirmed that it was fully discussed but with apprehension earlier that it may be covered by the Election Ban. According to Administrator, however, there was an exemption from the COMELEC. AS has been exempted already, he moved for the approval and the distribution as mentioned by the DAOP. Director Trongco seconded the motion, saying at least our farmers will have additional livelihood. Director Serna said we go ahead with the decision and Director Victorio has no comment.

Director Casela added that an authority be also granted to the Hon. Administrator to enter into a MOA between NTA and DA Region I. Director Quintal seconded the motion.



The NTA Governing Board adopted the following resolution for the purpose:

**RESOLUTION NO. 2143- 2022**

**“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT the NTA Governing Board approves the Action/ Implementation Plan and Targets for the Release of the Php50 Million Quick Response Fund (QRF) from the Department of Agriculture (DA); and, therefore, authorizes the Honorable Administrator/CEO, ROBERT VICTOR G. SEARES, JR., to enter into a Memorandum of Agreement with the DA Regional Field Office I (DA RFOI), for the purpose.”**

**UNANIMOUSLY APPROVED ....**  
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**B. PROPOSED SCHEDULE FOR THE 152<sup>nd</sup> REGULAR BOARD MEETING WILL BE ON 12 MAY 2022, THURSDAY, 2:00 PM.**

As presented by the Hon. Administrator, Hon. COS directed to take note of the schedule and asked where they would like the meeting will be, in which the popular choice was somewhere near – up North.

**VII. ADJOURNMENT**

As there are no more items to discuss, Hon. COS called for the adjournment of the meeting. He thanked everyone and officially adjourned the meeting at 3:55 PM.

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**PREPARED AND CERTIFIED CORRECT:**

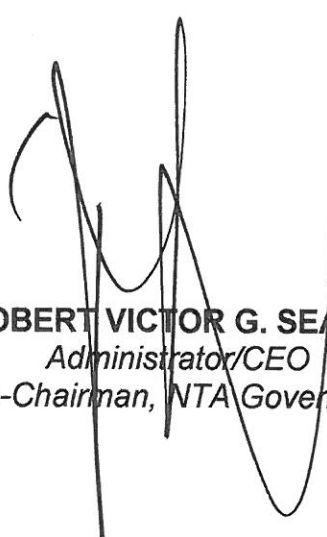


**REX ANTONIO P. TEOXON**  
Board Secretary V

**ATTESTED:**


**Hon. WILLIAM D. DAR, Ph.D.**  
*Secretary, Department Agriculture  
and Chairman, NTA Governing Board*

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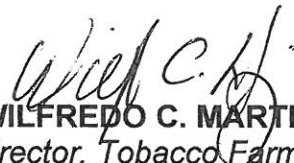


**Hon. ROBERT VICTOR G. SEARES, JR.**  
*Administrator/CEO  
and Vice-Chairman, NTA Governing Board*


**Hon. LEOCADIO S. SEBASTIAN, PhD., CESO I**  
*Undersecretary and Chief of Staff, Ex-Officio Member*



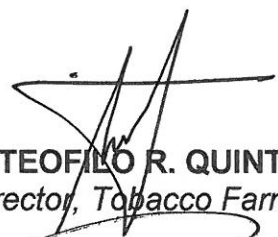
**Hon. JESSIE PAT M. SERNA**  
*Appointive Director, Tobacco Manufacturing Sector*



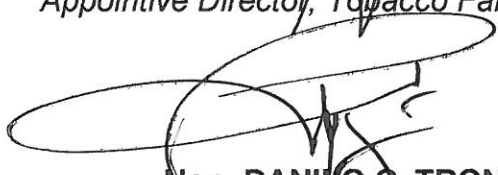
**Hon. WILFREDO C. MARTINEZ**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. NESTOR C. CASELA**  
*Appointive Director, Academic Community Sector*



**Hon. TEOFILO R. QUINTAL**  
*Appointive Director, Tobacco Farmers Sector*



**Hon. DANILO O. TRONGCO**  
*Appointive Director, Tobacco Farmers Sector*

**Hon. WILSON R. VICTORIO**  
*Appointive Director, Tobacco Traders/Exporters Sector*

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