



Republic of the Philippines  
**DEPARTMENT OF AGRICULTURE**  
**NATIONAL TOBACCO ADMINISTRATION**  
11<sup>th</sup> Floor, Upper Class Tower, Quezon Ave., Quezon City  
No. (02) 8374-3987 / Fax. No. (02) 8374-2505 / website: nta.d  
**ISO 9001: 2015 QMS CERTIFIED**



**OFFICE OF THE NTA GOVERNING BOARD**

**ONE HUNDRED AND SIXTY-SEVENTH (167<sup>TH</sup>) REGULAR BOARD MEETING  
OF THE NTA BOARD OF DIRECTORS, HELD AT THE NTA BOARD ROOM,  
11<sup>TH</sup> FLOOR, UPPER CLASS BLDG., QUEZON AVENUE, QUEZON CITY  
10 OCTOBER 2023 (2:30 PM)**

**PRESENT:**

<b>Hon. DEOGRACIAS VICTOR B. SAVELLANO</b>	-	<b>Undersecretary/ Department of Agriculture &amp; Alternate Chairman-Designate- Presiding Officer</b>
<b>Adm. BELINDA S. SANCHEZ</b>	-	<b>Vice-Chair of the Board and Administrator &amp; CEO</b>
<b>Dir. JESSIE PAT M. SERNA</b>	-	<b>Member, Tobacco Traders/Exporters 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. DANILO C. TRONGCO</b>	-	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. LUZVIMINDA U. PADAYAO</b>	-	<b>Member, Tobacco Farmers Sector</b>

**OTHERS PRESENT:**

<b>Mr. BENEDICTO M. SAVELLANO</b>	-	<b>Deputy Administrator for Support Services</b>
<b>Dr. GIOVANNI B. PALABAY</b>	-	<b>OIC-Deputy Administrator for Operations</b>
<b>Atty. JUN FRED V. PARADO</b>	-	<b>Attorney V, Office of the Administrator</b>
		<b>Acting Board Secretary V</b>
<b>Engr. JUANITO M. MALOOM</b>	-	<b>Chief Science Research Specialist, PDD-IRD</b>
<b>Mr. LEXTER C. CABANTING</b>	-	<b>Administrative Assistant I (JO)</b>

**THRU VIRTUAL PLATFORM/ONLINE:**

<b>Mrs. DINAH E. PICHAY</b>	-	<b>Manager, Internal Audit Department</b>
<b>Mrs. FORTUNA C. BENOSA</b>	-	<b>Manager, Corporate Planning Department</b>
<b>Atty. ROHBERT A. AMBROS</b>	-	<b>Manager, Regulation Department</b>
<b>Mrs. MYRNA O. LOZANO</b>	-	<b>Manager, Industrial Research Department</b>
<b>Mrs. ZENAIDA T. ARROJO</b>	-	<b>Manager, Administrative Department</b>
<b>Mr. REYNALDO R. AQUINO</b>	-	<b>OIC – Finance Department</b>
<b>Mrs. EVANGELINE C. CABIGAN</b>	-	<b>OIC – Farm Technology &amp; Services Department</b>
<b>Department Managers / OICs</b>	-	<b>NTA Branch Offices</b>

**HIGHLIGHTS OF THE MEETING**

**I. CALL TO ORDER**

The Honorable DA Undersecretary Deogracias Victor B. Savellano, Presiding Officer, called the meeting to order at 2:30 PM.

1 **ATTY. PARADO:** Good afternoon to each and every one, to the participants in the Board  
2 Room, and those joining us through the virtual platform.  
3

4 For the 167<sup>th</sup> Regular Board Meeting of the NTA Governing Board,  
5 witness the Honorable Deogracias Victor B. Savellano, Undersecretary,  
6 Department of Agriculture, NTA Oversight Official and Alternate  
7 Chairman-designate, our Presiding Officer. Sir...  
8

9 **USEC. SAVELLANO:** I now call to order the 167<sup>th</sup> Regular Meeting of the NTA Governing  
10 Board.  
11

12 **II. DETERMINATION OF QUORUM**  
13

14 **USEC. SAVELLANO:** May I now call on the Acting Board Secretary to determine the Quorum.  
15

16 **ATTY. PARADO:** Thank you, Mr. Chair.  
17

18 For the 167<sup>th</sup> Regular Meeting, we have here with us the honorable  
19 Deogracias Victor B. Savellano, DA Undersecretary, and the honorable  
20 Belinda S. Sanchez, Administrator and CEO.  
21

22 Likewise, we have the honorable Dir. Nestor C. Casela, Dir. Wilfredo C.  
23 Martinez, Dir. Danilo C. Trongco, Dir. Jessie Pat M. Serna, and Dir.  
24 Luzviminda U. Padayao.  
25

26 We are also joined by our Deputy Administrator for Support Services,  
27 Mr. Benedicto M. Savellano, and our OIC Deputy Administrator for  
28 Operations, Dr. Giovanni B. Palabay, as well as our Managers, Mrs. Dinah  
29 E. Pichay; Mrs. Fortuna C. Benosa; Atty. Rohbert A. Ambros; Mrs. Myrna  
30 O. Lozano; Mrs. Zenaida T. Arrojo; and Mr. Reynaldo R. Aquino. Also, our  
31 managers from the different Branch Offices, our Resource Speakers and  
32 other participants.  
33

34 As such, Mr. Chair, we have a Quorum.  
35

36 **USEC. SAVELLANO:** So, since there's a Quorum, may I call the Acting Board Secretary to  
37 present and read the agenda.  
38

39 **ATTY. PARADO:** Thank you, Mr. Chair.  
40

41 For the Agenda, we have the request for the "**Approval of the Agenda**  
42 **of the 167<sup>th</sup> Regular Meeting of the NTA Governing Board, held on**  
43 **10 October 2023 at 2:30 PM, at the NTA Board Room, 11<sup>th</sup> Floor,**  
44 **Upper Class Bldg, Quezon Ave., Quezon City**". Mr. Chair...  
45

46 **USEC. SAVELLANO:** Can we have a motion?  
47

48 **DIR. TRONGCO:** Honorable Chair, I respectfully move for the approval of the "Agenda of  
49 the 167<sup>th</sup> Regular Meeting of the NTA Governing Board, held on 10  
50 October 2023 at 2:30 PM, at the NTA Board Room, 11<sup>th</sup> Floor, Upper Class  
51 Bldg, Quezon Ave., Quezon City".  
52

53 **USEC. SAVELLANO:** So, there's a motion.  
54

55 **DIR. CASELA:** I second the motion.  
56

1 **USEC. SAVELLANO:** Seconded. Objection? Any discussion? I hearing none, the motion is  
2 hereby **APPROVED**. So, can we go to the next item.  
3

4 **BOARD RESOLUTION NO. 143, S. 2023**

5  
6 ***“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE***  
7 ***NTA GOVERNING BOARD APPROVES THE AGENDA OF THE 167<sup>TH</sup>***  
8 ***REGULAR MEETING OF THE NTA GOVERNING BOARD, HELD ON***  
9 ***10 OCTOBER 2023, AT 2:30 PM, AT THE NTA BOARD ROOM,***  
10 ***UPPER CLASS BLDG., QUEZON AVE., QUEZON CITY.***

11  
12 ***UNANIMOUSLY APPROVED....”***

13  
14 **ATTY. PARADO:** Thank you, Mr. Chair.

15  
16 For our next agenda, we have Agenda (A). This is the request for  
17 “Approval of the Minutes of the 121<sup>st</sup> Special Meeting of the NTA  
18 Governing Board, held on 28 September 2023, at 9:00 AM, at the  
19 NTA Board Room, 11<sup>th</sup> Floor, Upper Class Bldg., Quezon Ave.,  
20 Quezon City.” Mr. Chair...  
21

22 **USEC. SAVELLANO:** Anybody moving?  
23

24 **DIR. SERNA:** Honorable Chair. I move for the approval of the “Minutes of the 121<sup>st</sup>  
25 Special Meeting of the NTA Governing Board, held on 28 September  
26 2023, at 9:00 AM, at the NTA Board Room, 11<sup>th</sup> Floor, Upper Class Bldg.,  
27 Quezon Ave., Quezon City”, with corrections and amendments within  
28 five days from today.  
29

30 **DIR. CASELA:** I second the motion.

31  
32 **USEC. SAVELLANO:** It has been moved and seconded. Is there any objection? I hearing none,  
33 the motion is **APPROVED**. Can we go to the next item.  
34

35 **BOARD RESOLUTION NO. 144, S. 2023**

36  
37 ***“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE***  
38 ***NTA GOVERNING BOARD APPROVES THE MINUTES OF THE 121<sup>ST</sup>***  
39 ***SPECIAL MEETING OF THE NTA GOVERNING BOARD, HELD ON 28***  
40 ***SEPTEMBER 2023, AT 9:00 AM, AT THE NTA BOARD ROOM,***  
41 ***UPPER CLASS BLDG., QUEZON AVE., QUEZON CITY.***

42  
43 ***UNANIMOUSLY APPROVED....”***

44  
45 **ATTY. PARADO:** Thank you, Mr. Chair.

46  
47 So, for our next agenda, we have agenda (B) and agenda (C). These are  
48 related to each other, for that Agenda (B) is the request for the  
49 “Ratification for the Memoranda of Agreement signed During the  
50 2023 Tripartite Tobacco Consultative Conference held on 03 & 04  
51 October 2023 for the New Tobacco Floor Prices of Virginia, Burley  
52 and Native Tobacco Types Effective for Trading Years 2024 and  
53 2025”, and for agenda (C), we have the request for the “Grant of  
54 Authority for the Vice-Chairman / Administrator & CEO to Issue  
55 Memorandum Circular No. 002, Series of 2023, Adopting the New

1 **Tobacco Floor Prices of Virginia, Burley and Native Tobacco Types**  
2 **Effective for Trading Years 2024 and 2025”.**  
3

4 To report the Summary of the Discussion and Recommendations, Mr.  
5 Chair, may we be allowed to recognize the Chairman of the Committee  
6 on Trading Operations and Regulation, the honorable Dir. Jessie Pat M.  
7 Serna. Please proceed, sir.  
8

9 **USEC. SAVELLANO:** Director Serna is recognized.  
10

11 **DIR. SERNA:** Good afternoon, honorable Chair and madam Administrator. As for the  
12 two (2) agenda, I would like to inform the body that the subject matter  
13 was reported in yesterday’s Joint Board Committee Meeting.  
14

15 The following is the summary of the discussion:  
16

17 In the official absence of the Resource Persons, Dr. Palabay as OIC-DAOP,  
18 and Atty. Ambros, as Manager, Regulation Department, Mr. Primitivo M.  
19 Abalos, Jr., OIC of the Tobacco Leaf Regulation Division, read their report.  
20 As the Resource Speaker, he reported that during the Tobacco Tripartite  
21 Consultative Conference, held on October 3-4, 2023, the Tobacco  
22 Industry stakeholders agreed and signed a Memorandum of Agreement,  
23 increasing the Tobacco Floor Prices, as follows: (1) for Virginia Type –  
24 PhP9.90 per kilogram; (2) for Burley Type – PhP5.90 per kilogram; and,  
25 (3) for Native Cigar Filler/Batek tobacco – PhP3.90 per kilogram.  
26

27 He then requested the Board, as follows: (1) To ratify the Memoranda of  
28 Agreement for the increase of floor prices for Virginia, Burley and Native  
29 Tobacco Types; and, (2) To authorize the Vice-Chairman / Administrator  
30 & CEO to issue Memorandum Circular No. 002, Series of 2023, adopting  
31 the New Tobacco Floor Prices of Virginia, Burley and Native Tobacco  
32 Types Effective for Trading Years 2024 and 2025”.  
33

34 The Members of the Board, however, raised the following observations:  
35 (1) that in the attached Memorandum of Agreement, only two (2) firms  
36 from the Buyers’ Sector signed, namely: Con. Leaf and Trans Manila, Inc.  
37 (TMI); (2) The Buyer Firms being represented by the signatories, Mr.  
38 Michael Henry S. Tan, Roger S. Tan, and Reynaldo C. Bagaoisan, were not  
39 identified; (3) That the names of the witnesses were not identified in the  
40 MOA; (4) That while Mr. Bagaoisan manifested that he was representing  
41 the other tobacco buying firms, there appears to be no “black & white”  
42 evidence to indicate that he was indeed authorized to do so.  
43

44 After deliberations, the Board thus, resolved, to require Mr. Bagaoisan to  
45 submit a letter or document from the other buying firms authorizing him  
46 to represent the different trading /buying groups during the Tripartite  
47 Conference and in signing the Memorandum of Agreement (MOA) and,  
48 that whatever decision arrives at by Mr. Bagaoisan during the Tripartite  
49 Conference shall be valid and binding to all of them. Mr. Bagaoisan  
50 obliged to submit that document within a week’s time. The Regulation  
51 Department, thru the Resource Person, was then instructed to  
52 coordinate with Mr. Bagaoisan on this regard.  
53

54 In view of the said circumstances, the Board, voting unanimously, moved  
55 for the deferment of the agenda until compliance shall have been made.  
56

1 This subject matter having been thoroughly and exhaustively discussed  
2 in the Committee Meeting proper, and, with a motion to defer, which was  
3 duly seconded, and unless there is a need for further discussions...I  
4 respectfully move for the deferment of the agenda. Thank you!

5  
6 **USEC. SAVELLANO:** So, what is the pleasure of the body?

7  
8 **DIR. CASELA:** Mr. Chair, on the agenda on floor prices as a result of the Tripartite  
9 Consultative Conference conducted last October 03 & 04, it was very  
10 interesting for that subject matter in that its scale on documentation is  
11 so high yesterday, but there were some deficiencies of the document  
12 presented. So, the Members of the Committee agreed to require Mr.  
13 Reynaldo Bagaoisan of Trans Manila to come up with an official  
14 communication addressed to NTA or he should request all the other  
15 buying firms / traders to have a certification that he is the authorized  
16 representative of other respective traders' groups, sir. So, the agenda  
17 was agreed to be deferred pending compliance of the requirement  
18 required of Mr. Bagaoisan. Thank you, sir.

19  
20 **USEC. SAVELLANO:** Okay. Other members, any discussion? So, there's a recommendation to  
21 defer.

22  
23 **DIR. CASELA:** Yes, it was unanimous that the agenda will be deferred and will be  
24 subject to further discussion next Committee Meeting, assuming that Mr.  
25 Bagaoisan would be able to secure the authorization from the other  
26 traders.

27  
28 **USEC. SAVELLANO:** So, can somebody make a motion for the deferment.

29  
30 **ATTY. PARADO:** There's a pending motion, Mr. Chair. Thank you.

31  
32 **DIR. TRONGCO:** I second the motion.

33  
34 **DIR. CASELA:** Yes, I move for the deferment of the agenda which will be subjected to  
35 further discussions for this coming, next Committee Meeting.

36  
37 **USEC. SAVELLANO:** So, there's a motion, seconded. Any discussion? Objection? I hearing  
38 none, the motion is hereby **APPROVED**. Next item.

39  
40 **BOARD RESOLUTION NO. 145. S. 2023**

41  
42 ***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE***  
43 ***NTA GOVERNING BOARD APPROVES THE MOTION TO DEFER***  
44 ***THE REQUEST FOR THE RATIFICATION OF THE MEMORANDA OF***  
45 ***AGREEMENT SIGNED DURING THE 2023 TOBACCO TRIPARTITE***  
46 ***CONSULTATIVE CONFERENCE HELD ON 03 & 04 OCTOBER 2023***  
47 ***FOR THE NEW TOBACCO FLOOR PRICES OF VIRGINIA, BURLEY,***  
48 ***AND NATIVE TOBACCO TYPES EFFECTIVE FOR TRADING YEARS***  
49 ***2024 AND 2025.***

50  
51 ***UNANIMOUSLY APPROVED..."***

52  
53 xxxxx; and

**BOARD RESOLUTION NO. 146, S. 2023**

***“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE MOTION TO DEFER THE REQUEST FOR THE GRANT OF AUTHORITY FOR THE VICE-CHAIRMAN / ADMINISTRATOR & CEO TO ISSUE MEMORANDUM CIRCULAR NO. 002, SERIES OF 2023, ADOPTING THE NEW TOBACCO FLOOR PRICES OF VIRGINIA, BURLEY, AND NATIVE TOBACCO TYPES EFFECTIVE FOR TRADING YEARS 2024 AND 2025.***

***UNANIMOUSLY APPROVED....”***

**ATTY. PARADO:** Okay. Thank you, Mr. Chair.

So, for our next item /agenda we have the request for the **“Approval/ Adoption of the Report / Briefer on the Proposed Development Program and Projects for Mindanao (To include Provisions for Assistance and Manpower Complement).**

So, to render the Summary of the Discussion and Recommendations, Mr. Chair, may we recognize our OIC-Deputy Administrator for Operations, Dr. Giovanni B. Palabay.

**USEC. SAVELLANO:** Dr. Palabay is recognized.

**DR. PALABAY:** Good afternoon to everyone, especially to our Presiding Officer, USEC. Savellano and our Vice-Chairperson, ma’am Bel and to the honorable Members of the Board. To our co-Department Managers of the Branch Offices and the Central Office, good afternoon ‘po sa ating lahat’.

May we request ma’am Cabigan to flash the presentation. This is the Mindanao Tobacco Development Plan, which is a Briefer on the proposed program and projects in Mindanao, including provisions for assistance and manpower complement.

As a background, the NTA-Cagayan De Oro (CDO) Branch was established in 1989, which covers the field offices of Misamis Oriental, Cotabato and Maguindanao. All these areas planted Native-Batek tobacco, and sometime in the late 90’s, companies from Lancaster, now known as ULPI, TMI, PTFC, and Mighty Corporation expanded their operation in Sarangani, North and South Cotabato, Sultan Kudarat and Davao provinces. Actually, NTA-Cagayan De Oro has ten (10) branches established in 1989, by virtue of EO No. 245, on July 24, 1989.

Next slide please. The NTA-CDO Branch Office before then expanded in other municipalities in Misamis Oriental, and the neighboring provinces of Bukidnon and Davao, until such time that it also established in Magsaysay, Misamis Oriental, and in Valencia and Manolo Fortich in Bukidnon. There were demo farms put up during that time and they ventured into tobacco farming, but later on, this was not pushed through because of some problems encountered by our tobacco farmers.

Before, there were three (3) trading centers operating thereat like the ALGIFA, Kitanglay and the LAICO Training Center, which is, ‘ito po ‘yung bumibili ng “sapod” po’, the equivalent of “liso” here in Luzon, and the

1 **DIR. CASELA:** Some measures were mentioned by Dr. Palabay. It's more on the  
2 resiliency or the interest of the farmers in the planting of tobacco  
3 because we all know that tobacco is very labor-enhancing and they  
4 cannot meet the labor requirement as compared with our farmers' sale.  
5 So, with that reason, but definitely there are other deeper reasons which  
6 we are not aware of, but that was one reason, and despite of the huge  
7 investment there, they turned over the facility to the LGU there. But, it  
8 really is promising...

9  
10 **USEC. SAVELLANO:** So, what will happen to our plans?

11  
12 **DIR. CASELA:** Sir, if I may.

13  
14 For the past two years and up to now it was evident that the LGUs in  
15 Mindanao are so aware of the benefits derived from their share of RA  
16 8240. So, for the past two years there were delegations from the  
17 different municipalities of the tobacco-producing municipalities in  
18 Mindanao and they go to some municipalities, even in Ilocos Sur, and this  
19 is termed "bench marking". They want to know how tobacco has been  
20 produced, how documentation is undertaken, and so on and so forth.

21  
22 The motivation here is they want to increase their production for a  
23 better share of RA 8240. So, with that, they are requesting assistance  
24 from the NTA in terms of the logistics but, at this point in time, because  
25 of the precarious financial situation of NTA, we cannot provide some.  
26 Nevertheless, assuming that we can help them with some funds, and also  
27 to respond and to address this situation, the NTA is waging to expand the  
28 operations there as much as the LGUs are willing also to counterpart  
29 with the requirements of the production, sir. Thank you.

30  
31 **USEC. SAVELLANO:** So, in this regard can we use the RA 4155 for this?

32  
33 So, prepare a plan for that. Anyway, 'may pagkukunan naman', may pera  
34 naman ang NTA. 'Kasi may potential. You mentioned, in some places they  
35 produced quality tobacco. Another thing, we should also look for our  
36 markets how PMFTC closed operations. So, if we have a good product 'eh  
37 maraming gusto bumili na papasok o 'pumasok.

38  
39 **DIR. CASELA:** Yes, sir. Definitely, as presented by Dr. Palabay. A while ago, I came out  
40 with three major limiting factors here in the implementation of the  
41 proposed enhancement program of tobacco in Mindanao. These are: (1)  
42 Personnel Complement. We need more people there and right now we  
43 have only two NTA personnel there; (2) Improved Marketing System;  
44 and, (3) Budgetary Requirement...

45  
46 **USEC. SAVELLANO:** So, for the meantime, can we have a MOA with the LGUs interested there?  
47 Can we train them?

48  
49 **DIR. CASELA:** They are willing, sir.

50  
51 **USEC. SAVELLANO:** So, 'may remedyo' naman eh'.

52  
53 **DIR. CASELA:** Yes, sir.

54

1 "katung-an", which is the middle leaves of tobacco, the "morada", and the  
2 "viajeros" operating thereat are only buying "odlot". 'Ito po 'yung  
3 pinakamagandang native tobacco, which is the top leaves.  
4

5 In 2007, sir, sad to say, when NTA was rationalized, yung' branch offices  
6 of Mindoro, Iloilo and Misamis Oriental were abolished 'kaya dalawang  
7 staff na lang po ang natira sa' Mindanao'. We have a hard-up operation  
8 with the Mindanao province until now 'kaya po sila lang po 'yung  
9 dalawang staff natin' doon, they are the ones enforcing the trading rules  
10 and regulation, implementing programs and projects natin' and they  
11 document the volume of production thereat.  
12

13 So, despite of this, Misamis Oriental, Cotabato and Maguindanao  
14 provinces continued to plant tobacco despite of the absence of trading  
15 centers and the closing of the NTA Branch. In Misamis Oriental, the  
16 Laguindingan LGU is the biggest tobacco Bagsakan 'natin po doon'  
17 wherein all farmers from the different areas and different provinces of  
18 Visayas and Mindanao come here to auction. The marketing system po  
19 natin' kasi parang pataasan po' all the farmer-sellers go to the Bagsakan  
20 and auction their tobacco leaves/ tobacco produced for the higher prices  
21 that would command the price of their produce.  
22

23 So, "viajeros" from Cebu, Bohol, Negros, Leyte, Surigao, and Zamboanga  
24 go to the market during Fridays, Saturdays and Sundays. We observe  
25 that trading operation in Mindanao is whole year round, 'kasi continuous  
26 po 'yung production ng tobacco po dun' just like here in Luzon. Planting  
27 of tobacco is also a whole-year activity but most of the farmers in  
28 Misamis Oriental plant tobacco by the end of May and July.  
29

30 In the island of Zamboanga Sibugay, which is part of Mindanao, they also  
31 expanded their tobacco production thereat. And some time in 2012, sir,  
32 actually, the tobacco Virginia was introduced there with the PMFTC in  
33 which they established a one-hectare trial farm in Claveria, Misamis  
34 Oriental until such time 'na na-develop po 'yung production nila dun'. Sa'  
35 2013 po' nag-commercialize sila'. Many farmers planted Virginia tobacco  
36 'kasi eto po 'yung in-introduce na klase ng tobacco doon at in-accept  
37 naman po ng mga farmers natin doon', and in 2014, the company PMFTC  
38 proceeded to the commercialization phase until such time na nag-  
39 expand sila. 2017 is the year when the highest volume of Virginia  
40 tobacco production was documented there. 'Yung mayor' actually po ay  
41 malaki ang natanggap na share 'dun sa excise tax for RA 7171, but it was  
42 aborted in October 31, 2019 when PMFTC ceased operations for  
43 unknown reasons/factors. 'May mga maraming factors po doon kung  
44 bakit po natigil 'yung production ng Virginia tobacco.  
45

46 **USEC. SAVELLANO:** Ano 'yung mga factors?  
47

48 **DR. PALABAY:** One of the factors po 'ay 'yung attitude ng farmers', kasi sabi nila hindi  
49 daw nila makayanan 'yung taxing labor requirements for tobacco  
50 production 'kasi they are used to planting 'yung mga corn and other  
51 crops, but in terms of tobacco 'nahihirapan daw po sila, kaya 'yun po'.  
52

53 **USEC. SAVELLANO:** Pero mas malaki 'yung kita nila.  
54

55 **DR. PALABAY:** Yes, sir. 'But 'yun po 'yung nakikita naming problema kasi sa nangyari  
56 doon at tsaka 'yung mga resistance ng natives po doon'.



1 **USEC. SAVELLANO:** Then, 'siguro kung ano ang pwede nating itulong sa kanila di 'yun ang  
2 gagawin natin' and from the NTA side, what are the things to do to help  
3 them. Sayang kasi 'yung opportunity eh'.  
4

5 **DR. PALABAY:** Actually, sir, we had a get-together with the Administrator, with the  
6 Governor of Maguindanao Del Sur, and had a MOA signed in assisting  
7 them for trainings and financial assistance, sir. Actually, we trained some  
8 farmers in Maguindanao Del Sur last August and now they are requesting  
9 for a sort of financial assistance in terms of construction of curing sheds  
10 for the native tobacco. 'Kaya 'yun, sir, 'yung initial request nila sa atin'.  
11

12 **USEC. SAVELLANO:** How about the one (1) town or city that was receipted of the excise tax.  
13 'Anong bayan 'yun?  
14

15 **DR. PALABAY:** Sa' kuwan, sir, sa Maguindanao. Datu Montawal, ito po 'yung pinaka-  
16 malaki ng production and share sa excise tax.  
17

18 **USEC. SAVELLANO:** So, 'nakakuha na sila?  
19

20 **DR. PALABAY:** Yes, sir.  
21

22 **USEC. SAVELLANO:** So, what are they doing now?  
23

24 **DR. PALABAY:** 'Yung kunting nakuha nila', sir, they are providing fertilizer inputs 'sa  
25 mga farmers nila'.  
26

27 **USEC. SAVELLANO:** Is that increasing production in the area?  
28

29 **DR. PALABAY:** Yes, sir.  
30

31 **USEC. SAVELLANO:** So, ba't 'hindi na lang natin gawin na model yun' para makita nila, mga  
32 nearby towns and provinces, so they can see. 'What town 'yun?  
33

34 **DR. PALABAY:** Datu Montawal, sir.  
35

36 **USEC. SAVELLANO:** Datu Montawal is receiving this much, 'eh di ma-enganyo sila'.  
37

38 **DR. PALABAY:** Yes, sir, actually 'may na-enganyo na din silang municipalities especially  
39 itong Sultan sa Barongis. Actually, they are producing native tobacco ten  
40 years ago. Kaya lang hindi nado-document kaya hindi nila alam 'yung  
41 proseso' why Datu Montawal and Pagalungan are receiving their excise  
42 tax. 'Wala kaming nado-document sa mga tobacco nila', kaya they need  
43 our assistance in terms of documentation 'para makakuha din sila ng  
44 kuwan, sir, ng share sa (RA) 8240.  
45

46 **USEC. SAVELLANO:** Nagkaroon na ba kayo ng Summit diyan? A conference regarding the  
47 Mindanao tobacco development plan.  
48

49 **DIR. CASELA:** None yet, sir.  
50

51 **USEC. SAVELLANO:** Siguro, 'yun 'yung isang anuhin natin, para makita nila kung ano ang  
52 nangyayari and ano'ng pwedeng gawin natin.  
53

54 **DR. PALABAY:** Yung kuwan, sir, 'sa Laguindingan sa Misamis Oriental, they are  
55 contemplating of having one Industry Summit natin.  
56

1 **USEC. SAVELLANO:** Kaya nga. 'Yung tingin ko na ano, para mas mabilis 'di ba? Kasi, you  
2 mentioned na whole-year-round, there are some areas whole-year-  
3 round, so maganda 'yung opportunity, unlike dito sa Luzon 'di ba?  
4 Seasonal, but if we can do it whole-year-round, 'di may source tayo.  
5

6 **DIR. CASELA:** Yes, sir, as I've said a while ago that one major limiting factor is, there's  
7 a need to revolutionize or improve the marketing system there for the  
8 purpose of proper documentation of their tobacco produce.  
9

10 **USEC. SAVELLANO:** Eh 'di 'madali na lang siguro 'yun, especially if we have partnership with  
11 the LGUs, madali lang i-document 'yan.  
12

13 **DIR. CASELA:** As to the process of documentation, 'may bagsakan sila sir eh'.  
14

15 **USEC. SAVELLANO:** Oo nga'.  
16

17 **DIR. CASELA:** Eh 'dun lang pumupunta 'yung NTA representative natin. Of course, with  
18 the help of LGUs. But, there are areas producing tobacco where their  
19 produce is not documented, and they complained that they don't have  
20 any share of (RA) 8240, so we need to strengthen and strategize the  
21 marketing aspect of the tobacco industry.  
22

23 **USEC. SAVELLANO:** Sino ba talaga 'yung mga buyers nila 'dun? Sa Bohol meron daw eh'.  
24

25 **DR. PALABAY:** "Viajeros".  
26

27 **USEC. SAVELLANO:** 'Viajeros" nga, pero sino 'yung mga nandun?  
28

29 **DR. PALABAY:** Marami, sir, eh' usually nanggagaling sa....  
30

31 **USEC. SAVELLANO:** Big companies ba?  
32

33 **DIR. CASELA:** No.  
34

35 **DR. PALABAY:** 'Yung mga indibidwal lang', mga big-time buyers from Visayas, Negros,  
36 Cebu, Leyte, as far as Sulu and Tawi-Tawi.  
37

38 **USEC. SAVELLANO:** Yung buyers natin, ito lang ba? For the country, sino 'yung mga buyers  
39 natin?  
40

41 **DR. PALABAY:** Yes, sir, ULPI, Trans-Manila. We have CONLEAF, sa cigarette  
42 manufacturing.  
43

44 **USEC. SAVELLANO:** They are not buying?  
45

46 **DIR. CASELA:** It's just a sister company that buys raw materials for their cigarette  
47 manufacturer, the sister company is CONLEAF.  
48

49 **USEC. SAVELLANO:** From other countries? Wala? Walang interesado.  
50

51 **DIR. MARTINEZ:** 'Yung Indonesia, 'yung barter.  
52

53 **USEC. SAVELLANO:** 'Yung mga big companies, wala ba?  
54

1 **DIR. CASELA:** Kaya nga, we need to establish and strategize marketing for their  
2 produce, for the purpose of proper documentation, and likewise for NTA  
3 for the proper collection of revenue.  
4

5 **USEC. SAVELLANO:** Nakita ko kasi 'yung market pa rin eh'. May mga patanim tayo pero sino  
6 'yung market natin? Why don't we invite investors, may mga limitations  
7 ba?  
8

9 **DIR. CASELA:** There was a team from Mindanao.  
10

11 **USEC. SAVELLANO:** Kasi ang ano ko lang, maganda kasi ang income ng farmers 'kasi mas  
12 malaki 'di ba? Per hectare, 'bakit hindi natin ano, 'para makatulong din  
13 naman tayo 'kasi laging sinasabi sa Mindanao 'laging mahirap ang  
14 buhay', walang mga opportunities. Now, we have an opportunity whole-  
15 year-round ang planting natin'. Bakit tayo aayaw?  
16

17 **DIR. MARTINEZ:** Ang kuwan, 'meron 'yung nagbibilot nanggagaling sa Mindanao dinadala  
18 sa Luzon 'di ba? May shortage lang.  
19

20 **DR. PALABAY:** From Pangasinan, sir, 'siya 'yung biggest manufacturer of chewing  
21 tobacco, 'yung cigar.  
22

23 **USEC. SAVELLANO:** Ano'ng nangyari diyan?  
24

25 **DR. PALABAY:** Ang market niya actually 'yung Mindanao, Visayas at Bicol.  
26

27 **USEC. SAVELLANO:** Kaya nga taga-Pangasinan. Wala namang iba 'dun.  
28

29 **MR. SAVELLANO:** Probably, your honor, we could request also the Regulation Department  
30 to provide us a list of the buyers 'kasi they have to register with us, 'kung  
31 magba-buying sila ng mga tobacco.  
32

33 **USEC. SAVELLANO:** Why don't we invite them? Para i-explore natin, kasi dapat may  
34 production tayo, may pagbebentahan din'.  
35

36 **DIR. CASELA:** Two or three weeks ago, there is a team of officials from a certain LGU-  
37 Gitagum, pumunta sila dito, sir, the mayor and the members. They came  
38 here actually to seek assistance. So, in the process of discussion  
39 'nabanggit namin 'yung sa documentation, so we suggested as  
40 intervention of LGU that the LGUs should register with the NTA the  
41 "viajeros", so that we can monitor their buying operation, and likewise,  
42 we can provide them proper receipt to document their purchases and  
43 the issuance of PIVs. That was one agreement that we rendered to  
44 improve the marketing, and they said they will come up with the  
45 ordinance.  
46

47 **USEC. SAVELLANO:** 'Kaya nga parang 'yung holistic approach. Why don't we have Summit in  
48 that area para 'dun na tayo mag-usap-usap kung ano pwedeng gawin.  
49

50 **DR. PALABAY:** Yes, sir, we coordinate with the Languindingan-LGU, 'kasi sila 'yung nag-  
51 i-initiate sir. Actually, Laguindingan municipality is the biggest tobacco  
52 producer in Misamis Oriental.  
53

54 **USEC. SAVELLANO:** Sino 'yung' Governor diyan? Si Gov. Unabia.  
55

56 **DIR. MARTINEZ:** Siya' USEC.

1 **USEC. SAVELLANO:** Unabia. Kausapin na lang natin, kasama ko 'yan sa Congress eh'. Sa  
2 kabila, si Oaminal, meron din siya' 'di ba? Even Bukidnon meron din.  
3 Bakit hindi natin kausapin lahat. But, dapat ready tayo with the  
4 presentation, 'yung the whole industry na para alam na nila ang gawin  
5 nila sa tobacco produce, and if they will commit, maghahanap tayo ng  
6 market.  
7

8 **DIR. CASELA:** Yes, a very comprehensive presentation.  
9

10 **USEC. SAVELLANO:** How much will they earn from the excise tax? 'Hanapan lang ni  
11 Administrator ng pundo yan', 'di ba?  
12

13 **ADMIN. SANCHEZ:** Kumuha tayo sa (RA) 4155.  
14

15 **USEC. SAVELLANO:** 'Kaya nga', kasi maganda yan'.  
16

17 **DIR. MARTINEZ:** Mas mahal pa 'yung tobacco nila dun eh, 'yung Batek.  
18

19 **USEC. SAVELLANO:** 'Kaya nga, sa 'kin 'malaki ang opportunity dun eh'. Sa Sibugay, kasama  
20 ko din 'yan. Puwede natin silang kausapin as alternative crop para sa  
21 kanila. Administrator, hanapan na ng pondo.  
22

23 **DR. PALABAY:** Can we continue, sir? May profile pa, the Profile of Tobacco in Mindanao.  
24 Eto po 'yung expansion natin' in the provinces of Camiguin, Bukidnon,  
25 Lanao del Norte, Misamis Occidental, and Misamis Oriental.  
26

27 **USEC. SAVELLANO:** Kasama ko 'yung Governor diyan, si Gov. Romualdo. Camiguin, kasama  
28 ko lahat 'yan.  
29

30 **DR. PALABAY:** Next slide.  
31

32 **USEC. SAVELLANO:** Sino sa Lanao?  
33

34 **DR. PALABAY:** Ito po 'yung profile of Native-Batek growing municipalities in Mindanao  
35 CY 2022. We have here in Region X-Northern Mindanao, specifically  
36 Misamis Oriental. These are the tobacco producing municipalities. 'Ang  
37 pinaka-malaki po 'dun is Laguindingan, which is 746.95 hectares. Kung  
38 makikita po natin 'yung production 'nila is halos 1 million, pinaka-malaki  
39 po 'yung Misamis Oriental at 2,641.05 hectares, with 4,032 farmers and  
40 may production na din sila' na 3,817,673.68 kilograms. May collection na  
41 din tayo doon' in terms of Research and Regulation fee with  
42 2,290,604.21 million, and then 'ito po, sir, sa Zamboanga Sibugay.  
43 Originally, ang nagtatanim po dito is the Municipality of Olutanga, but  
44 Mabuhay and Talusan municipalities are now also producing Native-  
45 Batek tobacco. Next slide...  
46

47 In Soccsargen, specifically Pikit Cotabato/Region XII, they are also  
48 producing Native-Batek. Pinaka-malaki ang Pitik sa tobacco sa  
49 Soccsargen, and then 'dun sa Caraga, we have areas in Agusan Del Sur  
50 and Agusan Del Norte and in BARRM, sir. Actually, we have areas there  
51 also, specifically in Pagalungan, Maguindanao Del Sur, Datu Montawal  
52 and Sultan sa Barongis. So, all in all, sa Mindanao tobacco area, meron na  
53 pong 3,254.46 hectares, with 6,289.00 farmers, and a production of  
54 4,381,340.34 kilograms as of 2022. Next slide...  
55

1 Ito po 'yung total areas and number of farmers for the whole of  
2 Mindanao. May 6,634 farmers 'na po doon', and with an area of 3,572.53  
3 hectares. Next, these are some of the expansion areas in Mindanao. For  
4 Misamis Oriental, eto po 'yung expansion municipalities nila:  
5 Municipalities of Naawan, Manticao, Gingoog, Magsaysay and  
6 Balingasag. In Bukidnon, 'sa Baungon, Libona, Kibawe, these are some of  
7 the municipalities planted with Virginia tobacco before by Philip Morris,  
8 and some mountainous municipalities of Damulog, Kitaotao, Valencia,  
9 Maramag, Manolo Fortich, Kadingilan, and Don Carlos. These are  
10 potential areas for expansion for the Native-Batek tobacco, and in North  
11 Cotabato, these are some of the areas municipalities that are for  
12 expansion...

13

14 **USEC. SAVELLANO:** Okay na siguro yan', shortcut'in na natin 'yan'. Pero, wala sa listahan mo  
15 Sibugay no? Wala.

16

17 **DR. PALABAY:** Meron, sir. Nagtatanim na din sila 'dun, sir.

18

19 **USEC. SAVELLANO:** Pero di kasama dito? May isa pa, Maguindanao. 'Yung expansion mo  
20 limited to 1,2,3,4,5.

21

22 **DR. PALABAY:** Yes, sir, ito po 'yung mga... Actually, nagtatanim din mga ito, kaya lang  
23 natigil'. Pero puwedeng ibalik po.

24

25 **USEC. SAVELLANO:** Kaya nga'. Ang wala diyan sa listahan ay Sibugay, Occidental Mindoro,  
26 Misamis Occidental, and Maguindanao.

27

28 **DR. PALABAY:** Yes, sir, pero meron na ding nagtatanim sa Maguindanao.

29

30 **USEC. SAVELLANO:** Kaya nga', 'pero sa expansion hindi sila kasama?

31

32 **DR. PALABAY:** Wala na, sir, sa BARRM is wala na'ng expansion 'dun. Yung nagtatanim  
33 'yung tatlo, Montawan, Kagalungan and...

34

35 **USEC. SAVELLANO:** Bakit hindi kasama 'yung tatlo dito? Yung Sibugay, Maguindanao and  
36 Occidental.

37

38 **DR. PALABAY:** 'Kuwang, sir, dati na 'yan nagtatanim, sir, 'kaya wala na'ng expansion  
39 areas.

40

41 **USEC. SAVELLANO:** Eh 'di' wala na? Wala na?

42

43 **DR. PALABAY:** Eto na lang po 'yung potential areas po'.

44

45 **USEC. SAVELLANO:** So, if ever we have a Summit, 'isama na natin 'yan. Sa tingin ko dapat  
46 lahat eh', 'di ba? Para alam nila 'yung direction.

47

48 **DR. PALABAY:** Yes, sir.

49

50 **USEC. SAVELLANO:** At alam nila 'yung ano', 'yung development for tobacco industry in  
51 Mindanao, 'baka magka-interes sila.

52

53 **DR. PALABAY:** Yes, sir, 'pwede. Next slide... Ito po 'yung project na ini-implement natin'.  
54 We have two (2) staff there, 'kaya lang nahihirapan sila' kasi sa volume  
55 ng production at tsaka sa ibang' programs and projects that are being  
56 implemented.

1 **USEC. SAVELLANO:** Kaya nga' kausapin natin'. We will train their LGUs muna', then if we are  
2 able to get funding from (RA) 4155, eh di' i-shoulder na natin lahat yan'.  
3

4 **DR. PALABAY:** Yes, sir. Next slide...'Eto po 'yung mga projects: Technical Assistance;  
5 Marketing Assistance; Administrative Matters, and other activities that  
6 are being implemented. Next slide...  
7

8 **USEC. SAVELLANO:** One question lang'. Let's say, we are going to expand these areas. 'Yung  
9 prinesent mo', in one season, can we be able to get excise tax? Yung  
10 production nila, kaya?  
11

12 **DR. PALABAY:** Yes, sir. Actually, "magka-salisi", I mean, alternate 'yung Mindanao at  
13 Cotabato, sir. Nag i-start sila ng 'gaya natin, November up to July, and  
14 then for Misamis Oriental, from July to December.  
15

16 **USEC. SAVELLANO:** Kaya nga', kung nagtanim sila, sige nga.....  
17

18 **DIR. CASELA:** Not immediate sir.  
19

20 **USEC. SAVELLANO:** Not immediate?  
21

22 **DIR. CASELA:** Not immediate, sir, because per DBM policy, it's every other two years.  
23

24 **USEC. SAVELLANO:** So, in two years they are able to get so, 'okay lang yun'?  
25

26 **MR. SAVELLANO:** As long as they can meet the minimum production.  
27

28 **USEC. SAVELLANO:** Okay lang yun'.  
29

30 **DR. PALABAY:** 1,000 kilos for Native and Burley. 1 million kilos for Virginia.  
31

32 **USEC. SAVELLANO:** 1,000? Kayang kaya 'yun eh', 'di ba? Sa Virginia, 1 million?  
33

34 **DR. PALABAY:** Yes, sir, 1 million.  
35

36 **USEC. SAVELLANO:** Kayang kaya'.  
37

38 **DIR. TRONGCO:** Pero, si madam Villar, ayaw sa extension, parang inaayawan niya 'yung  
39 tobacco.  
40

41 **USEC. SAVELLANO:** Yung' alin? Kailangan ma-explain lang, i-explain natin, at tsaka habol  
42 natin is export eh'.  
43

44 **DR. PALABAY:** Next slide... Sir, this is the proposed structure, sir, if in case Mindanao  
45 Field Office will be returned.  
46

47 We are proposing that a Division Chief will be appointed under the  
48 whole of Mindanao, sir; a Tobacco Production Regulation Officer, and  
49 Field Officer for Cotabato/Maguindanao, Misamis Oriental, and we will  
50 include Visayas with two (2) Agriculturists and TPRO positions.  
51

52 Next slide... 'Ito po 'yung mga projects to be implemented: TCGS,  
53 IFOIGAP, FOD, Scholarship Program, GMB and TGY, for a total budget of...  
54 Ito po, sir, 'yung proposed budget natin' amounting to  
55 PhP31,748,000.00. Breakdown and Summary. 'Ito po 'yung Summary ng  
56 Proposed Budget, for FOD, TCGS, TFDSP, Farmer's Class, Registration,

1 Demo Farm, and for Licensing, we are proposing a budget of  
2 PhP31,748,000.00 for next cropping years 2024-2025, sir.

3  
4 So, that's all, sir. Thank you.

5  
6 **USEC. SAVELLANO:** So, I think the potential is great so we will prepare a Presentation to all  
7 the LGUs in Mindanao, then we will also look for market for their  
8 products.

9  
10 Any discussion on the matter? Can I hear a motion to adopt the said plan,  
11 the Mindanao Tobacco Development Plan?

12  
13 **DIR. CASELA:** Your honor, Mr. Chair. I request for the approval of the Report/Brief on  
14 a Proposed Projects in Mindanao, to Include Provisions of Assistance &  
15 Manpower Complement.

16  
17 **USEC. SAVELLANO:** So, there's a motion?

18  
19 **DIR. MARTINEZ:** I second the motion

20  
21 **USEC. SAVELLANO:** Seconded. Any discussion? I hearing none, the motion is **APPROVED.**  
22 Okay next item...

23  
24 **BOARD RESOLUTION NO. 147, S. 2023**

25  
26 ***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE***  
27 ***NTA GOVERNING BOARD APPROVES / ADOPTS THE REPORT /***  
28 ***BRIEFER FOR THE PROPOSED TOBACCO DEVELOPMENT***  
29 ***PROGRAM AND PROJECTS FOR MINDANAO (TO INCLUDE***  
30 ***PROVISIONS FOR ASSISTANCE AND MANPOWER COMPLIMENT).***

31  
32 ***UNANIMOUSLY APPROVED...."***

33  
34 **ATTY. PARADO:** Thank you, Mr. Chair.

35  
36 For the next item in the agenda, we have, on Matters Arising from the  
37 previous Board Meeting" per Directive of the Honorable Undersecretary  
38 of the Department of Agriculture, No. (1), the **"Report on the**  
39 **Comparative Analysis of Income Levels of Tobacco (Virginia vs.**  
40 **Burley vs. Native).**

41  
42 To report, we have our OIC-Deputy Administrator for Operations, Dr.  
43 Palabay, to be assisted by ma'am Evangeline C. Cabigan, the OIC of FTSD.  
44 Sir DAOP, please go ahead...

45  
46 **DR. PALABAY:** For the Comparative Analysis of Income Levels of Tobacco as Net Income  
47 or Return of investment for Virginia, Burley and Native Tobacco, it will  
48 be presented by the OIC of the Farm Technology and Services  
49 Department. Ma'am Cabigan, please take it away...

50  
51 **MS. CABIGAN:** Thank you, sir DAOP. Good afternoon to everyone, especially to the  
52 Undersecretary and to our Administrator. So, I am tasked to present the  
53 Comparative Analysis of Income Levels of three types of tobacco, the  
54 Virginia, Burley and Native. Again, our data comes from the result of the  
55 past three years on the conduct of our Tobacco Contract Growing  
56 System.

1 So, first we look at Virginia, the sub-types, Improved and Neutral. As we  
2 can see here, the net income per hectare is higher for Improved flavor  
3 which is PhP94,515.54 per hectare, as compared to PhP72,500.11 for  
4 Neutral flavor, and the ROI is 89.88% for Improved flavor and 80.75%  
5 for Neutral. So, we can see here the cost of production per hectare na  
6 mas mataas ang Improved flavor because of the additional activities.  
7

8 Next, is Burley, Improved and Neutral. So, for the past three years that  
9 the TCGS was conducted, we observed a high net income per hectare for  
10 Neutral flavor, which is PhP122,544.53 for an ROI of 149.19 %, as  
11 compared to Improved flavor and Burley with the net income of  
12 PhP77,098.30 and the ROI of 45.02%. Again, we see here the reason why  
13 'medyo mababa ang net income ng Improved flavor, and this is because  
14 of very high costs of production, mostly on the material cost, particularly  
15 in fertilizer, which for the last three years 'ay mataas talaga 'yung price.  
16 So, as we compare to Virginia with Burley type, hindi naman masyadong  
17 nagkakaalayo po 'yung net income per hectare.  
18

19 The net income for Virginia is PhP87,345.28; while in Burley is  
20 PhP89,493.53 from the average. Next, we go to Native cigar-filler vs.  
21 Batek. 'Mataas po ang net income per hectare ang chewing Batek, it was  
22 PhP159,969.13 with an ROI of 202.58%, but in Cigar-filler, it is  
23 PhP70,533.01 per hectare. Now, if we compare the three types, we will  
24 see here that the 'pinakamagandang performance ay Native. This is due  
25 to Batek, and the average was PhP150,273.56.  
26

27 So, that's all po for our Report.  
28

29 **USEC. SAVELLANO:** Any discussion? Yung 150k per hectare?  
30

31 **DR. PALABAY:** Yes, sir, we could see from the table that Native tobacco, specifically  
32 'yung Batek, chewing Batek, is the dominant tobacco planted in  
33 Mindanao. It's really promising.  
34

35 **USEC. SAVELLANO:** Kaya nga'. Bakit hindi natin i-push through 'yan. So, I think sa sabi nila  
36 na mahirap gawin', laborious etc. eh' 'yung kikitain mo is times 3 sa  
37 kinikita mo. Eh' baka lahat na mag-tanim na ng tobacco' 'pag nalaman na  
38 ganyan 'yan', and with the support of the government, LGUs, bakit hindi?  
39

40 **DIR. CASELA:** Dr. Palabay, within the different prices', 'yung pinaka-mataas o mahal',  
41 "Odlot"?  
42

43 **DR. PALABAY:** "Odlot" is the most expensive.  
44

45 **USEC. SAVELLANO:** Kaya nga'.  
46

47 **DIR. CASELA:** Do you think that this is a factor that increases the price of this?  
48

49 **DR. PALABAY:** It depends. 'Yung Native-batek, more on chewing. 'Yung nicotine content  
50 'ang ating factor din doon 'yung tinitignan ng mga buyers' mas' gusto nila  
51 'yung mas mataas 'yung nicotine, especially dito po sa Pangasinan and  
52 La Union, and it takes lower cost of production, and then, usually, sir,  
53 nag-"rarapong" sila 'kung na-harvest'an na, mag-apply lang sila ng  
54 sulfate, 2 bags or 3 bags, 'kung lalaki 'yung dahon magiging "Batek" 'yun,  
55 sir, eh'.  
56



- 1 **USEC. SAVELLANO:** Kaya nga’.
- 2
- 3 **DR. PALABAY:** Kaya promising po talaga’ as long as the Mindanao tobacco farmers
- 4 would follow the technology.
- 5
- 6 **USEC. SAVELLANO:** Look out na natin ‘yun. Tayo ‘yung trainee eh’. With the help of the LGUs,
- 7 maayos yan, ‘kasi they are earning too much. ‘Kumita na ‘yung tao, may
- 8 excise tax pa silang makukuha. Oh’, saan ka pa?
- 9
- 10 **DIR. CASELA:** Sa ‘atin naman revenue.
- 11
- 12 **USEC. SAVELLANO:** So, just prepare ‘yung economic side din, if we will be going to do this.
- 13 How much will the government earn? Parang ganun’.
- 14
- 15 **DIR. CASELA:** Motivational factor.
- 16
- 17 **USEC. SAVELLANO:** ‘Yun naman talaga habol natin’ to increase the income of the farmers. Di
- 18 maganda’. Okay, anymore discussion? So, may somebody move for the
- 19 adoption of this presentation?
- 20
- 21 **DIR. CASELA:** Mr. Chair, I move for the approval of the Report on the Comparative
- 22 Analysis of Income Levels of Tobacco (Virginia vs. Burley vs. ).
- 23
- 24 **USEC. SAVELLANO:** So, there’s a motion. Seconding?
- 25
- 26 **DIR. TRONGCO:** I second the motion.
- 27
- 28 **USEC. SAVELLANO:** Seconded, is there any objection? Discussion? I hearing none, the motion
- 29 is **APPROVED**.
- 30

31 **BOARD RESOLUTION NO. 148, S. 2023**

32

33 ***“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE***

34 ***NTA GOVERNING BOARD APPROVES THE REPORT ON THE***

35 ***COMPARATIVE ANALYSIS OF INCOME LEVELS OF TOBACCO***

36 ***(VIRGINIA VS. BURLEY VS. NATIVE).***

37

38 ***UNANIMOUSLY APPROVED....”***

39

- 40 **USEC. SAVELLANO:** Next...
- 41
- 42 **ATTY. PARADO:** Thank you, Mr. Chair.
- 43
- 44 For our next Agenda, we have the **“Report on the Alternative/Other**
- 45 **Uses of Tobacco”**.
- 46
- 47 To report, we have our OIC-DAOP, Dr. Palabay, to be joined by Engr.
- 48 Juanito Maloom, the Chief SRS of the PDD-IRD Batac. Please proceed, sir.
- 49
- 50 **DR. PALABAY:** Thank you, attorney.
- 51
- 52 Our next presentation is the Alternative Uses of Tobacco, to be presented
- 53 by the Chief Science Research Specialist of the Product Development
- 54 Division, based in Batac, Engr. Maloom. Take it away, engineer...
- 55

1 **ENGR. MALOOM:** Thank you very much, sir. Good afternoon po sa lahat, especially to our  
2 honorable Chairman of the Board, USEC. DV, our madam Administrator,  
3 sir DASS, sir DAOP, Members of the Governing Board, and to all our  
4 Department Managers. Good afternoon po.  
5  
6 Ito po 'yung ating mga different outputs from the Research Department  
7 and Product Development Division. Here, to present you the Alternative  
8 Uses of Tobacco. I would like to tell you something about the function of  
9 the Product Development Division, which is to really conduct  
10 exploratory R&D (Research and Development) using tobacco plant parts  
11 and wastes for industrial products, and to conduct economic analysis for  
12 technical/economic feasibility viability and market potential, and of  
13 course, to conduct info dissemination and technology training on  
14 industrial products developed.  
15  
16 Our PDD Objectives: To expand the range of utilization of the tobacco  
17 plant and its by-products and increase its competitiveness with other  
18 crops/products. 'Nag-uumpisa 'yan sa seeds, leaves and stalks. So, for  
19 now, we have our ongoing R&D on the use of the seeds. We started the  
20 oil from the seeds, which will be an ingredient of soap na dine-develop.  
21  
22 **USEC. SAVELLANO:** Gaano na ba katagal 'to? 'Yung mga developments na 'yan?  
23  
24 **ENGR. MALOOM:** Actually, 'yung seed, sir, halos two years pa lang, sir.  
25  
26 **USEC. SAVELLANO:** Two years.  
27  
28 **ENGR. MALOOM:** The leaves, 'pwedeng source ng ethanol, 'pwede sa tobacco dust,  
29 liniment, the pesticides, and of course, sa veterinary products, and for  
30 the stalk's particle boards, pattern paper, handicrafts and 'yung bago  
31 'yung stalks flour. So, these are the products developed. So, isa-isahin po  
32 natin. For the tobacco hand paper items. So, these are some novelty items  
33 which had been developed. Of course, the multi-purpose boxes,  
34 envelopes, gift bags, photo frames/ certificate holders, guest books, and  
35 calling cards.  
36  
37 **USEC. SAVELLANO:** Nakikita naman natin lahat 'yung mga presentations. 'Maganda na 'yan.  
38  
39 **ENGR. MALOOM:** And, of course...  
40  
41 **USEC. SAVELLANO:** And, ano yung... 'Kasi I'm handling the Livestock. Interesado ako sa ano...  
42 'yung dust and soap for animals, although 'maganda na yan', kasi nakita  
43 siya sa market, 'dun sa livestock industry. So, ano 'yung ano natin, 'dun  
44 for commercialization?  
45  
46 **ENGR. MALOOM:** For the tobacco handmade papers, we are targeting the LGUs to venture  
47 on this.  
48  
49 **USEC. SAVELLANO:** Hindi, okay na 'yan'. Ang ina-ano ko lang 'yung soap.  
50  
51 **ENGR. MALOOM:** Veterinary products.  
52  
53 **USEC. SAVELLANO:** Yan'.  
54  
55 **ENGR. MALOOM:** These are the products developed, especially shampoo, ointment and the  
56 veterinary soap.

1 **USEC. SAVELLANO:** Yan'. Sold na din ako n'yan. So, what we will do to commercialize this?  
2 Para i-link ko na kayo sa livestock.  
3

4 **ENGR. MALOOM:** Yes, thank you, sir, but there's an FDA requirement, in which merong  
5 isang point na hindi po natin nagawa. So, the testing should be done in  
6 the presence of a licensed Veterinarian, sir.  
7

8 **USEC. SAVELLANO:** Okay. So, do we have a veterinarian?  
9

10 **ENGR. MALOOM:** Wala pa, sir.  
11

12 **USEC. SAVELLANO:** Kaya nga'. Kung 'yan ang kulang n'yo, I will coordinate with the BAI  
13 (Bureau of Animals), 'para matapos na natin 'yan.  
14

15 **ENGR. MALOOM:** Okay, thank you, sir. For the testing, it takes approximately two months.  
16

17 **USEC. SAVELLANO:** I request madam Administrator to make a communication regarding this  
18 matter 'para padalhan ko na kayo ng Veterinarian, 'para wala na kayong  
19 problema.  
20

21 **ENGR. MALOOM:** Yes, thank you very much, sir.  
22

23 **USEC. SAVELLANO:** Ano pa? 'Yun lang ang kailangan?  
24

25 **ENGR. MALOOM:** Yes, for now, sir, and of course, the invitro testing yield sa mga under  
26 laboratory.  
27

28 **USEC. SAVELLANO:** Kaya ng BAI 'yan.  
29

30 **ENGR. MALOOM:** Thank you very much, sir.  
31

32 **USEC. SAVELLANO:** Sabihin' na lang kay Administrator i-communicate 'na lang para matapos  
33 na 'yung problema na 'yan. So, this is for soap, shampoo and ointment?  
34

35 **ENGR. MALOOM:** Yes, sir.  
36

37 **USEC. SAVELLANO:** 'Yung mga kailangan n'yo?  
38

39 **ENGR. MALOOM:** Yes, sir.  
40

41 **USEC. SAVELLANO:** Ano pa?  
42

43 **ENGR. MALOOM:** I think this is it sa innovation natin'.  
44

45 **USEC. SAVELLANO:** Pero after that, 'kunyari na-comply mo na lahat, so pa'no sa  
46 commercialization strategy natin?  
47

48 **ENGR. MALOOM:** 'Yun nga po 'yung... I will present sa Board na the PDD is not meant to  
49 commercialize, so we will pass it to the Division to be created by the  
50 Administrator, the Business Division of NTA, to commercialize this  
51 product now or later on, sir.  
52

53 **USEC. SAVELLANO:** Gawin na natin, planuhin na natin para dire-diretso, 'kasi madali lang  
54 'yang mga kailangan mo.  
55

56 **ENGR. MALOOM:** Yes, sir.

1 **USEC. SAVELLANO:** So, we can move forward after complying all the requirements. 'Ano na  
2 'yung next natin?'  
3  
4 **ENGR. MALOOM:** Commercialization.  
5  
6 **USEC. SAVELLANO:** Kaya nga. 'Commercialization. So, what are the things that you need?  
7  
8 **DIR. TRONGCO:** Advertisement.  
9  
10 **USEC. SAVELLANO:** Kaya gawa na kayo ng plano, 'di ba?  
11  
12 **ENGR. MALOOM:** Yes, sir.  
13  
14 **USEC. SAVELLANO:** Is the NTA going to produce this or ibebenta ba 'yan? Magkano? Or may  
15 partnership ba with an NGO? Para' yung old R&D natin may mangyayari.  
16  
17 **ENGR. MALOOM:** Yes, sir, it's all possible na option na gagawin po namin, sir.  
18  
19 **USEC. SAVELLANO:** Then, the other thing is in pesticide.  
20  
21 **ENGR. MALOOM:** Yes, sir.  
22  
23 **USEC. SAVELLANO:** I can help with the fisheries. Sa pesticide, ano'ng problema n'yo?  
24  
25 **ENGR. MALOOM:** Are u referring to tobacco dust, sir?  
26  
27 **USEC. SAVELLANO:** Yes, oo. 'Di ba for tobacco dust 'yun? Ano'ng problema 'dun?  
28  
29 **DR. PALABAY:** Yes, sir, hindi kasi patented. Ma'am Myrna... ano 'yung update in  
30 patenting 'yung tobacco dust?  
31  
32 **USEC. SAVELLANO:** Kasi kung sa patent, meron tutulong diyan, kung 'yan 'yung problema  
33 n'yo.  
34  
35 **MRS. LOZANO:** Good afternoon, sir. Bale po sa patenting, mag a-apply ulit po kami sa DTI  
36 for the utility model.  
37  
38 **USEC. SAVELLANO:** DTI?  
39  
40 **MRS. LOZANO:** Opo. Sir, na-approve na po ng Board 'yung budget on that, and 'meron po  
41 kaming tie-up with the law firm para po sa patent.  
42  
43 **USEC. SAVELLANO:** Sino'ng law firm yan?  
44  
45 **MRS. LOZANO:** 'Di ko po kabisado eh'.  
46  
47 **USEC. SAVELLANO:** Sige. So, regarding patent. Again, we ask the Administrator to  
48 communicate the matter to me para I can direct DTI to take a look on  
49 this. And, 'dun sa patent, ano 'yung problema natin para sa tulong natin  
50 diyan?  
51  
52 **MRS. LOZANO:** Okay. Thank you, sir.  
53  
54 **ENGR. MALOOM:** Ito po yung tobacco stalk flour, sir, for Thermoplastic Composite  
55 Manufacturing. Ipu-pulverize 'yung tobacco stalk flour and then mix it in  
56 the plastic material and then to form something like building materials.

1 **USEC. SAVELLANO:** Ang problema lang natin diyan, baka sa dami ng gagawin natin baka wala  
2 na tayong raw materials. Eh' just for the pesticide and the... 'ako nakikita  
3 ko lang saying, mabenta 'yung pesticide and 'yung ano, yung soap, kasi  
4 regarding sa iko-convert natin to a flour, 'baka mahirap pa 'yan kasi, 'ano  
5 'yung mga additives mo diyan? An'ong kailangan? Imported?  
6

7 **ENGR. MALOOM:** No, sir, mix with our tobacco stalk flour' gagawing pilers to form.  
8

9 **USEC. SAVELLANO:** So, tapos na yan?  
10

11 **ENGR. MALOOM:** On-going 'to, sir.  
12

13 **USEC. SAVELLANO:** On-going?  
14

15 **ENGR. MALOOM:** In which, nakita na natin results for building materials and 3-D printing  
16 materials. So, these are the other possible applications, in which 'yung  
17 properties na meron 'yung Burley and Virginia tobacco stalk flour are  
18 comparable sa mga other wood materials.  
19

20 **USEC. SAVELLANO:** By the way, may study ba tayo... 'yung wastes ng tobacco? Kung gaano  
21 karami rin.  
22

23 **ENGR. MALOOM:** Actually, sir, ito po siya. 'Yung collection ng Virginia tobacco stalk should  
24 be done by farmers. The process will be done by the tobacco farmers  
25 cooperatives and delivered to the tobacco dust processing plant. Siya  
26 'yung mag pi-final process magpu-pulverize and diretso na sa  
27 manufacturer. So, from our data, ito po 'yung for Region I alone; ito po ay  
28 based sa ating gathered data. We have around 15,038 hectares for  
29 Virginia, Burley and Native at 900 kilograms dry-weight na ng tobacco.  
30 There are around 14 million kilos of tobacco stalks for Region I alone,  
31 including Abra po.  
32

33 **USEC. SAVELLANO:** Okay.  
34

35 **ENGR. MALOOM:** So, we have a lot of potential. 'Yung supply, hindi pa kasama sa Isabela  
36 and Cagayan.  
37

38 **USEC. SAVELLANO:** Sige, ano pa?  
39

40 **ENGR. MALOOM:** The tobacco midribs are also from our waste. 'Sayang din siya'. So, we  
41 have on-going R&D on this, as soil conditioner. So, 'meron tayong setup  
42 for now in Batac to evaluate this Tobacco Midrib as soil conditioner.  
43

44 **USEC. SAVELLANO:** Ilang years na 'to? First time pa lang?  
45

46 **ENGR. MALOOM:** First time lang po, and other R&D projects naming. 'Ito po 'yung may  
47 resolve an issue about rice mills, sa mga rice warehouses, sooner or later.  
48 I think, based on the 'magiging result of this, mare-resolve na issue natin  
49 using tobacco leaf extract.  
50

51 And, of course, 'yung collaborative R&D initiative, collaborative with the  
52 Philippine Nuclear Research Institute and Benguet State University. We  
53 also called the Tobacco R&D for Agro-Industrial Productivity. 'Kung  
54 titignan natin, 'yung projects under niya, in which may problema sa  
55 potato industry plantation sa Benguet and Mt. Province. There are  
56 nematodes attacking 'yung potato plantation, in which our expert from

1 BSU and PNRI have seen na may potential ang ating tobacco leaf extract,  
2 in combination with polymer absorbent, na ihalo sa tobacco leaf extract.  
3 Ilalagay sa mga plantations prior to crop establishment and then sooner  
4 or later ire-release 'yung polymer as for absorbent 'yung tobacco leaf  
5 extract. Slowly, to sustain the growth 'at hindi na maa-atake ng  
6 nematodes 'yung potato plantation.  
7  
8 **USEC. SAVELLANO:** Pero wala bang ganyan na commercial?  
9  
10 **ENGR. MALOOM:** Wala po, sir.  
11  
12 **USEC. SAVELLANO:** Aside from the tobacco leaf extract, may iba pa? Na ginagamit sila? Sa  
13 commercial?  
14  
15 **ENGR. MALOOM:** Mga chemicals, sir.  
16  
17 **USEC. SAVELLANO:** Mga chemicals, okay.  
18  
19 **ENGR. MALOOM:** So, isa pang proposal, in which I think important, is electron beam-  
20 process low molecular weight carrageenan-based plant growth  
21 accelerator (PGA) and potential stimulator of nicotine biosynthesis for  
22 Virginia and Native tobacco plants. This will cater the issue on the  
23 increase in nicotine requirement by tobacco companies.  
24  
25 **USEC. SAVELLANO:** Increase?  
26  
27 **ENGR. MALOOM:** Yes, sir. I-increase po 'yung nicotine content and, of course, need of  
28 increase of the tobacco leaves, and the Philippines, is of course, the global  
29 leader for tobacco production.  
30  
31 **USEC. SAVELLANO:** Tapos na 'yan?  
32  
33 **ENGR. MALOOM:** These are proposals.  
34  
35 **USEC. SAVELLANO:** So, proposal pa lang?  
36  
37 **ENGR. MALOOM:** Proposal pa lang po.  
38  
39 **USEC. SAVELLANO:** Maganda 'ata 'yan.  
40  
41 **ENGR. MALOOM:** Yes, sir.  
42  
43 **USEC. SAVELLANO:** Sea weeds 'ata 'yan eh'.  
44  
45 **ENGR. MALOOM:** So, ang gagawin dito is really to develop practical farm practices for  
46 tobacco production that are easily adopted by farmers. Bio-innovation  
47 targeting nicotine metabolism that are culturally sound and tactical. Bio-  
48 innovation that improves the quality and features of tobacco leaves. So,  
49 this will also increase possible income of farmers, tremendously  
50 increase yield using this technology.  
51  
52 **USEC. SAVELLANO:** Puwede bang sumali diyan ang BFAR? May carrageenan eh', sea weeds.  
53 At least 'baka sila pagawin natin.  
54  
55 **ENGR. MALOOM:** But DOST is producing....  
56

1 **USEC. SAVELLANO:** Mas marami pera ang DOST, sila na gagawa, supporting na lang tayo.  
2 Pero ASAP 'yan, mga yan. 'Kailan natin gawin 'yun?  
3

4 **MRS. LOZANO:** Sa 2024, sir.  
5

6 **USEC. SAVELLANO:** 2024? Excited ako diyan.  
7

8 **ENGR. MALOOM:** So, ang point dito, sir, is by applying this, the carrageenan tobacco leaf  
9 extract, we will be increasing the nicotine content around 2 to 4%,  
10 according to DOST and increase leave biomass by 20 to 30%, which will  
11 increase 'yung possible yield, and the income of farmers.  
12

13 **USEC. SAVELLANO:** Okay, maganda 'yan'. Next.  
14

15 **ENGR. MALOOM:** Next will be, 'ito na po 'yung problema ng DA, sir, combined action of  
16 carrageenan-based plant growth accelerator and tobacco leaf extract in  
17 controlling fall army worm infestation in corn plantations in the  
18 Philippines. So, 'alam po natin na ang laki na ng problema sa corn  
19 industry, also onions.  
20

21 **USEC. SAVELLANO:** Pero tobacco 'yung solution?  
22

23 **ENGR. MALOOM:** Yes, sir.  
24

25 **USEC. SAVELLANO:** Yan.  
26

27 **ENGR. MALOOM:** Maybe this is the keep-changer later on, 'kung magiging success po ito,  
28 this really...  
29

30 **USEC. SAVELLANO:** Pero 'di mo kailangan ng support ng Corn Program?  
31

32 **ENGR. MALOOM:** Later on, sir, 'titignan natin, meron dito malaking problema.  
33

34 **USEC. SAVELLANO:** Okay. Title pa lang okay na ako eh'.  
35

36 **ENGR. MALOOM:** So, the problem is the fall army worm and 'ito 'yung possible na solution,  
37 bioactive PGA plus tobacco extract to strengthen plant immune  
38 response; faster growth of leaves and root system; improved corn yield;  
39 less fertilizer input.  
40

41 **USEC. SAVELLANO:** Gawan mo nga ako ng sulat tungkol diyan'.  
42

43 **ENGR. MALOOM:** Yes, sir.  
44

45 **USEC. SAVELLANO:** 'Yung eto at fisheries.  
46

47 **ENGR. MALOOM:** So, ito po 'yung... for components of the programs pang-apat po ay 'yung  
48 task ng NTA to do the field trials of this developed products later on and  
49 'ito po 'yung problema din po nangangailangan siya ng around  
50 PhP48,963,000.00 for 3 years. These are the proposals already  
51 submitted to Cor. Plan, to initialize this study later on, sir.  
52

53 **USEC. SAVELLANO:** Okay.  
54

55 **ENGR. MALOOM:** So, ito po 'yung possible partners natin later on, from BSU and PNRI.  
56





1 **ATTY. PARADO:** Motion to approve 'muna, sir.  
2  
3 **USEC. SAVELLANO:** Okay, motion on the presentation?  
4  
5 **DIR. CASELA:** Mr. Chair, I move for the approval of the Report on the Alternative/Other  
6 Uses of Tobacco, as reported by Engr. Maloom.  
7  
8 **USEC. SAVELLANO:** So, there's a motion? Anybody seconding?  
9  
10 **DIR. MARTINEZ:** I second the motion.  
11  
12 **USEC. SAVELLANO:** Seconded. Any discussion? Objection? I hearing none, the motion is  
13 **APPROVED.** Next item.  
14

15 **BOARD RESOLUTION NO. 149, S. 2023**

16  
17 ***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE***  
18 ***NTA GOVERNING BOARD APPROVES / ADOPTS THE REPORT ON***  
19 ***THE ALTERNATIVE/ OTHER USES OF TOBACCO.***  
20

21 ***UNANIMOUSLY APPROVED...."***  
22

23 **ATTY. PARADO:** Thank you, Mr. Chair.  
24  
25 So, for our next item that would be on **Other Matters**, the proposed  
26 schedule for the **122<sup>nd</sup> Special Meeting of the NTA Governing Board**  
27 will be held on **27 October 2023, Friday, at 9:00 AM.** Actually, that  
28 would be in Ilagan City, Isabela, Mr. Chair. That would coincide with the  
29 **Salamat Mabuhay** program of one of our retiring Managers.  
30

31 **USEC. SAVELLANO:** Meron akong Strategic Planning no'n.  
32

33 **ATTY. PARADO:** In anyway, Mr. Chair, only the Members of the NTA Board and the  
34 Managers would be attending the activity in Isabela. So, you will be  
35 presiding at the NTA Board Room.  
36

37 **USEC. SAVELLANO:** Can I use zoom?  
38

39 **ATTY. PARADO:** Yes, Mr. Chair.  
40

41 **USEC. SAVELLANO:** Okay, thank you. Mag-zoom na lang ako.  
42

43 **ATTY. PARADO:** So, noted on that, Mr. Chair.  
44

45 **USEC. SAVELLANO:** So, other matters, I think we should have targets.  
46

47 **ATTY. PARADO:** I-ano ko na lang, sir, 'yung final instructions. So, Mr. Chair, before we  
48 adjourn, may we request our acting Chairman-designate and NTA  
49 Oversight Official for his final instructions. Before we adjourn.  
50

51 **USEC. SAVELLANO:** Again, we should set a date when will be the submission of all these  
52 papers like, for example, the Mindanao Plan, mag-presentation muna  
53 tayo the meeting sa Mindanao, then 'tong mga research natin and the  
54 communication from the Administrator to the Department of  
55 Agriculture, para mabilis 'yung galaw natin.  
56

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Okay, any other matters?

**ATTY. PARADO:** Thank you, Mr. Chair, our final agenda, actually, is Adjournment.

**USEC. SAVELLANO:** There's a motion?

**DIR. CASELA:** Mr. Chair, I move for the adjournment of the meeting.

**DIR. SERNA:** I second the motion.

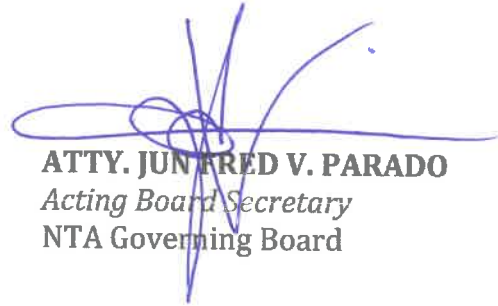
**USEC. SAVELLANO:** Seconded. The session is adjourned.

**SO, ORDERED.**

Thank you.

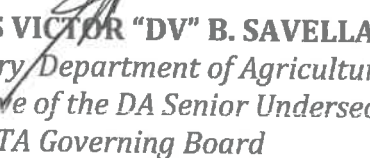
Note: **THE MEETING WAS ADJOURNED AT EXACTLY 4:00 PM.**

**PREPARED AND CERTIFIED CORRECT:**



**ATTY. JUN FRED V. PARADO**  
*Acting Board Secretary*  
NTA Governing Board

**ATTESTED:**



**Hon. DEOGRACIAS VICTOR "DV" B. SAVELLANO**  
*Undersecretary/Department of Agriculture*  
*Alternate Representative of the DA Senior Undersecretary*  
*to the NTA Governing Board*



**Hon. BELINDA S. SANCHEZ, CPA**  
*Administrator/CEO and Vice-Chairman,*  
*NTA Governing Board*



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

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



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



**Hon. JESSIE PAT M. SERNA**  
*Appointive Director, Tobacco Traders/Exporters Sector*



**Hon. LUZVIMINDA U. PADAYAO**  
*Appointive Director, Tobacco Farmers Sector*



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## OFFICE OF THE NTA GOVERNING BOARD

ONE HUNDRED AND TWENTY-FIRST (121<sup>ST</sup>) SPECIAL BOARD MEETING  
OF THE NTA BOARD OF DIRECTORS, HELD AT THE  
11<sup>TH</sup> FLOOR, THE UPPER CLASS BLDG., QUEZON AVENUE, QUEZON CITY  
28 SEPTEMBER 2023 (9:00 AM)

### PRESENT:

<b>Hon. DEOGRACIAS VICTOR B. SAVELLANO</b>	-	<b>Undersecretary/Department of Agriculture &amp; Alternate Chairman-Designate/ Presiding Officer</b>
<b>Adm. BELINDA S. SANCHEZ</b>	-	<b>Vice-Chair of the Board and Administrator &amp; CEO</b>
<b>Dir. JESSIE PAT M. SERNA</b>	-	<b>Member, Tobacco Traders/Exporters 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. LUZVIMINDA U. PADAYAO</b>	-	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. DANILO C. TRONGCO</b>	-	<b>Member, Tobacco Farmers Sector</b>

### OTHERS PRESENT:

<b>Mr. BENJAMIN V. SARMIENTO</b>	-	<b>Executive Assistant IV/ Special Assistant to the Administrator</b>
<b>Dr. GIOVANNI B. PALABAY</b>	-	<b>OIC-Deputy Administrator for Operations</b>
<b>Mrs. DINAH E. PICHAY</b>	-	<b>Manager, Internal Audit Department</b>
<b>Mrs. FORTUNA C. BENOSA</b>	-	<b>Manager, Corporate Planning Department</b>
<b>Mrs. MYRNA O. LOZANO</b>	-	<b>Manager, Industrial Research Department</b>
<b>Mrs. EVANGELINE C. CABIGAN</b>	-	<b>OIC - Farm Technology &amp; Services Department</b>
<b>Atty. JUN FRED V. PARADO</b>	-	<b>Attorney V, Office of the Administrator</b>
<b>Mr. LEXTER C. CABANTING</b>	-	<b>Acting Board Secretary V</b>
		<b>Administrative Assistant I (JO)</b>

### THRU VIRTUAL PLATFORM/ONLINE:

<b>Atty. ROHBERT A. AMBROS</b>	-	<b>Manager, Regulation Department</b>
<b>Mrs. ZENAIDA T. ARROJO</b>	-	<b>Manager, Administrative Department</b>
<b>Mr. REYNALDO R. AQUINO</b>	-	<b>OIC - Finance Department</b>
<b>DEPARTMENT MANAGERS/OICs</b>	-	<b>NTA Branch Offices</b>

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## HIGHLIGHTS OF THE MEETING

### I. CALL TO ORDER

The honorable DA Undersecretary Deogracias Victor B. Savellano, Presiding Officer, called the meeting to order at 9:00AM.

**USEC. SAVELLANO:** I now call to order the 121<sup>st</sup> Special Board Meeting of the NTA Governing Board.

### III. DETERMINATION OF QUORUM

**USEC. SAVELLANO:** May I now call on the Acting Board Secretary to determine the Quorum.

**ATTY. PARADO:** Thank you, Mr. Chair.

For the 121<sup>st</sup> Special Board Meeting of the NTA Governing Board, we have, of course, the honorable DA Undersecretary, Deogracias Victor B. Savellano, our Presiding Officer. Also, here with us, personally present, is our Administrator and CEO, ma'am Belinda S. Sanchez.

We also have the honorable Dir. Nestor C. Casela, representing the Academic Community Sector; Dir. Wilfredo C. Martinez, representing the Tobacco Farmers Sector; Dir. Danilo C. Trongco, representing the Tobacco Farmers Sector; Dir. Jessie Pat M. Serna, representing the Tobacco Exporters/Traders Sector; and, Dir. Luzviminda U. Padayao, representing the Tobacco Farmers Sector.

Mr. Chair, we would like to also acknowledge the presence of our Executive Assistant IV/ Special Assistant to the Administrator, Mr. Benjamin V. Sarmiento, as well as our Deputy Administrator for Support Services, Mr. Benedicto M. Savellano; Dr. Giovanni B. Palabay, OIC-Deputy Administrator for Operations; and, our managers, namely: Mrs. Dinah E. Pichay; ma'am Fortuna C. Benosa; Atty. Rohbert A. Ambros; Mrs. Myrna O. Lozano; Mrs. Zenaida T. Arrojo; and, Mr. Reynaldo R. Aquino.

We would like also to acknowledge the presence, through the virtual platform, of our Branch Managers, Heads of Offices, OICs and Resource Persons.

As such, Mr. Chair, we have a Quorum.

**USEC. SAVELLANO:** So, there being a Quorum, we go now to the Reading of the Agenda.

**ATTY. PARADO:** Thank you, Mr. Chair.

For the Agenda of the 121<sup>st</sup> Special Meeting of the NTA Governing Board we have, the request for the **"Approval of the Agenda of the 121<sup>st</sup> Special Meeting of the NTA Governing Board, held on 28 September 2023 at 9:00 AM, at the NTA Board Room, 11<sup>th</sup> Floor, The Upper Class Bldg., Quezon Ave., Quezon City"**.

Mr. Chair, can we have a motion?

**USEC. SAVELLANO:** So, any discussion?

**DIR. TRONGCO:** Mr. Chair. I respectfully move for the "approval of the Agenda of the 121<sup>st</sup> Special Meeting of the NTA Governing Board, held on 28 September 2023 at 9:00 AM, at the NTA Board Room, 11<sup>th</sup> Floor, Upper Class Bldg., Quezon Ave., Quezon City".

**DIR. PADAYAO:** I second the motion.

**USEC. SAVELLANO:** It's been moved and seconded. The motion is hereby **APPROVED**.

We will move now to the next agenda.

**BOARD RESOLUTION NO. 134, S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE AGENDA OF THE 121<sup>ST</sup> SPECIAL MEETING OF THE NTA GOVERNING BOARD, HELD ON 28 SEPTEMBER 2023, AT 9:00 AM, AT THE NTA BOARD ROOM, 11<sup>TH</sup> FLOOR, UPPER CLASS BLDG., QUEZON AVE., QUEZON CITY.***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** Thank you, Mr. Chair.

For our next agenda, we have Agenda (A). This is the request for the **"Approval of the Minutes of the 166<sup>th</sup> Regular Board Meeting of the NTA Governing Board, held on 13 September 2023, at 9:00 AM, at the Tapao Resort Function Hall, San Juan, Ilocos Sur"**.

Mr. Chair...

**USEC. SAVELLANO:** Anybody moving for the approval?

**DIR. PADAYAO:** Mr. Chair. I move for the "approval of the Minutes of the 166<sup>th</sup> Regular Board Meeting of the NTA Governing Board, held on 13 September 2023, at 9:00 AM, at the Tapao Resort Function Hall, San Juan, Ilocos Sur".

**DIR. TRONGCO:** Respectfully seconded.

**USEC. SAVELLANO:** It has been moved and seconded, the motion is hereby **APPROVED**.

Can we now move to the next?

**BOARD RESOLUTION NO. 135, S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE MINUTES OF THE 166<sup>TH</sup> REGULAR BOARD MEETING OF THE NTA GOVERNING BOARD, HELD ON 13 SEPTEMBER 2023, AT 9:00 AM, AT THE TAPAO RESORT FUNCTION HALL, SAN JUAN, ILOCOS SUR.***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** Thank you, Mr. Chair.

So, for our next agenda, on **"Matters Arising from the Previous Board Meeting"**, as instructed by the honorable Deogracias Victor "DV" B. Savellano, DA Undersecretary for Livestock and NTA Oversight Official, we have the following:

No. (1), is the **“Report on the Proposed Barter-to-Barter Project of Locally Grown and Produced Tobacco”**.

Mr. Chair, I would like to manifest that in today’s Board Meeting, we are joined by our invited special guests, headed by Engr. Harley Luis Leano, the Chairman & CEO of Asian Pyrochem Technologies, Inc. or APTI, and his team.

Sir, can you introduce yourself and the members of your team, for the information of the honorable Chair, our Administrator, and the Members of the Board.

**USEC. SAVELLANO:** Before introducing themselves, can we now adopt the agenda and have a motion after that.

**ATTY. PARADO:** So, from the instructions of our honorable USEC, can anyone from among the members of the Board move for the adoption of the agenda.

**DIR. CASELA:** Mr. Chair, I move for the adoption of the agenda for today’s meeting.

**USEC. SAVELLANO:** So, can we now go to the next? But, before that, since we have visitors here, they will just tackle their agenda first, and after that, we will go to our usual agenda. So, anybody moving for the agenda?

**DIR. CASELA:** Mr. Chair, I move that the agenda for the Presentation of Barter-to-Barter Project will be first tackled, with our guests today, so that after the discussion we may make some Q&A later.

**USEC. SAVELLANO:** So, there’s a motion from Dir. Casela.

**DIR. PADAYAO:** I second the motion.

**USEC. SAVELLANO:** Seconded. No objection? Hearing none, the agenda is **APPROVED**.

### **BOARD RESOLUTION NO. 136, S. 2023**

***“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD ADOPTS THE REPORT ON THE PROPOSED BARTER-TO-BARTER PROJECT OF LOCALLY GROWN AND PRODUCED TOBACCO.***

***UNANIMOUSLY APPROVED....”***

**USEC. SAVELLANO:** So, Mr. Secretary, can we now acknowledge our visitors.

**ATTY. PARADO:** Okay, Mr. Chair. May we then acknowledge Engr. Leano. Yes, please proceed sir. Thank you.

**ENGR. LEANO:** Good morning to everybody. I’m Engr. Harley Luis Leano, designated by the Indonesian Government as the Export and Import channel, and right now, I am designated to the B2B Global Barter Trade Supply Framework. I would like first to introduce to this meeting, the Indonesian representative will be coming also, my Assistant Vice-President for Finance, Mr. Gerry Chua; and, Engr. Gabriel Comia, our Technical Adviser / President in our group; our Logistics and

Marketing Director, Mr. Mark Padre; and, the President in our subsidiary company in Northern Luzon, Dr. Samuel R. Garcia, who is in charge of our subsidiary company, which is "El Pataba and Agro-Industries Corporation".

**USEC. SAVELLANO:** Okay. Please proceed.

**ENGR. LEANO:** The one who will present to you our presentation is Mr. Mark Padre.

**ATTY. PARADO:** Mr. Chair, may we recognize Mr. Padre, to be assisted in his presentation by our technical staff. Please proceed, Sir.

**MR. PADRE:** Good morning,

I would like to thank NTA for this opportunity, for giving us the privilege of presenting B2B Barter Global Trade. I hope this presentation will enlighten and give you a background on barter trade.

This starts basically with taglines of what industries are doing now globally. It is by open collect buttons. The essence of export as stated by the DTI Secretary Pascual is "to open broader horizons and maximize opportunities for industry development", and this is the direction of the industry here in the Philippines.

I have just taken this from an article, "DA eyes boosting tobacco exports to trade for cheaper fertilizer, rice." This is just a direction, of course. Then, it went global. (Showing a picture) This picture was taken in Jakarta during the first visit of President Marcos in Indonesia.

So, who are we at APTI? We are engaged in building and overseeing a scalable selection of enhanced opportunities and investments, meeting the long-term financial goals and risk tolerance of investors/stakeholders.

We are also an Export/Import Channel for (B2B) and Export/Import channel for (G2G). We are also representing some companies in Indonesia in the field of construction, PT PP Pesero (TBK). If I give you time, please feel free to ask if you have any questions.

A broader view of who an APTI is, mainly on the energies type, B2B Barter Trade, and the infrastructure. We are focused now on the barter trade, it's either export or import, export tobacco, abaca, and mineral ore. (Showing a picture) This is just an example in the import of fertilizers, coal, and other commodities.

Just a brief history, if I may. On barter trade discussions, we go back building a relationship with Indonesia last October 2022. Then, they started attending an Expo Trade. This is just a brief discussion and presentation. Of course, our Philippine body there attended, also by the APTI, and the Attache of Indonesia based here in the Philippines. This was just a part of the Expo.

So, what's more about that countertrade is that APTI Philippines signed as a Barter Agency, in coordination with Indonesia. I will discuss this briefly to just establish the essence of APTI's efforts in



Indonesia. I wouldn't go much on the technicality of barter trade, but just by giving some principles.

Countertrade as explained; the best form or part of APTI barter trade is bartering. This is the framework that comes in B2B global barter trade. It's the Philippines and Indonesia and the 38 countries in cooperation with the Indonesian body. So, the opportunity in the market is not just restricted to Indonesia but together with 38 countries of any product under the barter trade. Of course, we all know that in barter trade.

The benefits of barter trade are: that it results to a win-win solution; overcoming barriers and constraints of export; provide on top/additional export; the Balance of Trade and payment; national foreign exchange savings; increased productivity; and, job opportunities.

This is not the intent to discuss in details, but basically the mechanism about barter trade. In other countries, together with Indonesia, it involves the local buyer, the seller, the banks and all the other parties. Of course, the more important thing is the government's support. Under the B2B Barter Trade, we have the opportunity to export to Indonesia. On the second line, basically it passes to APTI Agency in the Philippines as a representative of the Barter Trade Agency; that is, APTI in the Philippines and TBI Indonesia.

So, Indonesia will connect with a cigarette manufacturer for the import coming in. The cigarette manufacturer will contract with the Urea manufacturer and bring the fertilizer into the Philippines, and that is the form of barter trade. You don't have to sell directly in Indonesia; we could connect it in the Philippines in exchange of goods coming in. Another example is basically coal.

**DIR. MARTINEZ:** How are we going to do it? The cigarette from tobacco? Tobacco products or tobacco leaves.

**MR. PADRE:** Yes, we will do that.

**ENGR. LEANO:** Sorry for the intervention. What we will do here in this basic structure is, for example, we will plant the tobacco. With that tobacco leaves like, for example, our one recipient for the coal is San Miguel Corporation or other groups of corporations. Right now, they're buying the coal in a very high price; mostly, they buy that in 250 dollars or 300 dollars a ton. Now, if we will do the barter trade, the tobacco now will be part of the match product for the coal. Then, the coal price in Indonesia is running now at 80 dollars to 100 dollars a ton. So, we can avail of that.

In other words, even if we will put another 20%, 10% or 5%, still the coal is cheaper, and so the counterpart here now would be the tobacco leaves. Now, for the farmers to be paid, it would be the San Miguel Corporation who will pay the farmers in Indonesia...So, in other words, we can do that locally without using dollars, although we'll confirm with the World Trade Organization. But, of course, in this project we will enhance economic development; precisely, we will focus on our tobacco, abaca fibers, as well as mineral ore, like nickel, iron, because you see, Philippines is ready for this. In mineral mining,

there is already what we call the “Minahan ng Bayan”. It is thru a cooperative and every LGU can have that one if we can mineralize, and doing it by bartering also.

**DIR. MARTINEZ:** What kind of tobacco? So, we will barter with the coal, is that so? What kind of tobacco leaves? Cigarette...

**ENGR. LEANO:** Yes, it is dry tobacco leaves, but we will start with Virginia tobacco. As to its classification, we will do that later.

**DIR. MARTINEZ:** Where did the tobacco come from?

**ENGR. LEANO:** Right now, I can't explain on this, but when I signed already the Letter of Intent in Indonesia, I immediately reported to Secretary Pascual because the counter government agency in research is also an industry under the (Department of) Trade and Industry. We come up with this bartering, of course, looking into the cost of products, including more on demand-driven markets, because we are looking at other countries other than Indonesia.

Alright, as to the leaves or the products, I understand that at that time Ms. Belinda Sanchez is also part of the start-up for this project. We had the zoom conference, which was initiated by the DTI Undersecretary, because we were given a marching order from Secretary Pascual to work on this part, and to come up with this organization.

Of course, with the NTA, until now with the leadership of Ms. Sanchez as the Administrator, we'll come up with the support. Unfortunately, along the way, it did not happen, precisely because I was able to observe that the CDE is not so supportive to do this. So, I went to the LGUs because I know the LGU is a part of this trade in the tobacco industry. So, I went to Governor Unabia, and then, when I explained to him about the system, he really appreciated that, and that is part of the poverty alleviation attainment of their constituents in Misamis Oriental.

What happened today; now, the status is like this. We already signed a Memorandum of Understanding (MoU) with the conformity of the CDE. They should be here, anyway, right now. The status is, we are going to sign a quad-tripartite agreement.

Can I just explain this one? The Quad-tripartite Agreement will be like this, the Local Government will create an LGU enterprise. Now, the LGU enterprise will take charge of the area to be planted, including farmers to participate, and also, in the giving of initial funding. Then, they will grade it in the “Bagsakan Center” where the tobacco dry leaves should be stockpiled. Right there and then, our Indonesian counterpart will be there in the inspection of the quality of leaves. Of course, there are some items there which may be rejected, but we will come up with a formula to see to it that farmers will be compensated.

As regards to the price, of course, right now in Indonesia the price is ranging from 300 pesos to 400 pesos per kilo. But I need really to negotiate that; and, for Virginia tobacco and Burley, I have to renegotiate this because they are still new to this approach. That's why when I signed the agreement last year, it is almost one year, because I found out that Filipinos really are not that much excited to

participate in the global market, but this is our handicap. But the way I look at it now, in Indonesia, I think we can meet the global market. Precisely, Indonesia is using their embassies worldwide to participate in this B2B global bartering.

So, it is like this now. While only waiting, I think by next week we will sign the Quad-tripartite Agreement. Now, if I may have that already, I will go to Indonesia because the purpose of that is to come up with the concrete supply. Also, coming from Indonesia, of course, on that Quad-tripartite Agreement, we have at least three (3) quad-tripartite: one (1) for tobacco; one (1) for abaca fibers; and, one (1) for the mineral ores - because we want to do this simultaneously, so that there will be a simultaneous approach along the way.

**ATTY. PARADO:** Mr. Chair. With the permission of the honorable Chairman, may we request, Sir, that the Resource Person will just be allowed to complete the presentation of his Report. After that, the Members of the NTA Governing Board, as well as the honorable USEC and madam Administrator will be given enough time to ask questions for the Resource Speaker.

In the interest of time, please go ahead, Sir.

**MR. PADRE:** Again, if I may be allowed to share this slide with the NTA for this presentation.

So, as mentioned, opportunities are either tobacco for coal, tobacco for fertilizers and other commodities. This is just a broader scale for tobacco. It is to go for APTI to Indonesia and go to the cigarette manufacturers, and a countertrade for the product goes around. Tobacco goes to the cigarette manufacturer; the fertilizer goes back to the Philippines, so that's the framework. As an example, it involves banks, financial institutions, and government bodies. This is just a scale, but it keeps the same essence, that the buyers and sellers and both parties are involved in the contractual agreement. So, the structure is in place in our barter trade.

This is the barter volume price allocation valued at USD 343 million from Philippines to Indonesia. Recognition is from the Indonesian government and embassy here in the Philippines and other states. "Agri chief wants farmers to directly import, sell fertilizers." The essence of this one is that it sets a direction for farmers to like pursuing.

And I take this old picture for the information of everyone (showing a picture). This is during the signing of MoU between the Governor of Misamis Oriental in the implementation of the Tobacco Barter Trade in the Province of Misamis Oriental, and the MoU was signed by two parties, and the Indonesian representative was there. It was building a relationship, as well, in the Province of Occidental Mindoro and other places in Samar with LGUs and Governors. But we want to express that this presentation is basically that aspect, but what I'm just trying to emphasize is that we have already the framework in the barter trade agreement recognized by both DTI and the Indonesian body government.

We hope that, with the government support and the NTA, we would like to probably explore of having this opportunity. Nothing to say, but what I'm trying to emphasize is that we have a broader exchange in export and import in exploring this market, but this is just a start. Without the support of the NTA, in the end it will be a hardship to do this barter trade, although we have the initiative in Misamis Oriental, Mindoro and also Samar. We are ready for the recommendation. We hope that the NTA and the DA will find time to think about this further...where we can utilize and use the barter trade framework.

There's nothing to follow more from this slide, so if you have any further questions. Thank you.

**USEC. SAVELLANO:** Yes. Firstly, do you know the structure of the industry in the Philippines, that we have buyers of tobacco trading already almost in all of the areas? So, what will be the role of the private sector buying tobacco, because right now there's only one buying? So, what will be their role in this structure?

**ENGR. LEANO:** Okay. Actually, we are looking forward where we can have the connection by way of having a meeting, in whatever medium, so that we can extend our approach. Precisely, I understand that there are many traders who are already involved but, of course, if we will expand the market, I think this global barter can be an arm to have also for those opportunities that are not given to some of those areas planting tobacco. Actually, the big market or one of the big markets is also in Indonesia. It's our Indonesian counterpart to confirm that there is a big market but, likely, it's around 17 million smokers.

**USEC. SAVELLANO:** If that's the case, since you have mentioned that one company is buying Virginia tobacco, is there a way that we can meet them to know their demand? So, may we know the demand, what type of tobacco and how much tobacco do they want? Because right now, it should be another program, the bartering. As to existing systems, this barter trade will be just adding production, so that we can displace what's happening?

**MR. PADRE:** Sir, can I answer? Sir Harley, may I answer based on your question?

Yes, of course, the private sector in the industry on barter trade is basically mentioned in B2B scale and, of course, the contribution of the company or an entity to participate in this barter trade is highly encouraged in their import/export in the Philippines so that, at the end of the day, we will not disregard the current requirements on the demand and the supply of the current contracts here in the Philippines.

Moreover, what am I trying to say is, there are lots of opportunities on this framework, on top of what we have in hand on a broader scale. But, to answer your question, yes, the private sector has a major role in here and that's part of the barter trade. We hope that we have a direction to be able to work with the buyer industry or other companies here in the Philippines to make the barter trade good as an exchange.

**USEC. SAVELLANO:** So, in that case we just concentrate on tobacco first like we have to maintain, right now? What we had to maintain, and your program that you are presenting to us is another thing? What will we do now? What are the things that we are going to do if we are going to be following the program?

**ENGR. LEANO:** Actually, I'm going to Indonesia this first week of October or maybe second week, because if I have already the Quad-tripartite Agreement, I can now talk to people there that, since we have existing tobacco plantation now, maybe we can coordinate it. Also, for the meantime while the B2B is not yet in place we can have the extra exported from Indonesia.

**USEC. SAVELLANO:** Okay, I don't know where the tobacco comes from. Now, so we can talk to them and join forces to be able to export more of our tobacco?

**ENGR. LEANO:** Right, your Honor. We can coordinate with them. This is our purpose here. That's why I think the idea here is to have a consolidated effort to increase our production and to also increase the price that we have already.

**MR. PADRE:** Your concern is part of the process of this business matching, as well as in coming in to see what is available for export or import in both countries for the barter trade.

**ENGR. LEANO:** Yes, I don't think of any problem, Mr. Chairman. Precisely, we are open to those suggestions from the Board, and we are willing to immerse also ourselves to those. Maybe, one of the things we can do is on the fertilizer side, because we are willing to talk also to the traders, as well as the farmers right now, so that we can immediately use the barter trade even in small amounts first. We can work on that. We take note of the recommendation of the Board. What we need to do is fertilizer.

**MR. PADRE:** Yes, it is a good barter for tobacco fertilizer.

**USEC. SAVELLANO:** So, what is the pleasure of the Members of the Board?

**DIR. CASELA:** Mr. Chair, may I please. Good morning to everybody.

Now, the concern of the NTA is for the improvement of the livelihood of farmers, and what we are seeking is a program wherein we could increase the productivity income of the farmer. By way of the program and system of barter between, let's say Indonesia or whatever company representing Indonesia, and our tobacco farmers barter for coal or fertilizer, would this program make that possible?

**ENGR. LEANO:** Actually, this would be another income for the farmers because if the farmers have cooperatives, what we can do is the distribution of the fertilizers can be done by the farmers. It depends on our agreement because right now we will place the tobacco, like for example, going in Indonesia, the buyer here would be the San Miguel Corp. or any other company and the counter barter now would be fertilizer. Of course, the recipient now will be the farmers because they have already sold their tobacco leaves through San Miguel Corp. and the San Miguel Corp. will be the recipient of the coal coming from Indonesia. In other

words, the payment will be made locally when there is no LC. But, whenever it is made locally and receipted, we will be paying the taxes required under such transactions.

**DIR. CASELA:**

Yes. You do recognize the importance of coal, as well as fertilizer as component of the tobacco commodity flow. But what we do want to happen, if possible, is the way of increasing the income of farmers. Of course, we don't want to disturb the existing system. But, if we can do away from that so that we can directly deal with the farmers in increasing their income. Right?

Now, with fertilizers, the cost of fertilizers right now is so high. It is highly prohibitive because the fertilizer is high, the cost of production is high, and it is limiting the productivity of the farmer.

Now, with respect to coal, years back the NTA designed and came up with a research study that coal is a good substitute for fuelwood, and this was accepted by our technology, and by our farmers. There were several years of introducing coal but it was stopped because the manufacturer of the coal was advised to stop, so they stopped, but I think if the coal will come up in Indonesia, that would be a good source or alternative source of energy for procuring our tobacco, but the problem here is, even with either fertilizer or coal, the pricing. But, as far as the tobacco, how will we be going to accumulate the volume of tobacco? So, you are proposing cooperative farmer-associations, but it's hard to find because with these cooperatives, they have already established other contracts with other firms. So, how is this possible, and how are we going to determine the prices for coal, as well as tobacco?

**ENGR. LEANO:**

Alright. Way back, I think 2012, I presented to NTA, through at that time the Administrator was Mr. Zaragoza, to have a protocol testing and it passed the protocol testing. Precisely, on the side of supply, we also have that sufficient by coming from Indonesia, but if that was done already, definitely we can manufacture that locally, because at that time I was looking at the 21,000 Virginia tobacco plantation areas in Ilocandia.

Now, with regard to how can we do that, the mechanics will be like this. Maybe, the tobacco leaves can be much with the bricks coming from Indonesia, because the way we have done that it would be cheaper almost by 60% to 70%, rather than using the wood products, which really is very expensive.

In terms of deforestation, we are looking to have an alternative fuel to reduce the costs for our environment. Precisely, it will also affect climate change.

**DIR. CASELA:**

Yes, there is no question about the use of coal as far as I am concerned but, if I may have mentioned this already, that's the accepted technology because, definitely, in the use of coal you are going to refuel the barn in the span of four (4) hours and in between that time the farmer can do a lot of other productive activities as compared to the use of fuelwood. Now, our (Industrial) Research Department is aggressive in coming up and undertaking a research study to come up

with the alternative source of energy and we do appreciate the result of this.

So, I think we could start on this using the barter system and I appreciate the suggestions of the honorable USEC Savellano that, at this point in time, we should not disturb the existing system but, rather establish measures or approaches where we could possibly help the farmers more. Thank you!

**USEC. SAVELLANO:** Anything more?

**DR. PALABAY:** This is just a short recommendation, as far as the type or kind of tobacco they will be offering for barter.

Maybe, considering of what Dir. Casela said and USEC Savellano, the market for Virginia tobacco is already "cornered" by the different buying firms, but what we can offer, maybe, is Native tobacco type 'kasi yun po', this type is produced in the Philippines, the whole country. Our problem is on the market actually, as there is no specific market or as to any buying company that buys the Native tobacco type, especially in Mindanao because only 'viajeros' and field representatives are buying, unlike here in Luzon where there are buying companies.

Also, on the documentation on the part of the LGUs, they don't have any problem on this since you have initially negotiated with Misamis Oriental and that they have been producing more or less 4 million kilos of Native tobacco. So, maybe, we can explore more on the B2B scheme on Native tobacco.

**ENGR. LEANO:** Yes, this part also is on this B2B, the Native tobacco, but based on our agreement with Indonesia, we will start on the Virginia tobacco but, eventually, as we go along, we can also handle this local Native tobacco to barter with Indonesia.

**DR. PALABAY:** Yes, sir, that we will just be going into expansion of Virginia tobacco. That is the preferred type but, of course, as they said, if we want to negotiate with the company as the barter-to-barter scheme is better, we can recommend for an expansion for Virginia tobacco if it's possible.

**DIR. CASELA:** Going back to the issue on purchasing Virginia tobacco, the established fact is that the traders or the tobacco buyers have cornered the volume tobacco, specifically the Virginia type but, as a way of handling the farmers and if there is competition, there will be inner business competition. If this will exist, it should be beneficial to the farmers. So, if you can establish the barter system, which later on will be beneficial to the farmers, then why not?

**DIR. MARTINEZ:** Yes. They say that they have cornered because if they can pay more than the buyers know, why not give to the one who can pay more.

**DIR. CASELA:** Yes, of course, that's our direction, actually. But the problem is the source of tobacco. If we use the cooperative, meaning to say, the cooperative will gather their tobacco, then with that considerable volume that will now be bartered to fertilizer or coal, this definitely

will mean that it would be cheaper and cheaper, and the deduction of the costs of production for farmers will be the implication.

**DIR. MARTINEZ:** Let them compete.

**DIR. CASELA:** Yes, sir. As suggested by our USEC, we appreciate your coming here and sharing your bright ideas on the manner on how we could improve the tobacco industry, specifically the livelihood of the farmers. That barter system is accepted; let's keep on trying. As mentioned by the honorable Undersecretary, we will push through all these things and we expect that there will be more meetings with you. Thank you!

**USEC. SAVELLANO:** May I suggest that we create a Technical Working Group for that matter. We will also be involving the Private Sector, "tayo na lang lahat mag usap-usap, 'di ba?" So okay, can you suggest the other agencies of government that we will be inviting for this TWG? "Siguro DTI..."

**ENGR. LEANO:** Yes. The DTI can be.

**USEC. SAVELLANO:** And from the Private Sector and from the NTA.

**DIR. MARTINEZ:** How about DA?

**USEC. SAVELLANO:** NTA, DA 'sino pa? 'Kayo, can you suggest agencies?

**DIR. CASELA:** Sir, I think the CDA is important here because this involves cooperative associations. I think, giving respect to the juridical personality, cooperatives.

**USEC. SAVELLANO:** CDA?

**ENGR. LEANO:** I have had a bad experience with CDA.

**USEC. SAVELLANO:** 'Walang sad experience sa atin dito', we just move forward, "kung may sad experience tayo", they must answer further with that thing.

**ENGR. LEANO:** That's fine.

**USEC. SAVELLANO:** So, who else?

**MR. PADRE:** Allow us to come back the right way with the recommendations from the TWG.

**USEC. SAVELLANO:** We must do it now.

**MR. PADRE:** As much as you have mentioned, it sounds good.

**USEC. SAVELLANO:** From the Board, "ano mga suggestions 'nyo?"

**MR. PADRE:** Sir, the Governor's bodies.

**USEC. SAVELLANO:** If we can also invite the Embassy. We will invite the embassy and we will write to them formally to invite them regarding this matter. Who else?



- MR. PADRE:** LGUs? Government bodies?
- USEC. SAVELLANO:** 'Siguro sa susunod na 'yun', tayo muna 'yung' formulation and 'siguro from the DA naman,' we will invite our international relations namin' and of course from the NTA, maybe the Administrator and who will be representing, okay."
- MR. PADRE:** It was great that you gave us opportunity.
- USEC. SAVELLANO:** So, we can look forward. Anything else you want to include? Wala na?
- ENGR. LEANO:** Maybe we can come up with another time, next schedule, so that next time we already have some representatives in the Technical Working Group.
- USEC. SAVELLANO:** Yes, you will be invited officially.
- MR. PADRE:** Engr. Harley, can you have a closing?
- USEC. SAVELLANO:** Okay, any other matters or questions regarding the presentation. Since there's none, your message.
- ENGR. LEANO:** Yes, since there is no more question, maybe we will have to temporarily depart from this body and I hope and pray that the bottom line here is for poverty alleviation, which I really have that in mind and my heart, and this is part of BBM's mission,
- Thank you very much everybody.
- USEC. SAVELLANO:** Thank you.
- DIR. CASELA:** Thank you for your time.
- ATTY. PARADO:** Mr. Chair, may we request the Resource Person that the NTA and DA will be furnished with a copy of the Presentation for their information.
- Also, may we request for a 2-minute suspension for a photo-op with our distinguished guests and visitors. Thank you, Sir.
- USEC. SAVELLANO:** Meeting suspended.....
- USEC. SAVELLANO:** Okay, let's resume.
- So, the next item is the **"Report on the Comparative Analysis of Income Levels of Tobacco vis-a-vis Rice, Corn, and Other High-Value Crops (HVCs)"**.
- ATTY. PARADO:** For the next item Mr. Chair, **"Report on the Comparative Analysis of Income Levels of Tobacco Vis-as-Vis Rice, Corn, and Other High-Value Crops (HVCs)**, may we call upon our OIC-Deputy Administrator for Operations, Dr. Giovanni Palabay, to render a Summary of the Report.
- DR. PALABAY:** Good morning to everybody.

For the Other Matters as per instruction of the honorable USEC, as to the different studies on the presentation of comparative analysis of income levels of tobacco vis-à-vis the different agricultural crops like rice, corn, and vegetables and, at the same time, we will be presenting the different cropping patterns of tobacco vis-à-vis the different crops being planted by the different provinces covering the planting of tobacco.

So, may we request the OIC of the Research Department (FTSD) to give us the summary of the studies that we gathered for the past three (3) years. Ma'am Vangie..

**ATTY. PARADO:** Mr. Chair, may we recognize the Resource Person, ma'am Evangeline C. Cabigan, for her Report. Please proceed, ma'am...

**MRS. CABIGAN:** Thank you, sir. Good morning, Mr. USEC and madam Administrator. As to what the DAOP mentioned, I will be reporting on the summary of the comparative evaluation of income levels of tobacco vis-a-vis rice, corn, and other high-value crops (HVCs) which have been part of those we included in one of the projects of NTA, this is the TCGS-IFOIGAP or Integrated Farming and Other Income Generating Activities.

This is the data we have gathered for the last three (3) years. So, first, Net Income of per hectare for Rice for the three years that we have conducted, we got a net of PhP41,170.16; and, then for Corn, it was PhP46,883.86 per hectare; for Vegetables, which include the different "pinakbet" vegetables that they term, like eggplant, and also watermelon but it's not included here, the net income is PhP40,515.25 per hectare; and, then we come up to Tobacco, the net income is PhP98,951.54. This is an average of all the tobacco types and sub-types, Mr. USEC.

**USEC. SAVELLANO:** So, does the national government know this?

**MRS. CABIGAN:** The GCG, this is the data we submitted to GCG.

**USEC. SAVELLANO:** 'Nabasa ba nila? 'Kasi makita mo 'yung ano, 'yung difference talaga eh.'

**MRS. CABIGAN:** Yes, sir.

**USEC. SAVELLANO:** Okay.

**MRS. CABIGAN:** This is the result for the last three (3) years that I have mentioned, so we have to compare the other crops like rice, corn and other vegetables. We can see here the Return of Investment (ROI), and they are not too far away, just because the cost of producing tobacco is much higher. So, 'hindi naman magkakalayo masyado 'yung ROI.'

**USEC. SAVELLANO:** 'Pero yung corn, ganun din 'yung corn.'

**MRS. CABIGAN:** 'Ganyan po 'yung lumalabas sa ating project study' but I tried to look at literature medyo mababa po ang nakikita ko', but this is the data that we wanted to present'. 'Ito po ang data natin na-generate sa ating project'

**USEC. SAVELLANO:** 'Magkano ang cost ng production per hectare?'

**MRS. CABIGAN:** For tobacco 'makikita 'nyo na hindi siya gaano mataas'.

**USEC. SAVELLANO:** 'Nasaan?

**MRS. CABIGAN:** 'Eto po'. Column (2) from the right. COP is PhP102,164.74. To emphasize sir, 'yan po ay average ng all tobacco types and sub-types, so parang hindi gaano kataas'.

**USEC. SAVELLANO:** So, for the Native and Burley 'meron ba? Or lahat na?

**MRS. CABIGAN:** We have sir.

**USEC. SAVELLANO:** 'Pwede ba ipakita natin?

**MRS. CABIGAN:** Yes, sir, we will give them to you, but I do not have them here, sir.

**DR. PALABAY:** Sir, from the details, sir, this is just the average.

**USEC. SAVELLANO:** 'Uh, in average? 'Pero, can we move forward, 'kasi nga baka mag push through 'yung mga pinag-uusapan natin. At least may pang-Burley or may pang-Virginia, alam na natin'.

**MRS. CABIGAN:** Yes, sir, we have complete data but what we have to tell you is, Burley is the highest cost of production 'po talaga'.

**USEC. SAVELLANO:** 'Sige, okay pero sa next na ano na natin yun' pero gusto ko lang sana makita lahat' then we present 'to, at least para alam natin'.

**DIR. PADAYAO:** 'Yung pinakamataas 'di ba'.

**MRS. CABIGAN:** Yes po.

**USEC. SAVELLANO:** Okay.

**MRS. CABIGAN:** Yes, sir, that's how we do.

**DR. PALABAY:** We can say from that study, sir, that for Native it's the lowest cost of production, but in terms of price and ROI, 'pinakamataas'.

**USEC. SAVELLANO:** How are we pushing for that?

**DR. PALABAY:** 'Yun nga, sir, dito sa' Region I they are now opting to plant Native tobacco instead of Burley and Virginia.

**USEC. SAVELLANO:** Because the reason why I want to 'ano in this presentation para 'yung objective natin we can get funding from our RA 4155 to support, 'kasi we will be creating employment. Maraming gusto magtrabaho ngayon eh' kung ganyan ang pinapakita natin na net income baka marami tayong ma enganyo' but what we need is funding support for this presentation.

**DR. PALABAY:** Sir, we will present it next time 'po kung okay lang, hindi namin dala yung data, sir, eh'.

**USEC. SAVELLANO:** 'Hindi, okay lang'.

**DIR. CASELA:** Sir, I would like to point out that the problem with “batek” is we don’t have the use of an institutionalized marketing. We don’t have established trading centers but only “viajeros”. So, that is the problem here, in terms of documentation of the produce. We already found out about this issue being presented now by the LGUs from Mindanao.

**USEC. SAVELLANO:** So, what is our proposal? ‘Ano’ng gusto nating mangyari’ from NTA?

**DIR. CASELA:** During the trip of sir Ben (Sarmiento) to Mindanao, because he was invited to discuss, I mean, on the aspirations of the farmers to improve their tobacco industry, to solve this problem and how we can enhance the productivity of the farmers, the way I heard it is that they want NTA to give some assistance also just like our tobacco farmers here.

**USEC. SAVELLANO:** Yes, what’s the budget for that? ‘Ilan ang ano? How much? ‘Ano ‘yung area nila? They have studied on that. ‘Yung area magkano ang kailangan’ and how many farmers.

**DIR. CASELA:** Do you have a data for that?

**USEC. SAVELLANO:** How many farmers will benefit from it?

**DR. PALABAY:** Yes, sir, as for CY 2022 data, sir, for the whole of Mindanao they have a total of about 2,822 hectares, sir.

**USEC. SAVELLANO:** 2,000 lang?

**DR. PALABAY:** Yes, sir, but excluding the... ‘wala kasi dito ‘yung’ Maguindanao, sir, ‘kaya hindi pa po’, ‘more or less about 3,000 hectares aabot’, sir.

**USEC. SAVELLANO:** ‘Ang laki ng Mindanao, 2,000 lang?’

**DR. PALABAY:** About 3,000 hectares, sir, with 4,500 farmers and a production of about 4 million.

**USEC. SAVELLANO:** So, example if they are going to plant there ‘ano ‘yung mga inter-cropping pa na pwede? Like ‘ano ang kasabay ng tabako? Same ba ng Luzon?

**DR. PALABAY:** ‘Eto sir’ we will present it in the next presentation.

**USEC. SAVELLANO:** ‘Hindi sa Mindanao?’

**DR. PALABAY:** In Mindanao, usually it also follows, sir.

**USEC. SAVELLANO:** So, the same then?

**DR. PALABAY:** Yes, sir. Like corn, rice ‘sinasabay nila’.

**USEC. SAVELLANO:** ‘Para sana sa presentation it justifies the request for funding ‘kailangan din na maipakita natin ‘yan na’ although the fund will come from RA 4155 ‘pero ‘yung cropping pattern ang ipinapakita natin kasi that will support the other crops ‘di ba parang that’s what we see it eh’, huwag na ‘yung tobacco ang ipinapakilala natin. Diyan papasok

ang cropping pattern natin' so, in that case, even hundreds of hectares kaya natin anuhin'...expansion.

**DIR. CASELA:** So, you want to project the total industry in terms of area and performance and include all the possible high value crops in the area.

**USEC. SAVELLANO:** But we are focusing on the export side. The TWG natin' when we meet them' 'kasama na 'yung plano natin kasi baka' we all know the demand of Indonesia masyado malaki ang demand, baka kapiranggot', baka hindi nila papansinin kasi ilan lang 'yung atin eh'. So, sino', who's going to do the presentation because our goal now is how we all use these data, but we have to present this to the National Government regarding our additional funding from RA 4155.

**DIR. MARTINEZ:** 'Dapat si DAOP, USEC.' 'Kasi dapat galing 'yung information sa mga tao natin dun sa Mindanao'.

**USEC. SAVELLANO:** Kaya nga', 'yun 'yung isa sa nakikita ko na expansion natin at the same time this will create employment 'kasi I'm very sure with that, from net income from tobacco sino ang aayaw?

**DIR. MARTINEZ:** Ito na ka-text ko 'yung kagawad dun ngayon' ang production nila ngayon is 4 million and 80 thousand kilos.

**USEC. SAVELLANO:** Saan 'yun?

**DIR. MARTINEZ:** Sa Misamis 'yun eh'.

**USEC. SAVELLANO:** Kaya nga', if we will do a presentation with the net income, how many farmers will benefit from it? Baka eto na 'yung ano eh' kasi may pondo naman tayo na pagkukunan eh' 'di ba?

**DIR. MARTINEZ:** Kung gusto niyo' ako na lang gagawa ng presentation.

**USEC. SAVELLANO:** Hindi. If we can make with the TWG na magsama-sama na rin kung sino 'yung mga departments na pwedeng gumawa' 'pero ito dapat ASAP because you know planting season na so kailangan magawan na natin 'to ng programa.

**DIR. PADAYAO:** I think we have our Research Department and Corporate Planning.

**USEC. SAVELLANO:** So, can you suggest Dir. Padayao?

**DIR. PADAYAO:** Sir DAOP, with Mrs. Cabigan and ma'am Benosa. I suggest they work with DAOP.

**USEC. SAVELLANO:** So, can we have a motion for the creation of the TWG for this project? Ano ba tawag natin dito? Project or what? Not barter-to-barter, iba eh' component lang.

**MR. SAVELLANO:** For the information of the Honorable Chair, that we have an existing committee, the Project Evaluation Committee, probably.

**USEC. SAVELLANO:** So, okay, who are the members?

- MR. SAVELLANO:** It is headed by DAOP, and the members are the Cor. Plan., FTSD, and the Finance. So, we will also be inviting other departments as Resource Persons for technical to provide data that will be needed to make the presentation.
- USEC. SAVELLANO:** So, okay 'anong timeline natin? If there's an existing group already, next week ulit?
- MR. SAVELLANO:** We have that Tripartite, probably we could have a budget hearing for October 05 and 06, so, maybe after 'siguro next committee'.
- USEC. SAVELLANO:** So, our Committee Meeting is on October 11 and the Board will be on October 12. So, can you present it on Oct. 12?
- DIR. TRONCO:** So, committees 'ano'ng reaction?
- USEC. SAVELLANO:** Kasi dapat bilisan na natin' kasi baka makahabol pa tayo 'di ba, sayang. So, our target presentation will be on Oct. 12, okay? So, since we have already existing Committee, we will go away with the proposal, okay?
- DIR. PADAYAO:** Anyway, sir, sila naman talaga.
- USEC. SAVELLANO:** Okay, thank you. So, can we go now to the next item? Okay na ba 'yung presentation 'nyo? Okay na?' 'Oo nga pala, may question ako. Nakita ko sa presentation 'nyo 'yung' Mung beans". Munggo bean ba 'yan' o "balatong". Do we have data on that? Ano 'yung production natin ng munggo?
- MRS. CABIGAN:** Sir, sa atin po' wala po tayong data.
- USEC. SAVELLANO:** Walang data? I'm interested in this.
- MRS. CABIGAN:** If we need a data we need to request from DA.
- USEC. SAVELLANO:** DA, oo. I'm interested in this "mung bean" 'kasi may isang kakilala ako who imports 30 container vans per month, mung bean kasama na ang aswete' and mga beans natin'. So, baka pwede nating i-partner sa mga tobacco farmers natin. Pwede nating i-partner sa kanila kasi may market sila eh'. Di ba 'yung mga pataniman lang natin ay 'yung mga areas na hindi pwede ang tabako'. Pero yung tabako i-priority natin.'
- DIR. PADAYAO:** Yes, there are areas not suited for tobacco.
- USEC. SAVELLANO:** Ano naman ang mga' 'pareho bang ano', do we have the same computation regarding net income for mung bean?
- MRS. CABIGAN:** Sir, as far as I am concerned, we don't have data, we don't have production there.
- USEC. SAVELLANO:** Can you include that? Kasi may parang target market na tayo, sayang din' kasi 'di ba, mung bean maganda sa ano yan soil' anong tawag 'dun?
- DIR. PADAYAO:** Nitrogen fixing bacteria.

**USEC. SAVELLANO:** Di ba maganda 'yan, baka pwede'.

**DIR. PADAYAO:** Yung nitrogen control, it improves' uh' can we get data; I suggest that we get data from MMSU.

**MRS. CABIGAN:** But if that is for Ilocos Sur, we will request from ma'am Noralyn.

**USEC. SAVELLANO:** 'Di ba sa Isabela they have Mung beans Center in the Philippines. Munggo Center of the Philippines ang ano eh', ang Isabela. 'Maganda sa soil ano. So, any presentation Dr. Palabay?

**DR. PALABAY:** 'Yung Tobacco Dust Project. Ma'am Leng, kindly present the Summary of the Business Plan for the Tobacco Dust Project.

**ATTY. PARADO:** Before that Mr. Chair, may we request first for the adoption of the agenda?

**USEC. SAVELLANO:** So, any motion?

**DIR. SERNA:** Mr. Chair. I move for the adoption of the Comparative Analysis of Income Levels of Tobacco Vis-à-Vis Rice, Corn, and Other High-Value Crops (HVCs).

**DIR. TRONGCO:** I Second the motion.

**USEC. SAVELLANO:** The motion having been seconded, the agenda is **APPROVED**. Next item.....

### **BOARD RESOLUTION NO. 137, S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES/ ADOPTS THE REPORT ON THE COMPARATIVE ANALYSIS OF INCOME LEVELS OF TOBACCO VIS-À-VIS RICE, CORN, AND OTHER HIGH-VALUE CROPS (HVCs).***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** At the same time Mr. Chair, can we request a motion from the Members of the Board for the approval/adoption of agenda item (3).

**DIR. SERNA:** Mr. Chair, I move for the adoption of the said agenda.

**DIR. MARTINEZ:** I second the motion.

**USEC. SAVELLANO:** Seconded. Objection? There being none, the motion is **APPROVED**.

### **BOARD RESOLUTION NO. 138, S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD ADOPTS THE REPORT ON THE CROPPING PATTERNS OF TOBACCO VIS-À-VIS RICE, CORN, AND OTHER HIGH-VALUE CROPS (HVCs).***

**UNANIMOUSLY APPROVED....**

**ATTY. PARADO:** For the next item, Mr. Chair, may we recognize the Resource Speaker, ma'am Leonora P. Nudo, for her Report on the next Item, the **"Report on the Business Plan for the Tobacco Dust Project."** Please proceed, ma'am...

**USEC. SAVELLANO:** Ms. Nudo, you are recognized.

**MS. NUDO:** 'Uh', Yes sir. Good morning po to the honorable NTA Members of the Governing Board, Mr. Undersecretary and madam Belinda S. Sanchez and the Members of the Board Directors, and Managers and OICs.

This presentation po is from the Feasibility Study Report. The study was conducted from the recommendation of the Commission on Audit. Part 6 of the said Report pertains to market analysis.

This is the five-year Marketing Plan. For Year 1, starting with Small-Scale Production, mainly because of the available power mills; and, the output of the equipment is 35 to 50 kilograms per hour lang po' or 240 bags per week. In the Feasibility Study Report, we included and stated the conditions that need to be met, shifting to large scall production po, 'eto 'yung conditions po' pertaining to equipment upgrade and sa workforce. For example, for equipment upgrade 'ang dapat na output po ng machine ay 200 to 300 kilograms per hour. 'Yun po'.

In terms 'sa marketing naman', for Year 1, the focus is to secure target markets in Regions I & III; coordinating with BFAR-RFOs, since ang BFAR provides data on the total number of location of fishponds in the area; and, the target distributor in the area. After Year 1, starting Year 2, expand po 'yung promotions sa Region II, and sa Year 3 po is sa other regions.

Specifically, po eto po 'yung Action Plan: Conducting trainings/seminars at the community level, to determine po 'yung activity levels required. So, kung mag ta-target po ng training or seminar in community level lang 1 to 2 per quarter or 4 to 8 per year, ito po 'yung mga activities na kailangan natin; Coordination with BFAR Regional Office and set the date of training and seminar; Identifying target community and number of participants; Preparation of training materials; and, conduct of actual training/seminar. Expected output attracts consumers of tobacco dust plus.

Number 2, ito na po 'yung ginagawa naming distribution of informational materials to boost dissemination to clients. We can also send the soft copy of flyers for printing at for distribution; get contact details of clients who requested for copies of the flyers, 'kung nag-distribute po ng flyers we need to get the details; use social media platforms to promote the product; and, promote other uses of tobacco dust plus.

**USEC. SAVELLANO:** Sino 'yung mga clients natin dito?



- MS. NUDO:** Mga fishpond owners po. Kasi po 'yung tobacco dust plus puwede sa horticulture to manage the insects and pests ng ponds.
- USEC. SAVELLANO:** Ano'ng procedure nito? That we are going to...sa mga producers, ano 'yung procedures natin.
- DIR. TRONGCO:** Sir, ako 'yung hands-on, dun sa nai-demo sa aking farm, 'kasi may dalawa akong ektaryang fishpond sa aking farm.
- USEC. SAVELLANO:** Oo.
- DIR. TRONGCO:** Yung gamit kasi ng 'kuwan tobacco dust, unang una po pang-poison, hindi nakakasira' kaya dapat i-encourage sa BFAR na tulungan na i-dissiminate sa mga fishpond owners natin imbes na gagamit sila ng chemicals for poisoning. So, 'yun na 'yon.
- USEC. SAVELLANO:** So, okay na tayo diyan, pero siyempre kailangan natin ng manufacturer. Ano 'yung procedure natin diyan?
- DIR. PADAYAO:** Broadcasting...
- USEC. SAVELLANO:** What I'm saying is, 'ang sinasabi ko is, sino 'yung mag manufacture, sino 'yung mag pro-process? It's not NTA? 'Di ba kailangan may investor diyan?
- DR. PALABAY:** Sir, we have a Tobacco Dust Plant in Santo Tomas, La Union.
- USEC. SAVELLANO:** Okay. It's been there for how many years?
- DR. PALABAY:** I think 2007.
- USEC. SAVELLANO:** Kaya nga' nagpa-function pa ba 'yan? Di okay pa siya?
- DR. PALABAY:** Sir, okay pa naman. Nasunog po kasi yung.....
- USEC. SAVELLANO:** Hindi, kaya nga 'yun 'yung problema, 'Kaya, what I'm saying is, "can we operate it or we will just rent it out kung sino 'yung possible manufacturer?"
- DIR. MARTINEZ:** Naayos na USEC.
- USEC. SAVELLANO:** Kailan? Anong' plan natin for that? NTA ba 'yung magpapatatko?
- DR. PALABAY:** Yes, sir.
- USEC. SAVELLANO:** Okay, who's going to manage it? May tao na ba tayo?
- DIR. MARTINEZ:** May tao na tayo eh', explain mo kasi ah'.
- DR. PALABAY:** Dati kasi, sir, 'yung malaki na mill, which could manufacture thousands of bags per day in a week, pero nasunog po 'yun kasama po 'dun sa nasira, 'kaya we are only using a manual miller, that small machine that could only manufacture about 40 bags a day.
- USEC. SAVELLANO:** Okay, 40 bags parang maliit 'yun eh. So, what I'm saying here is 'inano ko 'yung business plan nito para after this meeting, I'm going to

talk with BFAR, 'na meron kami nito, ano'ng demand 'niyo' para makapag-forward tayo 'di ba? Kasi 'kung nandun lang 'yun tapos hindi naman gumagalaw ano'ng gagawin natin, or 'pag-aralan 'nyo rin kung pwede nating ipa-renta sa isang investor na puwedeng magpatakbo, 'di ba? Kaya nga, ang gusto ko we can explore lahat, if we can do it why not, pero kung hindi natin kaya eh di' mag-isip tayo ng ibang paraan para gumana naman 'yung investment ng gobyerno.

**DIR. CASELA:** Sir, one limiting factor with the manufacture of the tobacco dust plus of NTA is the supply of raw materials.

**USEC. SAVELLANO:** 'Kaya nga eh, 'yun 'yung isang problema' kasi lahat ng mga projects ang problema is raw materials. Nandoon 'yung building pero wala 'yung raw materials, just a sweeping, ang konti nun', wala pa isang truck or isang container.

**DIR. CASELA:** Malaki 'yun, sir. There is an existing contract with ULPI and NTA that the NTA will secure all these sweepings from the ULPI during their processing.

**USEC. SAVELLANO:** How much? Ilang containers 'yan? 'Yung mga sweepings na sinasabi ilang containers?

**DIR. PADAYAO:** 'Yung report nila kahapon ay 120 thousand kilos per year.

**USEC. SAVELLANO:** 'Yung production natin is 120 thousand?

**DIR. PADAYAO:** 'Yung mako-collect nilang sweepings.

**USEC. SAVELLANO:** Then, pag na process, ilan 'yun?

**DIR. CASELA:** Divided by 25.

**MRS. PICHAY:** 90 % of that po, sir, kasi may waste po.

**USEC. SAVELLANO:** Kaya nga' 'kayo 'yung mga expert diyan pag-isipan natin para rational naman. Sayang eh'.

**MRS. PICHAY:** 'Nung na ano po 'yung tobacco dust na, babayaran 'yung mga toppings, babayaran mo 'yung mga farmers' eh' ayaw din ng farmers na libre, kaya lumalabas na mahal din, 'kasi babayaran mo din 'yung farmers for the labor, hanggang sa nawala na 'yung actual source.

**USEC. SAVELLANO:** Kaya nga' sa akin, doable ba ito? Or is it just a presentation?

**MRS. PICHAY:** Doable.

**USEC. SAVELLANO:** But we have to "kuwa" siguro', tignan na lang 'yung operation. Again pag-aralan ninyo kung puwedeng ipa-rent out natin or tayo magpapatakbo, 'kasi considering 'yung, iba, 'yung sweldo natin at magpapatakbo suswelduhan natin, iba yung sweldo ng ano..., 'di ba?

**DR: PALABAY:** Sir, last 2018, there was an audit finding by our (Internal) Audit Department, considering the use of millions and millions of pesos. As for Audit Recommendations, may mga options tayo, Sir, eh' kung...if we would rent it or if we will sell pero in terms of reviving for

operations is 'sabi niya po ay exercise in futility, kasi we are inquiring losses.

**USEC. SAVELLANO:** Kaya nga 'yun 'yung ina-ano ko eh', minsan sinabi ko if we cannot do, alternative natin is titignan natin sa mga magre-rent kung ano'ng maitutulong natin sa kanila para mag-operate lang'. Yes, even on a small scale lang, at least ipinapakita natin na meron.

**MRS. PICHAY:** Kasi, sir, nagkaroon ng sentimental value 'yun, because the Tobacco Dust opened from the initial fundings from the RA 4155 funds.

**USEC. SAVELLANO:** Kaya nga, 'wag natin pag-usapan baka mahirapan pa tayo humingi, 'di ba?

**MRS. PICHAY:** Pero pinipilit na paganahin...

**USEC. SAVELLANO:** Mahirap 'yun eh', kasi you have mentioned we are losing money, so 'bat pa natin...'will explore kung ano pwedeng gawin na hindi naman disadvantageous with (to) the government.

**DIR. TRONGCO:** Ang isang impact kasi, sir, ay to help our environment, friendly environment.

**USEC. SAVELLANO:** Hindi, maganda naman, maganda nga 'yung concept' kaya lang gawin natin na doable.

**DIR. CASELA:** Sir, operating na ito pero in a small scale because of some limiting factors and one of these limiting factors is we need to establish a marketing system through this. So, dito sa report nila they have to conduct some trainings or orientation to the small fishpond owners to create awareness, at the same time the advantages of using the tobacco dust.

**USEC. SAVELLANO:** Walang problema diyan. What I'm saying is 'yung market natin like we have the 'ano, 'yung BFAR natin. Are they involved on this? Kasi sila 'yung mga kasama natin 'di ba? If we can revive that connection, 'kaya pag-aralan natin'.

**MRS. PICHAY:** Sir, ito 'yung problema ng competition 'kasi 'yung ibang fishpond owners sa Region 3 at dito sa Bulacan ang ginagamit nilang dust ay galing mismo sa BIR.

**USEC. SAVELLANO:** Ano? Galing saan?

**MRS. PICHAY:** Tobacco dust din siya, sir.

**USEC. SAVELLANO:** Sino?

**DIR. CASELA:** Sir, 'yung sweepings na galing sa mga warehouses, 'yung mga collected sweepings binibigay sa mga representatives ng BIR, tapos 'yung representatives ng BIR, sila 'yung nagbebenta sa mga fishpond owners.

**USEC. SAVELLANO:** So, I think we need to resolve that, kasi alam natin 'yan mga competition, may illegal na competition 'di ba. So, we will have an audience also with the BIR, para malaman nila, kay Commissioner.

Kung hindi natin aayusin 'yan ano'ng mangyayari sa project natin, di wala din 'di ba? Kaya mag-combine na lang tayo'. How much do they sell it? Libre? Libre na kinukuha nila? But, they are selling it for how much?

**DIR. CASELA:** Ang nilalaban lang natin dito sa Tobacco Dust natin, sir, is that it is manufactured scientifically, and this is based on the result of research.

**USEC. SAVELLANO:** Hindi naman natin pinag-aanuhan 'yung about research 'kasi ako solved out ako diyan, but the thing I just want for this project to operate 'di ba wala nang problema 'dun sa sinabi 'nyung benefits, etc. Solved na ako diyan, pero ang point ko lang dito is I want this project to be successful na. If we are not going to manage it or 'kung hindi natin kayang i-manage and we're losing funds eh di' ipa-rent natin o ibigay natin sa BIR, kung gusto niya pero mag rent siya'.

**MRS. PICHAY:** 'Yung galing kasi sa trading center nagbibigay ang BIR, nag-increase unlike 'yung kini-claim ng NTA.

**USEC. SAVELLANO:** Kaya nga' i-rent na lang niya 'yung atin'.

**MRS. PICHAY:** Pag kinuha niya siya', as is 'ganun na. Samantalang 'yung NTA kasi merong mixed, na-test 'yung nicotine.

**USEC. SAVELLANO:** Hindi' pero sa regulation, 'di ba may regulation sa gobyerno ang BFAR. Meron 'yan, okay I have to check, sino'ng ano? DAOP tayong dalawa, we talk with BFAR, tignan natin 'yung sistema, kasi they can't sell directly. Kailangan ma-regulate 'yan para alam naman natin kung saan tayo papasok.

**DIR. TRONGCO:** Dati tested ng BFAR 'yan.

**USEC. SAVELLANO:** Kaya nga. Regarding sa product natin okay na' pero we have to commercialize para makinabang naman ang gobyerno sa investment 'nya, but if they have illegal competition then 'yun 'yung titignan natin kasi we're not saying na ilalagay na lang sa sako tapos ibebenta na niya, 'di ba? 'Yun 'yung sinasabi n'yo.

**DIR. PADAYAO:** Yes, sir.

**USEC. SAVELLANO:** Pero 'yung regulations also, 'yung mga pesticides natin, okay. So, we will expand and explore from this para doable, then siguro tignan 'nyo talaga kung pwede.

So, what's the pleasure of the body? Kung okay na kayo? So, they have to move kung ano ang pwede para maging doable 'tong project natin'.

**DIR. CASELA:** I then suggest that the management shall conduct a deeper analysis on this, and then come up with the recommendation. And we will deliberate on that, upon the recommendation.

**USEC. SAVELLANO:** So, we will adopt the proposal. Can we move to the next one, if there's no more question? May gusto akong idagdag dun eh', 'kasi I've seen 'yung ano 'nyo...the pet soap. Ano'ng tawag dun? Nakita ko sa ibinigay 'niyo eh'.

**MRS. LOZANO:** Nai-email na po namin, sir.

**USEC. SAVELLANO:** Kaya nga' nakita ko na. Ano naman ang gagawin natin dito, in addition to that?

**MRS. LOZANO:** Marketing na lang po 'yung problema natin.

**USEC. SAVELLANO:** So, who's producing that soap?

**MRS. LOZANO:** 'Yung Product Development Division na nasa Batac po.

**USEC. SAVELLANO:** Sa Batac?

**MRS. LOZANO:** Yes, then I instructed them to plan for those products.

**USEC. SAVELLANO:** Pwede' bigyan 'nyo ako ng print out. I-email mo na lang, bigyan mo na lang ako.

**MRS. LOZANO:** Sige po.

**USEC. SAVELLANO:** And again, we have to show this sa BAI kasi may mga regulations din 'yan, 'yung mga ginagamit nila. Pero one thing may problema kami sa ano na, pati FDA ngayon kinuha na 'yung responsibility sa mga human, kaya mini-meeting namin na with the Executive Secretary, 'kasi magandang mai-push natin 'yan eh'. Okay, so next meeting na lang i-present nila ulit 'yan, kasi maganda yan eh. Merong isa pa.

**MRS. LOZANO:** Hand bag paper po.

**USEC. SAVELLANO:** Hand bag paper? Okay, naman tayo 'dun? Can you also do a presentation for the next meeting? Para ma-explore natin lahat 'yan kasi this will be additional income for our farmers, para matulungan din sila'. Okay, thank you. Anymore regarding the tobacco dust and other projects?

**DIR. MARTINEZ:** Ganito 'yung mga products nila USEC (showing samples)

**USEC. SAVELLANO:** Tobacco 'to?

**DIR. PADAYAO:** Tobacco paper.

**USEC. SAVELLANO:** Saan mo pinagawa 'to?

**DIR. PADAYAO:** Sa IRD sir, sa Batac, sa PDD.

**USEC. SAVELLANO:** Sige, mag o-order din ako. Pa'no yung costing nito?

**MRS. LOZANO:** Nandun po sa binigay ko sa inyo.

**USEC. SAVELLANO:** Oo nga', mas mataas ba? Special paper.

**DIR. MARTINEZ:** Maganda sana pag makapal kaunti.

**USEC. SAVELLANO:** Maganda na dalhin 'to sa Panama, no?

**MRS. LOZANO:** Tobacco stuff dapat, sir.

**USEC. SAVELLANO:** Sige, ipa-print mo na. Ibigay mo sa akin'.

**MRS. LOZANO:** Sige po.

**USEC. SAVELLANO:** Okay, thank you. Any more?

**DIR. CASELA:** No more, sir.

**USEC. SAVELLANO:** Okay, any motion?

**DIR. PADAYAO:** Mr. Chair. I move for the adoption of the agenda.

**DIR. SERNA:** I second the motion.

**USEC. SAVELLANO:** Seconded. Any objection? Hearing none, the motion is **APPROVED**. Next.....

### **BOARD RESOLUTION NO. 139, S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD ADOPTS THE BUSINESS PLAN/ FEASIBILITY STUDY REPORT FOR THE TOBACCO DUST PROJECT.***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** For the next item Mr. Chair, that would be the presentation of the **"Revised Proposal on the Block Farming Program of the Sustainable Tobacco Enhancement Program (STEP) in Support of the Agro-Industries.**

To report, we have our Manager of the Corporate Planning Department, ma'am Fortuna Benosa, to be joined by Sir Neyo Valdez, the Chief of the Division. Please proceed, ma'am.

**MRS. BENOSA:** Good morning to our honorable Chairman, USEC. DV, our Vice-Chairman, ma'am Bel, to the Members of the NTA Governing Board, and our Deputies, OICs and Managers.

So, in response to the instructions of the Chairman to prepare a proposal for the provision of raw materials for our industries and to provide additional income for our tobacco farmers, we have prepared a proposal, which was patterned after the original for our Sustainable Tobacco Enhancement Program, particularly on the block farming projects.

So, sir Neyo will present the continuation of our presentation. sir Neyo...

**MR. VALDEZ:** Thank you, ma'am Nini, USEC. DV Savellano, Administrator, ma'am Belinda Sanchez, Members of the NTA Governing Board.

Again, I am presenting to you our Rice-Tobacco Community Cooperative Farming Project. As ma'am Nini has said, this is a

response to your early directive that we have to come up with the plan. 'Hindi po na-approve ang mga hiningi nating projects for the STEP, so we came up with this slide, the Rice-Tobacco Community Cooperative Farming Project.

So, why we, 'ina-ano po natin ang rice-tobacco, kasi ito ang sinasabi natin lagi at ng DA na rice ang ating major commodity in line po sa programa ng government' na food supplementing. So, second commodity lang po' 'ang tobacco, and we will use the tobacco as the sparkplug ng development ng community po.

**USEC. SAVELLANO:** Ano ko lang', ano ang maganda na puwedeng ilagay diyan para hindi nakikita ang tobacco?

**MRS. BENOSA:** Yes, sir.

**USEC. SAVELLANO:** Ano ang pwedeng ilagay diyan na hindi tabako?

**MR. VALDEZ:** Yes, sir, ang ina-ano po namin ay integrated community farming.

**USEC. SAVELLANO:** Para mas maganda 'yung presentation natin'. 'Yung integrated na lang.

**MR. VALDEZ:** But we will consider po 'yung integrated farming approach.

**USEC. SAVELLANO:** Parang may mga terms pa kayong iba eh'. Integrated Farming and ano 'yung isa? Tignan n'yo appealing na ano...

**MR. VALDEZ:** Yes, sir, we take note of that, but let's just use the word "integrated", 'yung block farming po natin'.

So, for the Rationale. As of Crop Year 2022-2023, the Branch Offices have organized a total of block farms involving 259 associations/cooperatives. Actually, 'yung pag-integrate 'parang tatlo na 'yun eh' integrated, community and cooperative, so we will come up with the 'yung maganda po na ano...' That's why I am soliciting 'yung Board and also with USEC. 'Kasi OSEC po 'yung nagbigay ng pangalan, siya po 'yung nag pangalan ng STEP na dati'y TIDP, na ang ibig sabihin ay, "Tobacco Industry Development Program."

**DIR. PADAYAO:** 'Yung dating OSEC ay si Secretary Dar?

**MR. VALDEZ:** Sir, 'yung bago po na nakita ni OSEC ay ITP, 'pero nung nakarating po sa kanya 'yung proposal, then nag-meeting po kami sa kongreso na STEP na lang po 'yung gamitin. Sir and ma'am, we will consider po 'yung mas maganda'...kasi 'yung dati pong IFOIGAP. Sir, if you remember, the proposed budget for STEP through the block farm was 2.4 billion, for Crop Year 2022-2023, and we lowered it to PhP852 million for 2023-2024. Both proposals under Tier 2 were not approved by DBM.

So, again we requested for funding for the STEP for 2024, and we were advised to request funding for the STEP as an additional program during the current year. Eto, Sir, despite po ng maraming endorsement ng LMP, meron din endorsement ng RDC, 'kaya hindi po nila binigyan ang ating request for funding'. So, eto po ang kanilang condition', that they will approve our budget upon their

recommendations, provided that (1) the expenditures are consistent with or authorized under Sec. 5 of RA 4155.

**USEC. SAVELLANO:** So, ano 'yung rason nila?

**MR. VALDEZ:** Sir, no. (1) the expenditures are consistent with or authorized under Sec. 5 of RA 4155.

**USEC. SAVELLANO:** So, we're complying with that?

**MR. VALDEZ:** Yes, sir, 'nasa operations po ng NTA; and, (2) supported by availability of funds as certified by the Bureau of Treasury. Eto 'yung hinintay natin na Certificate ng Bureau of Treasury, so meron na po tayo nito'. (3) the requested amount can be accommodated with the National Government's fiscal position. 'Ito lang po 'yung mahirap konti' kasi may hierarchy'.

**USEC. SAVELLANO:** Yes, we are asking for funds. So, kailangan manghihingi na naman tayo at may panggagamitan'.

**MR. VALDEZ:** Yes, sir, 'kasi we are asking for (5) years naman', 26 billion budget kasi 'yung una nating Nakita. Kaya 26 billion kasi 'yun po ang nauna nilang nakita na budget kaya malaki po 'yun for their fiscal position, sir. That's why we came up with this.

**USEC. SAVELLANO:** Okay lang'. We will present that 26 billion, pero kung magbigay sila ng 10 billion at least meron 'di ba?

**MR. VALDEZ:** Yes, sir, we try to come up with 'medyo mababa 'na parang kumonti ng konti parang ganun'. We will retain the block farming as thrust strategy ng DA. Tobacco production, being prime cash crop in tobacco-growing provinces and the tobacco producers as beneficiaries of excise tax shares, will remain as sparkplug of growth in the communities.

So, for the objectives, we have for the long term the following: (1) professionalize the management system of farmers' coop/associations; (2) facilitate technology transfer and adoption of innovative farming techniques to enhance yield and product quality; (3) strengthen the interdependence and synergy between rice and tobacco farming to ensure food security and sustainable income; and, (4) foster stronger community ties and unity among the farmer clusters to harness collective resources and knowledge for mutual growth.

**USEC. SAVELLANO:** Ano ang mga dinadagdag 'nyo? Rice and tobacco idagdag 'nyo na rin 'yung mga high value, lahat ng presentation ng rice and tobacco ilagay mo'.

**MR. VALDEZ:** Noted, sir. So for the short term program, sir, we need to: (1) facilitate access to farming inputs to optimize yields for both rice and tobacco; (2) enhance the capacity-building programs for the farming clusters to adopt best practices and modern farming techniques; (3) promote the establishment of value-added processes within the community, leading to job creation and higher revenue; and, (4) build partnership



with LGUs, government agencies and private entities for technical and financial support to the cooperative farming initiatives.

Ito po, sir, ang ating Results Framework. Ang ating ini-aim po is to have empowered and prosperous farming clusters. "Ang atin pong output, dapat sa ating mga gagamitin na kooperatiba ay community-based oriented block farming ang kanilang gagawin.

**USEC. SAVELLANO:** Naka-establish na mga 'yan 'di ba?

**MR. VALDEZ:** Yes, sir. Ito po 'yung framework, that's why I'm using po 'yung coop. Ito po 'yung start natin, 'yung coop sa cooperative farming. So, sir, 'yung coop po, that's why we came up to have a Cluster Development Plan.

**USEC. SAVELLANO:** Parang na-tutok ka lang sa coop.

**MR. VALDEZ:** 'Pwede, sir, sa 50-hectares na area ay may isang coop siya'. 'Yun na po 'yung mismong hawak niya. 'pero po kung tatlo po ang coop, 'yung nandoon sa 50-hectares na reduced na, pwede silang magsama-sama'.

**USEC. SAVELLANO:** Hindi. Paano naman 'yung mga individuals?

**MR. VALDEZ:** Members sila, sir, tobacco farmers or rice farmers, sir.

**USEC. SAVELLANO:** Kaya nga' 'kung baka coop lang parang limited tayo, kasi maraming mga landowners na malalaki ang area, so ano lang 'yun, not limited to coop.

**MR. VALDEZ:** Kasi, sir, ang issue pag na-establish na, coop na.

**USEC. SAVELLANO:** Okay lang 'yun, pero paano 'yung mga others na hindi sila tobacco farmers.

**MR. VALDEZ:** Yes, sir, we will open to them. Depende na lang po sa initial na organization nila, sir.

**USEC. SAVELLANO:** Hindi, 'pano 'yung individual?

**MR. VALDEZ:** Para sa cooperative farming lang talaga, sir.

**USEC. SAVELLANO:** Ang ano ko lang, kung puwedeng i-expand, kasi maraming malaking mga landowners. 'Kasi minsan 'yung mga individuals sila 'yung agad na may capital agad na puwedeng, ano eh'...

**MR. VALDEZ:** Yes, sir, puwede namin silang i-join sa block farming.

**USEC. SAVELLANO:** Yes, as a block farming okay na', 'pero 'yung ito nga...individuals, coop, associations, 'di ba.

**DIR. PADAYAO:** 'Di ba pwede 'yung ano...mga farmer associations registered with DOLE or SEC?

**MR. VALDEZ:** Yes, ma'am. Actually, 'hindi lang po siya coop as associations, ma'am.

**USEC. SAVELLANO:** Eh ano na lang' i-explore na lang, okay?

**MR. VALDEZ:**

Yes, sir. So, ito po 'yung bago, kaya we came up with the Cluster Development Plan. If ito ang output na maging outcome nila, it will capacitate our farmers and strengthen the economic scale attained, and ma-expand po nila ang mga production processes.

Sir, itong framework na ito is based on our strategic plan that we conducted in Tagaytay last February. So, in that strategic plan we came up with three strategic initiatives related po dito sa ating program. No. (1) is Block Farming Program for tobacco areas; (2) Integrated Farming and Other Income Generating Activities Program (IFOIGAP). 'Ito po 'yung existing. And, (3) NTA-LGU Extension Services Partnership Program. Ito po dapat ang ilapit natin sa LMP, to come up with this project na meron silang NTA-LGU Extension Services Partnership Program.

Ito na po ang paradigm shift o bagong pananaw', na dapat po i-consider. Rice as a major commodity and we have to focus with agribusiness. Ito na po kanina 'yung pinag-uusapan natin na tobacco dust, and tobacco paper. We can use po 'yung industry na 'yun', and convergence using the cooperation po ng other government agencies and private sector.

Para sa Project Convergence, it's just the same. 7 provinces and 8 Branch Offices, so initially ang minimum requirement po natin is 25 hectares with a maximum of 50 hectares involving 30-75 farmers, 'so pwede po siyang coop sa isang block farm or pwede mas maraming coops or associations, sir, and pwede nating i-include 'yung individuals na may puwedeng ilagay.

So, using that maximum coverage, we are expecting for one (1) year na makapag-produce po tayo ng 400 hectares na block farm and involving 600 farmers po. Ano po 'yung ilalagay natin sa program, sir, sa isang block farm?

So, una is Production Support. Tobacco, rice, corn, vegetables, high value crops and dito po 'yung munggo. Then, next one is Livestock Support. Sa isang block farm we need to provide them manukan, beef cattle, hogs, goat. Then, Mechanization and Facility Support. Machineries, equipment, curing barns, hauling truck. Then, Livelihood and Agribusiness Support. Ito na po 'yung handicraft, soap production. Kung magawa nila ma'am Myrna 'yung Business Plan, pwede nating i-offer sa mga block farming po. Sila na po 'yung gagawa ng sabon at magpro-produce po ng paper tsaka sabon', sa tobacco dust, organic fertilizer through composting.

'Ito na po 'yung nabanggit ni Sen. Villar sa amin na she's pushing for the composting machine, buying and selling of agri-inputs/products, so para po sa kooperatiba na, the coop or the block farm will buy fertilizer at lower price para mura po 'yung purchase price and ibebenta po sa mga members nila, then service provider of farm activities. So, kung meron na silang tractor pwede na nilang ipa-upa sa ibang block farm members po, and other interventions are Credit and Financing. So, tulungan natin sila pwede silang pautangin, credit and project financing and start-up capital. Ito po 'yung one-time cash assistance na ibibigay natin sa block farm so they can use for their business for inputs, tapos ibabayad nila sa atin 'yung start-up capital para ipaikot natin po.

The next one is Technology Development and Application. 'Ito na po 'yung drone technology; MIS system in recording, documentation; and Marketing and Business Development Services sa Kadiwa Marketing System.

This is the Funding Requirements. It's just a projection sa STEP. So, again po ang nadagdag lang po dito, sir, ay 'yung preliminary activities, which include po 'yung multi-tilling. Initially, for the implementation of the project, kailangan po natin silang i-train. Magtri-train ng farm managers po as advised by sir Dar. Dati na, we need to professionalize 'yung mga farmers natin. Dapat alam nila 'yung mag-accounting para mag-manage po ng organizations po. Then, the usual theme na ginagawa po natin sa assistance dinadagdag na po natin dito sa mga puwede o kaya ng i-produce na commodities po, sir. Andiyan po example, 'yung tilapia.

Then, Farm Machinery. So, ito po 'yung usually na binibigay natin from tractors and other equipment na nakakatulong sa kanila. Then, Irrigation Support, pero communal. Farm structure/ hauling equipment andiyan po 'yung curing barn and seed bed. Farm Machinery and Equipment for Rice and Other Crops. Andito na po 'yung rice transplanter and other machineries po. Sa Agri-business, for the next year or succeeding years. So, I hope we can provide that, and Monitoring and Evaluation. So, if we multiply that to the 8 Branches, ito po 'yung lumalabas, sir, PhP409,624,000.00. Malayo na po sa billions na per year na hinihingi natin. Sabi nga po ni ma'am Luz kanina, we have to consider size and area to determine the maximum.

So, for the Support System, ito na po 'yung convergence na nabanggit ko kanina'. The center is the Rice-Tobacco Community Cooperative Farming, maximum of 50-hectares and number of farmers is 600 po siya'. Ang 'una pong makatulong sa block farming ay mga LGUs, 'kasi kanina nabanggit ko 'yung NTA-LGU Extension Services Program, 'na dapat po i-institutionalize po ang kanilang partnership', 'hindi po 'yung 'tumulong da lang no kaykayat da'. Dapat may MOA or MoU para ma-establish po 'yung ating partnership.

**USEC. SAVELLANO:** May draft ba tayo ng MOA?

**MR. VALDEZ:** Attorney, magda-dradraft tayo...

**ATTY. PARADO:** Okay. Noted on that, sir...

**USEC. SAVELLANO:** Puwede next meeting, pwedeng pag-anuhan natin? Para maganda pag nakapag-MOA tayo.

**MR. VALDEZ:** Sir, 'sa MOA po specifically na po ito sa block farm', para sa counterpart funding nila for production and technical assistance, sir. So, for the Training and Capability Building, ATI then F2C2 Program, 'sinabi po nila na pwede nila tayong tulungan dito, 'yung DA po, TESDA and the Cooperative Development Authority (CDA), sir. So, 'sa distribution, we can tap po 'yung services ng BPI and PCAF; Irrigation and Water Management, sa NIA and Bureau of Soil Water and Management; Credit and Financing, i-tap po 'yung Landbank, ACPC, GFIs.

**USEC. SAVELLANO:** 'Yung sa ano, 'yung sa in-credit financing, 'yung ACPC, 'nakaka-take advantage ba tayo diyan?

**MRS. BENOSA:** Yes, noon pa.

**DIR. PADAYAO:** Yes, 'pero many years ago.

**USEC. SAVELLANO:** Kaya nga', b'at di 'nyo i-explore 'yan'...

**MR. VALDEZ:** Yes, sir, we will revisit po ang ating ano'...

**USEC. SAVELLANO:** Kasi' like 'yung sa Cebu nakipag-tie up ang provincial government. So, sila na 'yung nagpro-provide na'. Ang NTA ba puwede dun? Or regulatory lang tayo?

**MR. VALDEZ:** Yes, sir, we will check na lang po 'yung ano nila'.

**USEC. SAVELLANO:** 'Oo, tignan 'nyo nga', kung puwede tayo mag-avail. 'Di ba zero percent 'yan?

**DIR. PADAYAO:** May minimal...

**USEC. SAVELLANO:** Oo nga' may service charge, pero walang interest 'yan.

**MRS. BENOSA:** Pinapadaan kasi nila' through Landbank.

**USEC. SAVELLANO:** Hindi nga', ang ginawa nga ng Cebu City, sila na eh' ang dumiretso na', eh di kung puwede tayo sa ganun i-explore natin', 'kasi sayang eh' marami ng mga ano'. Anyway, ang maganda na-systematize 'yung ano natin eh' yung industry, 'kasi madali na lang tayo makipag-usap sa mga farmers. I-explore natin 'yan.

**MR. VALDEZ:** Yes, sir. We'll explore on that, sir.

**USEC. SAVELLANO:** You mentioned about PCAF, saan 'yan?

**MR. VALDEZ:** Dito sa ano, sir, special quality control, sir.

**USEC. SAVELLANO:** Yan 'yung ano...sa council?

**MR. VALDEZ:** Yes, sir. Council, sir.

**USEC. SAVELLANO:** Can we request them also that we'll have a meeting with them, PCAF. 'Kahit 'yung mga stakeholders lang para malaman natin 'yung mga issues and concern.

**DIR. TRONGCO:** 'Di ba' dati si Director Domenden, sir 'no.

**USEC. SAVELLANO:** Wala na siya'. So, 'yun kailangan natin ng mag-set ng meeting, also with PCAF, para makausap natin 'yung mga stakeholders

**MR. VALDEZ:** Yes, sir, copy sir. So, 'lastly sir, 'sa value adding processing and Agribusiness, pwede 'yung DTI, BAFS, DOST, AMAS also for the marketing.

**USEC. SAVELLANO:** Ano 'yung problema natin sa AMAS? 'Ano'ng problema natin diyan?

**MR. VALDEZ:** Hindi sila po. Sila puwede sa marketing, sir.

**USEC. SAVELLANO:** Kaya nga' 'di ba may mga ano na tayo, 'patulong din tayo sa AMAS, 'yung mga tobacco dust, 'patulong din tayo. So, can we set up a meeting with them, or regular ba kayo nagmi-meet ng AMAS?

**MRS. BENOSA:** During the Kadiwa.

**USEC. SAVELLANO:** Bakit hindi tayo mag-meeting, 'ka-meeting natin sila 'para malaman natin 'yung direction, 'di ba? We will also set a meeting with AMAS, tapos ano pa? Isama mo na din 'yung BAR, 'di ba si Jonel diyan sa BAR?

**MR. VALDEZ:** Yes, sir, sa Pest and Disease Management, sir. Sa BAR.

**USEC. SAVELLANO:** Oo, isama 'nyo na rin.

**MR. VALDEZ:** Sir, this is just the minimum na nakita namin that we can.

**USEC. SAVELLANO:** Meron pa tayong PHILMEC. Gusto ko 'yung PHILMEC eh', Noong binisita ko sila marami silang ipinagmamalaki. Malaki pera nila, so we also take advantage of them, ang PHILMEC. Makipag-meeting tayo sa kanila para alam natin 'yung puwede nilang, o pwede sila na yung gumawa sa mga gusto natin, 'di ba? Ang dami nilang assignment...

**MR. VALDEZ:** Well, ang stand naman ng DA, sir, 'yung agency, tayo, dapat gagawa ng project. Ilalapit lang natin'.

**USEC. SAVELLANO:** Ano, 'interesado ako sa BAFE na 'yan, kay ano Director Ariodear (Rico). Maganda 'yan'.

**MR. VALDEZ:** Ito, sir, 'yung total ng support procedure natin. All we can tap these and harness 'yung mga resources nila'.

**USEC. SAVELLANO:** Nakipag-meet na ba kayo' sa DTI at DOST?

**MR. VALDEZ:** Sa DOST, sir. Research lang, sir, 'yung interaction natin.

**USEC. SAVELLANO:** Nag-meet na kayo? Regular?

**MRS. LOZANO:** DOST? Yes sir.

**USEC. SAVELLANO:** Kaya nga' ano 'yung mga napag-usapan?

**MRS. LOZANO:** 'Yung mga projects po natin, sir.

**USEC. SAVELLANO:** Like what?

**MRS. LOZANO:** 'Yung sa tobacco stuff.

**USEC. SAVELLANO:** Ano'ng nangyari? Can you revisit lahat ng programs natin?

**MRS. LOZANO:** Yes, sir.

**USEC. SAVELLANO:** Can we have a meeting with the DOST, then separate with the DTI?

**MRS. LOZANO:** Hindi pa pumasok sa particle board ngayon eh’.

**USEC. SAVELLANO:** ‘Yung particle board, kasi nga baka lack of raw materials, sila eh’.

**DIR. PADAYAO:** Wood kasi’.

**USEC. SAVELLANO:** Eh’ sa wood natin 14 to 27% ‘yung production natin, 13% na lang’. Pero exciting naman ‘di ba?

**MR. VALDEZ:** So, sir, may I go on, sir? So, ito na po ‘yung support system.

**USEC. SAVELLANO:** Wait, balikan natin’ yung BSWM, ano’ng ginagawa natin diyan?

**MR. VALDEZ:** Sa soil po natin.

**USEC. SAVELLANO:** Kaya nga’, ‘ano ‘yung mga interventions nila?

**MR. VALDEZ:** Soil testing.

**USEC. SAVELLANO:** Kasi may mga projects sila eh’, may mga projects ‘yan ‘di ba?

**DIR. TRONGCO:** Actually, sila ‘yung nag-research sa tobacco dust natin’, ‘yung result’.

**DIR. PADAYAO:** BSWM?

**USEC. SAVELLANO:** BSWM?

**DIR. TRONGCO:** Oo, ‘yung research sa tobacco dust.

**MRS. LOZANO:** It’s the BFAR, it’s not the Bureau of Soil.

**DIR. TRONGCO:** ‘Hindi. Ito ‘yung presentation ko sa ano...

**USEC. SAVELLANO:** Hindi’ ang nakikita ko diyan’, since ano’ sa BSW mag-present tayo ng project for rainwater harvesting to support our tobacco farmers and kung ano man ang crops nila’.

**MRS. LOZANO:** Sir, ang suggestions ko po ay ‘yung soil amelioration sana ‘yung puwede nating i-see ng assistance sa BSWM.

**USEC. SAVELLANO:** ‘Eh ‘di gawa tayo’ ng MOA. Puwede ‘yan gawan natin ng MOA, ‘di ba?

**MRS. LOZANO:** ‘Yun nga po’, sa soil health.

**USEC. SAVELLANO:** Kaya nga’ prepare ka ma’am, para makagawa tayo ng MOA with them, then para makagalaw. ‘Yun nga sa solar irrigations, even ‘yung rainwater harvesting.

**DIR. PADAYAO:** Tanungin natin ‘yung BSWM sa Solar Power Irrigation Pump, they can help us to install the solar power machines. We have many units in the branches.

**USEC. SAVELLANO:** Para kunyari sabihin nila wala kaming pondo’, tulungan ‘nyo kami kumuha sa RA 4155, eh ‘di ang dami na nating ano ‘di ba’. So, integrated tayo ngayon’.

- MR. VALDEZ:** Sir, pwede ba 'yung ano, sir, kunwari ' yung involved natin na agencies, pwede ba natin i-invite for orientation muna.
- USEC. SAVELLANO:** Oo, sige ako 'yung susulat sa kanila, 'kami ni Administrator ang susulat'.
- MR. VALDEZ:** Oo, sir, para sabay-sabay na.
- USEC. SAVELLANO:** Kayo' kung pwede isa -isahin natin.
- MR. SAVELLANO:** Every Board Meeting may dalawang magpre-present.
- USEC. SAVELLANO:** Matagal na tayo 'nun, dapat mabilis lahat 'to. Lahat ng mga 'to dapat naka-anchor. I-anchor mo lahat 'diyan, kung ano naisip 'nyo man 'diyan eh 'di ilagay 'nyo, naka-anchor siya dito'.
- MRS. BENOSA:** Even the data 'kanina we can incorporate them already, 'yung mga net income and cropping pattern.
- USEC. SAVELLANO:** Kaya nga', dapat gumawa na tayo ng magandang presentation, para 'dun na sila , naka-anchor na sila lahat sa atin.
- MR. VALDEZ:** Sir, with this support system we expect, sir, 'siguro 'yung 409 million baka hindi na rin gagastusan ng NTA. We can use that fund for the other programs.
- USEC. SAVELLANO:** Pero maliit 'yung hinihingi mo'.
- MR. VALDEZ:** Minimum, sir, for one year per block farm.
- USEC. SAVELLANO:** Hindi' kasi sa 'kin 'di ba every year lumalaki 'yung pondo natin, 'di ba lumalaki, magkano 'yung inilalaki niya every year?
- DIR. CASELA:** It's not lumalaki', sir, ang share ng NTA from RA 4155 is yearly.
- USEC. SAVELLANO:** Magkano?
- DIR. CASELA:** Dependent on the excise tax.
- USEC. SAVELLANO:** Pero more or less?
- DIR. CASELA:** Between 8 and 9 billion.
- USEC. SAVELLANO:** Eh di' sige ang projection natin 'di naman lahat eh' 8 to 9, 'di ba? Kasi kung 'yan hiningi mo lang, siguro, walang ano 'yan...
- DIR. PADAYAO:** It depends upon the area.
- MR. VALDEZ:** Can we suggest, ma'am, na we can add na lang sa 1 block farm per branch 2 or 3.
- DIR. PADAYAO:** It depends on the total area of the province.
- USEC. SAVELLANO:** Para kung sumobra kayo 'diyan, 'di ibili natin ng livestock.
- DIR. PADAYAO:** 400 hectares is how many percent of the total area for tobacco area?

- MR. VALDEZ:** It depends na lang sa branch kung gusto nilang dagdagan, per block farm.
- USEC. SAVELLANO:** Para, i-adopt natin 'yung kagaya sa India lahat ng bahay may dairy eh'. Maganda, lahat ng bahay meron.
- MR. VALDEZ:** Nakalimutan ko pala, Sir, dito 'yong NDA.
- USEC. SAVELLANO:** Kita mo, NDA at 'tsaka PCC. Basta ayusin 'yan, maraming patutunguhan yan'.
- DIR. CASELA:** As per suggestion of the needing numbers of block farms per branch, which is 3, there are so many block farms organized already by each branch, so how will you treat them? There must be an established parameter for selection, and for those who are not selected, 'agimon da ah'.
- MR. VALDEZ:** Sir, dito po 'yung ano, 'yung block farming po na hinihingi ng STEP is hindi siya po ang evaluation, kaya lumalabas po sa branch na parang cluster po siya. And we are introducing this one to a... 'kasi hindi sila pare-pareho kalaki, sir. Regarding sa "agimon" I'm asking the managers to select 'yung feasible na mag-implement 'tong block farm na 'to, sa land area, sir.
- DIR. CASELA:** How can you establish those parameters to consider those involved?
- MR. VALDEZ:** Yes, sir, meron po. Sir, ito po 'yung timeline if ever po na it's okay for the Board. So, sana po, sir, we can start now. By next month po 'yung pag approve ng budget.
- DIR. PADAYAO:** Kung 3 sa isang branch, how much?
- MR. VALDEZ:** 1.2 billion po, pero maximum naman kasi kung tutulong 'yung ibang agencies. Ito, sir, 'yung timeline. So, by January, sir.
- USEC. SAVELLANO:** Ibalik mo, okay, kaya na 'yan.
- MR. VALDEZ:** Ito, sir, hopefully sa January with LGUs, 'para before mag-harvest meron na tayong MOA.
- USEC. SAVELLANO:** Mas maganda sana during ano' October ka na makapag-ano para alam nila 'yung direction natin.
- MR. VALDEZ:** So, isabay na namin, sir, 'yung LGU, with the farm cluster presentation and orientation. And then ito po, sir.
- USEC. SAVELLANO:** LGU lang ba 'yan? Or ang DILG?
- MRS. BENOSA:** 'Yung LGUs na beneficiary natin.
- USEC. SAVELLANO:** Wala ba 'yung DILG diyan?
- MRS. BENOSA:** Wala po.
- DIR. PADAYAO:** 'Yung DA, nasa LGU na.



**USEC. SAVELLANO:** Okay.

**MR. VALDEZ:** So, 'yun, sir. Dito, kahit wala pa po tayong fund, pwede natin i-implement. Meron naman tayong assistance sa tobacco, meron tayong manukan.

**USEC. SAVELLANO:** Ah' kasama na diyan?

**MR. VALDEZ:** 'Yung others, sir'.

**USEC. SAVELLANO:** Kaya meron naman?

**MR. VALDEZ:** Yes, sir.

**USEC. SAVELLANO:** Kaya nga, we need to prove na doable 'to.

**MR. VALDEZ:** Yes, sir. Meron na tayong assistance, i-expand lang natin. 'Yun lang, sir USEC. Thank you po.

**USEC. SAVELLANO:** Okay, thank you. Do you have any questions?

**DIR. CASELA:** None so far, sir.

**USEC. SAVELLANO:** Ano wala na? Can we now go to the next item, 'kung wala na?

**ATTY. PARADO:** Mr. Chair, before we go to the next item may we have a motion first?

**USEC. SAVELLANO:** Is there any motion?

**DIR. SERNA:** I move for the approval of the Agenda.

**DIR. CASELA:** I second the motion.

**USEC. SAVELLANO:** It has been moved and seconded. Any Objection? Hearing none the motion **APPROVED**.

### **BOARD RESOLUTION NO. 140, S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD ADOPTS THE REVISED PROPOSAL ON THE BLOCK FARMING PROGRAM OF THE SUSTAINABLE TOBACCO ENHANCEMENT PROGRAM (STEP) IN SUPPORT OF THE AGRO-INDUSTRIES.***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** Thank you very much Mr. Chair.

So, for our next item, we have agenda (C), the Request for "Approval of the Proposed Budget for the Integrated Farming and Other Income Generating Activities Program and Tobacco Contract Growing System (IFOIGAP-TGCS) Calendar Year 2023-2024 in the Amount of PhP150,000.000.00, as amended".

To render a Report on the Summary of Discussions and Recommendations, may we be allowed, Mr. Chair, to call on Director Nestor C. Casela, as the Chairman of the Committee on Audit and Finance. Please proceed, Sir.

**DIR. CASELA:** Mr. Chair. Thank you very much for the opportunity.

This pertains to the Request for Approval of the Proposed Budget for the Integrated Farming and Other Income Generating Activities Program and Tobacco Contract Growing System (IFOIGAP-TCGS) Calendar Year 2023-2024 in the Amount of Php150,000.000.00, as amended.

Mr. Chair. with respect to this Agenda, I would like to inform the body that the subject matter was reported in yesterday's Joint Board Committee Meeting. The following is the summary of the discussion:

The OIC-Deputy Administrator for Operations, Dr. Palabay, presented the agenda.

He manifested that during the last Board Meeting, held in San Juan, Ilocos Sur, on September 13, 2023, the NTA Governing Board already issued Board Resolution No. 132, S. 2023, approving the Proposed Budget for Material and Cash Inputs for the Integrated Farming and Other Income Generating Activities-Tobacco Contract Growing System (IFOIGAP-TGCS), Calendar Year (CY) 2023-2024, in the amount of Php150 million.

The OIC-DAOP then sought to introduce further amendments to the proposed budget, for the TCGS-IFOIGAP, as follows: (1) The amount of Php67,981,187.50 shall be for material inputs; and, (2) The amount of Php77,295,635.00 shall be for cash input – for a total of Php145,276,822.50; and the remaining amount of Php4,723,177.50 shall be earmarked for Mindanao Development Projects. The total amount of the budget remains at Php150,000.000.00.

He then requested the Board for the approval of the proposed budget, to include the material and cash inputs components, through the issuance of a Board Resolution.

Finding propriety and urgency for the procurement of the goods for distribution to the beneficiary tobacco farmers, and the proximity of the cropping season, the Board then moved for the approval of the agenda.

This subject matter having been thoroughly and exhaustively discussed in the Committee Meeting proper and, with a motion to approve, which was duly seconded, and unless there is a need for further discussions, I respectfully move for the approval of the agenda. Thank you!

**USEC. SAVELLANO:** There's a motion...

**DIR. PADAYAO:** I second the motion.

**USEC. SAVELLANO:** Seconded. Any objection? Hearing none, the motion **APPROVED**.  
Next...

**BOARD RESOLUTION NO. 141, S. 2023**

***“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE PROPOSED BUDGET FOR THE INTEGRATED FARMING AND OTHER INCOME GENERATING ACTIVITIES – TOBACCO CONTRACT GROWING SYSTEM (IFOIGAP-TGCS), CALENDAR YEAR (CY) 2023-2024, IN THE AMOUNT OF PhP 150,000,000.00.***

***RESOLVED, FURTHER, THAT THE PROPOSED BUDGET SHALL CONSIST OF THE FOLLOWING COMPONENTS: PhP67,981,187.50 (MATERIAL INPUT) AND PhP77,295,635.00 (CASH INPUT), WITH THE REMAINING AMOUNT OF PhP4,723,177.50 EARMARKED FOR MINDANAO DEVELOPMENT PROJECTS.***

***UNANIMOUSLY APPROVED....”***

**ATTY. PARADO:** Thank you, Mr. Chair.

I would like to manifest that the copies of the Summary of Discussions and Recommendations, as reported Mr. Chair, will be furnished the honorable Undersecretary for his reference.

So, for our next item, we have agenda (D), the Request for **“Approval of the Audit Report and Recommendations for the Administrative Services of NTA-La Union Branch Office, for the Calendar Year (CY) 2023”**

To render a Report on the Summary of Discussions and Recommendations, may we call back Director Nestor C. Casela, as the Chairman of the Committee on Audit and Finance. Please go ahead, Sir.

**DIR. CASELA:** Mr. Chair, as for the agenda, I would like to inform the body that the subject matter was reported in yesterday’s Joint Board Committee Meeting. The following is the summary of the discussion:

The Manager of the Internal Audit Department, Ms. Dinah E. Pichay, introduced the agenda. She then called upon Ms. Rochelle C. De Peralta, Internal Auditor III, to present the Audit Report.

Ms. De Peralta then presented the Audit Report highlights on the Administrative Services of NTA-La Union Branch Office, particularly in the areas of Personnel Management, Records Management and Procurement, and Issuance of Office Supplies and Equipment for the Year 2023.

She reported the observations that overall, the Administrative Services of La Union Branch Office is achieving its goal and objectives, and outside parties complied with NTA’s established policies. However, there are observed internal control deficiencies due to flaws in design and/or operations.

The Audit Report contains the following conclusion: The program has improved internal controls in place but needs improvement.

The Resource Speaker then submitted a list of recommendations aimed to improve internal controls in the NTA-La Union Branch Office.

I then opined, and that the Board shared my view, that internal audit is not about fault-finding but is a necessary tool to improve systems and procedures for the betterment of the agency.

Ms. De Peralta then requested the Board for the approval of the Audit Report and Recommendations for the Administrative Services of NTA-La Union Branch Office, Calendar Year (CY) 2023.

Finding merit on the results/findings as contained in the Audit Report, the Board then moved for the approval of the agenda.

This subject matter having been thoroughly and exhaustively discussed in the Committee Meeting proper, and with a motion to approve, which was duly seconded, and unless there is a need for further discussion, I respectfully move for the approval of the agenda. Thank you!

**USEC. SAVELLANO:** So, there's a motion to approve...

**DIR. SERNA:** I second the motion.

**USEC. SAVELLANO:** Seconded. Any objection? Hearing none, the motion **APPROVED**. Next...

### **BOARD RESOLUTION NO. 142, S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE AUDIT REPORT AND RECOMMENDATIONS FOR THE ADMINISTRATIVE SERVICES OF NTA- LA UNION BRANCH OFFICE, CALENDAR YEAR (CY) 2023.***

***RESOLVED, FURTHER, THAT A COPY OF THE SAID AUDIT REPORT SHALL BE FURNISHED THE CONCERNED OFFICE FOR THEIR INFORMATION AND GUIDANCE.***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** Thank you, Mr. Chair.

So, for our next agenda. On **OTHER MATTERS**, the schedule of the **167<sup>th</sup> Regular Board Meeting** of the **NTA Governing Board** will be on **October 12, 2023 (Thursday)**, at **9:00 AM**, at the **NTA Board Room**. The **Committee Meeting** will be on **October 11, 2023**, same time at **9:00 AM**, that would be **Wednesday**.

Before we adjourn the Meeting, Mr. Chair, may we request the honorable Presiding Officer and DA Undersecretary for his Final Instructions. Sir...

**USEC. SAVELLANO:** Well, thank you very much again for this opportunity.

Ang dami nating gagawin, so we have to double time kasi kailangan natin talaga eh', sayang 'yung opportunity and we should take advantage of what we have now, and to be able to get additional funding, it will benefit our farmers and also our economy. So, bilisan lang natin lahat para may mangyari na kasi sa 'kin if you are on agriculture' kailangan mabilis eh' 'di ba? Kasi, we have three months to go to produce, and then after that i-market mo na agad, not like other businesses, ito 'yung ang hirap.

So, sa atin these should be immediate. We have to do now 'para the people and the officials can appreciate the benefits of the tobacco industry, and that it will help the other farmers as you've seen in the presentation. 'Yung tobacco farmers natin, they're earning almost 100 thousand per month, na ito 'yung' 'it will convince other people and agencies to opt for planting of tobacco. So, magtulong-tulong tayo, magsama-sama para may patutunguhan 'tong industry.

'Yun lang po. Thank you.

**DIR. PADAYAO:** Thank you, Sir.

**ATTY. PARADO:** So, once again, thank you Mr. Chair.

For our next agenda, that will be on **ADJOURNMENT**.

**USEC. SAVELLANO:** There being no other matters to discuss, we are ready to adjourn.

Can we have a motion?

**DIR. CASELA:** Mr. Chair, I move for the adjournment of the meeting.

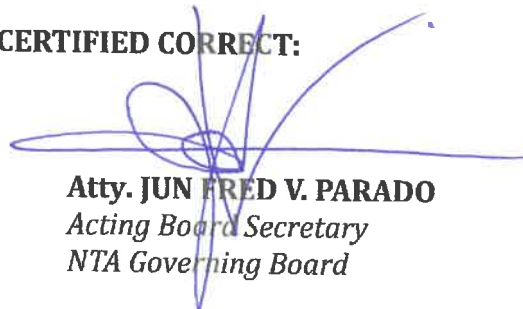
**DIR. PADAYAO:** I second the motion.

**USEC. SAVELLANO:** Okay, so the meeting is adjourned.

**SO, ORDERED.**

Note: **THE MEETING WAS ADJOURNED AT EXACTLY 12:30 PM.**

**PREPARED AND CERTIFIED CORRECT:**



**Atty. JUN FRED V. PARADO**  
*Acting Board Secretary*  
*NTA Governing Board*

**ATTESTED:**



**Hon. DEOGRACIAS VICTOR "DV" B. SAVELLANO**  
*Undersecretary, Department of Agriculture*  
*Alternate Representative of the DA Senior Undersecretary*  
*to the NTA Governing Board*



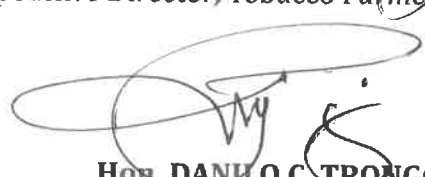
**Hon. BELINDA S. SANCHEZ, CPA**  
*Administrator & CEO and Vice-Chairman,*  
*NTA Governing Board*




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



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



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



**Hon. JESSIE PAT M. SERNA**  
*Appointive Director, Tobacco Traders/Exporters Sector*



**Hon. LUZVIMINDA U. PADAYAO**  
*Appointive Director, Tobacco Farmers Sector*



**OFFICE OF THE NTA GOVERNING BOARD**

**ONE HUNDRED AND SIXTY-SIXTH (166<sup>TH</sup>) REGULAR BOARD MEETING  
OF THE NTA BOARD OF DIRECTORS, HELD AT THE  
TAPAO RESORT FUNCTION HALL, SAN JUAN, ILOCOS SUR  
13 SEPTEMBER 2023 (9:00 AM)**

**PRESENT:**

<b>Adm. BELINDA S. SANCHEZ</b>	-	<b>Vice-Chair of the Board and Administrator &amp; CEO Presiding Officer</b>
<b>Dir. JESSIE PAT M. SERNA</b>	-	<b>Member, Tobacco Traders/Exporters 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. LUZVIMINDA U. PADAYAO</b>	-	<b>Member, Tobacco Farmers Sector</b>
<b>Dir. DANILO C. TRONGCO</b>	-	<b>Member, Tobacco Farmers Sector</b>

**OTHERS PRESENT:**

<b>Mr. BENJAMIN V. SARMIENTO</b>	-	<b>Executive Assistant IV/ Special Assistant to the Administrator</b>
<b>Dr. GIOVANNI B. PALABAY</b>	-	<b>OIC-Deputy Administrator for Operations</b>
<b>Mrs. NORALYN I. IDICA</b>	-	<b>Manager, NTA Vigan Branch</b>
<b>Mrs. EVANGELINE C. CABIGAN</b>	-	<b>OIC - Farm Technology &amp; Services Department</b>
<b>Mrs. PRESCILLA A. NISPEROS</b>	-	<b>Community Development Officer III, FTSD</b>
<b>Mr. FREDDIE G. LAZARO</b>	-	<b>Public Relations Officer V</b>
<b>Atty. JUN FRED V. PARADO</b>	-	<b>Attorney V, Office of the Administrator Acting Board Secretary V</b>
<b>Mr. LEXTER C. CABANTING</b>	-	<b>Administrative Assistant I (JO)</b>

**THRU VIRTUAL PLATFORM/ONLINE:**

<b>Mr. BENEDICTO M. SAVELLANO</b>	-	<b>Deputy Administrator for Support Services</b>
<b>Atty. ROHBERT A. AMBROS</b>	-	<b>Manager, Regulation Department</b>
<b>Mrs. DINAH E. PICHAY</b>	-	<b>Manager, Internal Audit Department</b>
<b>Mrs. FORTUNA C. BENOSA</b>	-	<b>Manager, Corporate Planning Department</b>
<b>Mrs. ZENAIDA T. ARROJO</b>	-	<b>Manager, Administrative Department</b>
<b>Mrs. MYRNA O. LOZANO</b>	-	<b>Manager, Industrial Research Department</b>
<b>Mr. REYNALDO R. AQUINO</b>	-	<b>OIC - Finance Department</b>
<b>Department Managers / OICs</b>	-	<b>NTA Branch Offices</b>

**HIGHLIGHTS OF THE MEETING**

**I. CALL TO ORDER**

The Honorable Administrator & CEO Belinda S. Sanchez called the meeting to order at 9:00AM.

1 At the outset, she informed that as Vice-Chair, she will preside in the absence of the  
2 Undersecretary of Agriculture and Alternate Chairman of the NTA Governing Board.  
3

4 **ADMIN. SANCHEZ:** As Acting Chair, and Presiding Officer, I now call to order the 166<sup>th</sup>  
5 Regular Meeting of the NTA Governing Board.  
6

7 **III. DETERMINATION OF QUORUM**  
8

9 **ADMIN. SANCHEZ:** May I now call on the Acting Board Secretary to Determine the Quorum.  
10

11 **ATTY. PARADO:** Thank you, madam Chair.  
12

13 For the 166<sup>th</sup> Regular Meeting of the NTA Governing Board, we have here  
14 with us, personally present, our Administrator and CEO, madam Belinda  
15 S. Sanchez. Ma'am...

16  
17 We also have the honorable Dir. Nestor C. Casela, representing the  
18 Academic Community Sector, sir; the honorable Dir. Danilo C. Trongco,  
19 representing the Tobacco Farmers Sector; the honorable Dir. Jessie Pat  
20 M. Serna, representing the Tobacco Exporters/Traders Sector, as well as  
21 the honorable Dir. Luzviminda U. Padayao, representing the Tobacco  
22 Farmers Sector. Also, we are joined through the virtual platform by the  
23 honorable Dir. Wilfredo C. Martinez, representing the Tobacco Farmers  
24 Sector. Good morning, sirs and ma'am.  
25

26 We are likewise joined by our OIC-Deputy Administrator for Operations,  
27 Dr. Giovanni B. Palabay,; and, through the virtual platform, we have our  
28 Deputy Administrator for Support Services, Mr. Benedicto M. Savellano  
29 together with our Manager of the Corporate Planning Department,  
30 ma'am Fortuna C. Benosa, and Mr. Neyo Valdez; our Manager of the  
31 Internal Audit Department, Mrs. Dinah E. Pichay; Atty. Rohbert A.  
32 Ambros, the Manager of the Regulation Department; Mrs. Zenaida T.  
33 Arrojo, Manager of the Administrative Department; Mrs. Myrna O.  
34 Lozano, Manager of the Industrial Research Department; Mr. Reynaldo  
35 R. Aquino, OIC- Finance Department; and, we have also Engr. Noralyn I.  
36 Idica, Manager of the NTA Vigan Branch Office, as well as Mrs. Evangeline  
37 C. Cabigan, the OIC- Manager of the FTSD; and Mrs. Prescilla A. Nisperos,  
38 Community Development Officer III; and, Mr. Freddie G. Lazaro, Public  
39 Relations Officer V. Also, we are joined virtually by the Branch Managers  
40 and OICs from our different branch offices, madam Chair.  
41

42 As such, madam Chair, we have a Quorum.  
43

44 **ADMIN. SANCHEZ:** So, since we have a Quorum, may I call the Acting Board Secretary to read  
45 the agenda.  
46

47 **ATTY. PARADO:** Thank you, madam Chair.  
48

49 For the Agenda of the 166<sup>th</sup> Regular Meeting of the NTA Governing Board  
50 we have, No. 1, the request for the "**Approval of the Agenda of the 166<sup>th</sup>**  
51 **Regular Meeting of the NTA Governing Board, held on 13 September**  
52 **2023 at 9:00 AM, at the Tapao Resort Function Hall, San Juan, Ilocos**  
53 **Sur**". Can we have a motion?  
54  
55



1 **DIR. TRONGCO:** Madam Chair, I respectfully move for the “Approval of the Agenda of the  
2 166<sup>th</sup> Regular Meeting of the NTA Governing Board, held on 13  
3 September 2023 at 9:00 AM, at the Tapao Resort Function Hall, San Juan,  
4 Ilocos Sur”  
5

6 **DIR. PADAYAO:** I second the motion.  
7

8 **ADMIN. SANCHEZ:** It’s been moved and seconded. The agenda is hereby **APPROVED**.  
9  
10

11 **BOARD RESOLUTION NO. 130, S. 2023**

12 *“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE*  
13 *NTA GOVERNING BOARD APPROVES THE AGENDA OF THE 166<sup>TH</sup>*  
14 *REGULAR MEETING OF THE NTA GOVERNING BOARD, HELD ON*  
15 *13 SEPTEMBER 2023, AT 9:00 AM, AT THE TAPAO RESORT*  
16 *FUNCTION HALL, SAN JUAN, ILOCOS SUR.*  
17  
18

19 *UNANIMOUSLY APPROVED....”*  
20

21 **ATTY. PARADO:** Thank you, madam Chair.  
22

23 For our next agenda, we have Agenda (A). This is the request for  
24 “Approval of the Minutes of the 120<sup>th</sup> Special Meeting of the NTA  
25 Governing Board, held on 30 August 2023, at 9:00 AM, at the NTA  
26 Board Room, 11<sup>th</sup> Floor, Upper Class Bldg., Quezon Ave., Quezon  
27 City.”  
28

29 **DIR. PADAYAO:** Madam Chair. I move for the Approval of the Minutes of the 120<sup>th</sup> Special  
30 Meeting of the NTA Governing Board, held on 30 August 2023, at 9:00  
31 AM, at the NTA Board Room, 11<sup>th</sup> Floor, Upper Class Bldg., Quezon Ave.,  
32 Quezon City.  
33

34 **DIR. SERNA:** I second the motion.  
35

36 **ADMIN. SANCHEZ:** Having been seconded, the motion for the agenda is **APPROVED**.  
37

38 **BOARD RESOLUTION NO. 131, S. 2023**

39 *“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE*  
40 *NTA GOVERNING BOARD APPROVES THE MINUTES OF THE 120<sup>TH</sup>*  
41 *SPECIAL MEETING OF THE NTA GOVERNING BOARD, HELD ON 30*  
42 *AUGUST 2023, AT 9:00 AM, AT THE NTA BOARD ROOM, 11<sup>TH</sup>*  
43 *FLOOR, UPPER CLASS BLDG., QUEZON AVE., QUEZON CITY.*  
44  
45  
46

47 *UNANIMOUSLY APPROVED....”*  
48

49 **ATTY. PARADO:** Thank you, madam Chair.  
50

51 So, for our next agenda, we have the request for “Approval of the  
52 Proposed Budget for Material and Cash Inputs for Integrated  
53 Farming and Other Income Generating Activities.”  
54

55 I believe, madam Chair that, for this agenda, we have a manifestation  
56 from the honorable Dir. Nestor C. Casela, as to certain amendments.

1  
2  
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With the permission of the honorable Chair, go ahead sir, you are recognized.

**DIR. CASELA:** Good Morning to each and everyone.

With respect to the above-mentioned Agenda on the request for Approval of the Proposed Budget for Material and Cash Inputs for Integrated Farming and Other Income Generating Activities – Tobacco Contract Growing System (IFOIGAP-TCGS), Calendar Year (CY) 2023-2024, for a total of Php150 Million (Php150,000.000.00), I would like to request for its amendment for the determination of the allotment for the material inputs and cash portion of the budget. In this case, the material inputs will be Php63,851,927. 50 and for the cash inputs, it will be Ph 86,148.072.50, madam Chair. That is the proposed amendment to the agenda. Thank you.

**ATTY. PARADO:** Okay. Thank you very much, Dir. Nestor C. Casela, Sir.

So, for our agenda letter (B), we have the request for the **“Approval of the Proposed Budget for Material and Cash Inputs for Integrated Farming and Other Income Generating Activities – Tobacco Contract Growing System (IFOIGAP-TCGS), Calendar Year (CY) 2023-2024, with the Following Components: Php63,851,927. 50 (Material Inputs) & Php86,148.072.50 (Cash Input), for a total of Php150 Million (Php150,000.000.00), as amended.** Thank you very much, Sir. So, can we have a motion?

**DIR. SERNA:** Madam Chair. As to the amendments, I would like to request the approval of the said agenda.

**DIR. TRONGCO:** I second the motion.

**ADMIN. SANCHEZ:** Having been seconded, the agenda is hereby **APPROVED.**

**BOARD RESOLUTION NO. 132, S. 2023**

***“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE PROPOSED BUDGET FOR MATERIAL AND CASH INPUTS FOR INTEGRATED FARMING AND OTHER INCOME GENERATING ACTIVITIES – TOBACCO CONTRACT GROWING SYSTEM (IFOIGAP-TCGS), CALENDAR YEAR (CY) 2023-2024, WITH THE FOLLOWING COMPONENTS: PHP63,851, 927. 50 (MATERIAL INPUTS) & PHP86,148.072.50 (CASH INPUT), FOR A TOTAL OF PHP 150MILLION (PHP 150,000.000.00)***

***UNANIMOUSLY APPROVED....”***

**ATTY. PARADO:** Thank you, madam Chair.

So, for the next agenda, we have the request for the **“Approval of the Confirmation of Four (4) Promotional and/or Original Appointments to Vacant Plantilla Positions.**

1 To report on the summary of discussions of yesterday's Joint Board  
2 Committee Meeting, may we call on our honorable Dir. Nestor C. Casela,  
3 as Vice-Chairperson of the Committee on Nomination, Remuneration  
4 and Personnel Administration, for the summary of the Report. Sir...

5  
6 **DIR. CASELA:**

7 Thank you, madam Chair.

8 In yesterday's Committee Meeting, the request for Confirmation of Four  
9 (4) Promotional and/or Original Appointments to Vacant Plantilla  
10 Position was comprehensively discussed. And that, on the said  
11 discussion, the Deputy Administrator for Support Services in the person  
12 of the honorable Benedicto M. Savellano, called upon Atty. Parado, a  
13 member of the HRMPSB, to report on the agenda, in the official absence  
14 of the Chairperson of the HRMPSB, Ms. Arrojo.

15  
16 Then, Atty. Parado presented and submitted the Shortlist of Candidates for  
17 the different plantilla positions to be filled-up at the National Tobacco  
18 Administration. Thereafter, he manifested that the vacant plantilla positions,  
19 consisting of four (4) items for confirmation, have been published in the CSC  
20 and NTA websites, in compliance with the requirements of the Civil Service  
21 Commission. He likewise stated that the shortlisted candidates have been  
22 interviewed in accordance with established rules, and have undergone a deep  
23 and thorough recruitment, selection, and placement process by the NTA's  
24 HRMPSB as required by CSC rules and regulations.

25  
26 That, for the position of Accountant III, for the Candon Branch Office,  
27 Region I, with one (1) vacancy, Atty. Parado reported the shortlisted  
28 applicants, as follows: (1) Lara Mae A. Abinoja; (2) Marielle Cristy B. Beloy;  
29 and (3) Aileen M. Azada. From among the applicants, the honorable  
30 Administrator recommended for the confirmation of the applicant, Marielle  
31 Cristy B. Beloy, whose request for confirmation was moved and duly  
32 seconded by the Board.

33  
34 On the other hand, that for the position of Human Resource Management  
35 Officer II, for the Administrative Department, NCR, with one (1) vacancy,  
36 Atty. Parado reported the shortlisted applicants, as follows: (1) Gerald C.  
37 Guzman; (2) Lee Marja R. Mercado; and (3) Andrea Marie T. Contillo. From  
38 among the applicants, the honorable Administrator recommended for the  
39 confirmation of the applicant, Gerald C. Guzman, whose request for  
40 confirmation was moved and duly seconded by the Board.

41  
42 Likewise, that for the position of Science Research Specialist I, for the  
43 Industrial Research Department, NCR, with one (1) vacancy, Atty. Parado  
44 reported the shortlisted applicants, as follows: (1) Jenny May A. Anor; (2)  
45 John Joseph F. Senga; and (3) Gina C. Cabotaje. From among the applicants,  
46 the honorable Administrator recommended for the confirmation of the  
47 applicant, Jenny May A. Anor, whose request for confirmation was moved  
48 and duly seconded by the Board.

49  
50 Finally, that for the position of Tobacco Production Regulation Officer I, for  
51 the Regulation Department, NCR, with one (1) vacancy, Atty. Parado  
52 reported the shortlisted applicants, as follows: (1) John Joseph F. Senga; (2)  
53 Andrea Marie T. Contillo; (3) Marife S. Morales; and (4) Gina C. Cabotaje.  
54 From among the applicants, the honorable Administrator recommended for  
55 the confirmation of the applicant, Andrea Marie T. Contillo, whose request  
56 for confirmation was moved and duly seconded by the Board.  
57

1 This subject matter has been thoroughly and exhaustively discussed in the  
2 Committee Meeting proper, and, with a motion to approve, which was duly  
3 seconded. Unless there is a need for further discussions, I respectfully move  
4 for the approval of the confirmation of the appointees afore-mentioned.  
5 Thank you.  
6

7 **ATTY. PARADO:** Thank you madam Chair. We have a pending motion for approval of the  
8 conformation of the appointees.  
9

10 **DIR. PADAYAO:** I second the motion.  
11

12 **ADMIN. SANCHEZ:** The same Motion having been seconded, the agenda is hereby  
13 **APPROVED.**  
14  
15

16 **BOARD RESOLUTION NO. 133, S. 2023**  
17

18 ***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT***  
19 ***THE NTA GOVERNING BOARD APPROVES THE CONFIRMATION***  
20 ***OF FOUR (4) PROMOTIONAL AND/OR ORIGINAL***  
21 ***APPOINTMENTS TO VACANT PLANTILLA POSITIONS, AS***  
22 ***FOLLOWS:***  
23

- 24 **1. MARIELLE CRISTY B. BELOY** **ACCOUNTANT III**  
25 **CANDON BRANCH OFFICE,**  
26 **REGION I**  
27  
28 **2. GERALD C. GUZMAN** **HUMAN RESOURCE MANAGEMENT**  
29 **OFFICER II (JG-10)**  
30 **ADMINISTRATIVE DEPARTMENT,**  
31 **NCR**  
32  
33 **3. JENNY MAY A. ANOR** **SCIENCE RESEARCH SPECIALIST I**  
34 **(JG-13)**  
35 **INDUSTRIAL RESEARCH**  
36 **DEPARTMENT, NCR**  
37  
38 **4. ANDREA MARIE T. CONTILLO** **TOBACCO PRODUCTION &**  
39 **REGULATION OFFICER (JG-8)**  
40 **REGULATION DEPARTMENT, NCR**  
41  
42

43 ***UNANIMOUSLY APPROVED...."***  
44

45 **ATTY. PARADO:** Okay. Thank you very much, madam. Chair. So, for our next item in the  
46 agenda, we have Agenda (D), which is for **Other Matters.**  
47

48 On Other Matters arising from the previous Board Meeting, per  
49 instruction of DA-USEC. Savellano, NTA Oversight Official & Alternate  
50 Chairman-Designate to the NTA Governing Board.  
51

52 We have, number the following: **(1) Report on the Comparative**  
53 **Analysis of Income Levels of Tobacco Vis-à-Vis Rice, Corn, and other**  
54 **High-Value Crops (HVCs); (2) Presentation of Cropping Patterns of**  
55 **Tobacco Vis-à-Vis Rice, Corn , and Other High-Value Crops (HVCs);**  
56 **(3) Presentation of the Business Plan for the Tobacco Dust Project;**

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**(4) Presentation of the Revised Proposal on the Block Farming Program of the STEP in Support of the Agro-Industries; and, (5) Report on the Proposed Barter-to-Barter Project of Locally Grown and Produced Tobacco. Any manifestation, or motion?**

**DIR. SERNA:** Madam Chair. Since this is a request from the DA-Undersecretary Savellano, and that he was not here present, I would just like to re-schedule it. I, therefore, move for the deferment of the agenda to our next calendared Board meeting.

**DIR. CASELA:** I second the motion.

**ADMIN. SANCHEZ:** As it has been seconded, I hereby approve the deferment of the agenda for the next Board Meeting.

**ATTY. PARADO:** Thank you, madam Chair.

On **Other Matters**, we have the proposed schedule for the **121<sup>st</sup> Special Meeting of the NTA Governing Board**, to be held on **28 September 2023, Thursday, at 9:00 AM** at the **NTA Board Room**; and, for the **Joint Board Committee Meeting** will be on **27 September 2023, Wednesday, at 9:00 AM**.

Also, that in the afternoon of 27 September 2023, we will be having our scheduled meeting with the DBM, and that will be participated in by our honorable Administrator, the Members of the NTA Governing Board, and our Deputy Administrators for Support Services and Operations.

We have no other agenda, madam Chair. So, for the next item, that will be on Adjournment.

**DIR. CASELA:** Madam Chair. I move for the adjournment of the meeting.

**DIR. TRONGCO:** I second the motion.


**ADMIN. SANCHEZ:** Having been duly seconded upon on the Motion for Adjournment, today's meeting is hereby adjourned.

**SO, ORDERED.**

Thank you.

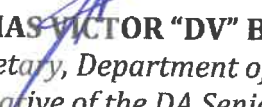
Note: **THE MEETING WAS ADJOURNED AT EXACTLY 10:00 AM.**

**PREPARED AND CERTIFIED CORRECT:**

  
**ATTY. JUN FRED V. PARADO**  
*Acting Board Secretary*  
NTA Governing Board

**ATTESTED:**


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**Hon. DEOGRACIAS VICTOR "DV" B. SAVELLANO**  
*Undersecretary, Department of Agriculture*  
*Alternate Representative of the DA Senior Undersecretary*  
*to the NTA Governing Board*



**Hon. BELINDA S. SANCHEZ, CPA**  
*Administrator/CEO and Vice-Chairman,*  
*NTA Governing Board*




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



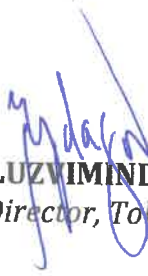
**Hon. WILFREDO C. MARTINEZ**  
*Appointive Director, Tobacco Farmers Sector*



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



**Hon. JESSIE PAT M. SERNA**  
*Appointive Director, Tobacco Traders/Exporters Sector*



**Hon. LUZVIMINDA U. PADAYAO**  
*Appointive Director, Tobacco Farmers Sector*



**OFFICE OF THE NTA GOVERNING BOARD**

**ONE HUNDRED AND TWENTIETH (120<sup>TH</sup>) SPECIAL BOARD MEETING  
OF THE NTA BOARD OF DIRECTORS, HELD AT THE  
NTA BOARD ROOM, 11/F UPPER CLASS TOWER, QUEZON AVENUE, QUEZON CITY  
30 AUGUST 2023 (9:00 AM)**

**PRESENT:**

**Hon. DEOGRACIAS VICTOR B. SAVELLANO** - Undersecretary, Department of  
Agriculture & Alternate Chairman-  
Designate / Presiding Officer  
**Adm. BELINDA S. SANCHEZ** - Vice-Chair of the Board and  
Administrator & CEO  
**Dir. JESSIE PAT M. SERNA** - Member, Tobacco Traders/Exporters Sector  
**Dir. NESTOR C. CASELA** - Member, Academic Community Sector  
**Dir. WILFREDO C. MARTINEZ** - Member, Tobacco Farmers Sector  
**Dir. LUZVIMINDA U. PADAYAO** - Member, Tobacco Farmers Sector  
**Dir. DANILO C. TRONGCO** - Member, Tobacco Farmers Sector

**OTHERS PRESENT:**

**Mr. BENJAMIN V. SARMIENTO** - Executive Assistant IV/ Special  
Assistant to the Administrator  
**Mr. BENEDICTO M. SAVELLANO** - Deputy Administrator for Support Services  
**Dr. GIOVANNI B. PALABAY** - OIC-Deputy Administrator for Operations  
**Atty. ROHBERT A. AMBROS** - Manager, Regulation Department  
**Mrs. DINAH E. PICHAY** - Manager, Internal Audit Department  
**Mrs. FORTUNA C. BENOSA** - Manager, Corporate Planning Department  
**Atty. JUN FRED V. PARADO** - Attorney V, Office of the Administrator  
Acting Board Secretary V  
**Mr. LEXTER C. CABANTING** - Administrative Assistant I (JO)

**HIGHLIGHTS OF THE MEETING**

**I. CALL TO ORDER**

The Honorable Deogracias Victor B. Savellano, Undersecretary of the Department of Agriculture and Alternate Chairman-designate called the meeting to order at 9:30AM.

May I now call Atty. Jun Fred V. Parado to lead the Opening Prayer.

**II. OPENING PRAYER**

Atty. Parado, Acting Board Secretary V, led the Opening Prayer.

1 **III. DETERMINATION OF QUORUM**

2  
3 **USEC. SAVELLANO:** Thank you.

4  
5 So, may I now call the Acting Board Secretary to determine the Quorum.

6  
7 **ATTY. PARADO:** Thank you Mr. Chair.

8  
9 For the 120<sup>th</sup> Special Board Meeting of the NTA Governing Board, we  
10 have with us, of course, the Hon. Undersecretary of the Department of  
11 Agriculture and Alternate Chairman-designate and Presiding Officer of  
12 the NTA Governing Board, the Hon. Deogracias Victor "DV" B. Savellano.  
13 Sir, good morning. And, of course, our NTA Administrator and CEO,  
14 madam Belinda S. Sanchez. Good morning, ma'am.

15  
16 Together, with the Members of the NTA Governing Board. Dir. Nestor C.  
17 Casela, representing the Academic Community Sector; Dir. Danilo C.  
18 Trongco, representing the Tobacco Farmers Sector; and Dir. Jessie Pat M.  
19 Serna, representing the Tobacco Exporters/Traders Sector. Also, we  
20 have Dir. Luzviminda U. Padayao, representing the Tobacco Farmers  
21 Sector; and, we will be joined through virtual platform by Dir. Wilfredo  
22 C. Martinez, representing the Tobacco Farmers Sector.

23  
24 Also, we would like also to recognize the presence of our Deputy  
25 Administrator for Support Services, Mr. Benedicto M. Savellano, sir. As  
26 well as the OIC-Deputy Administrator for Operations, Dr. Giovanni B.  
27 Palabay, sir. We are also joined in the Board Room by our Manager of the  
28 Corporate Planning Department, ma'am Fortuna C. Benosa. Good  
29 morning, ma'am. And also, our Department Managers of the Central  
30 Office and Branch Managers from the different Branch Offices and OICs.  
31 Good morning po' sa ating lahat'. As such, Mr. Chair, we have a Quorum.

32  
33 **USEC. SAVELLANO:** So, since we have a Quorum, we now go to the reading of the agenda.

34  
35 **ATTY. PARADO:** Thank you very much, Mr. Chair.

36  
37 So, for the agenda of the 120<sup>th</sup> Special Meeting of the NTA Governing  
38 Board we have, No. 1, the request for the **"Approval of the Agenda of**  
39 **the 120<sup>th</sup> Special Meeting of the NTA Governing Board, held on 30**  
40 **August 2023 at 9:00 AM, at the NTA Board Room, 11/F Upper Class**  
41 **Tower, Quezon Avenue, Quezon City".**

42  
43 **USEC. SAVELLANO:** So, for the agenda of the 120<sup>th</sup> Special Meeting of the Board and its  
44 approval, any discussion? Can anybody make a motion?

45  
46 **DIR. TRONGO:** Hon. Chair, I respectfully move for the "Approval of the Agenda of the  
47 120<sup>th</sup> Special Meeting of the NTA Governing Board, held on August 30,  
48 2023, at the NTA Board Room, 11/F Upper Class Tower, Quezon Avenue,  
49 Quezon City".

50  
51 **DIR. PADAYAO:** I second the motion.

52  
53 **USEC. SAVELLANO:** It's been moved and seconded. Any objection and motion? There being  
54 none, the same is hereby **APPROVED**.



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**BOARD RESOLUTION NO. 125. S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE AGENDA OF THE 120<sup>TH</sup> SPECIAL MEETING OF THE NTA GOVERNIG BOARD, HELD ON AUGUST 30, 2023, AT 9:00 AM, AT THE NTA BOARD ROOM, 11<sup>TH</sup> FLOOR, UPPER CLASS BLDG., QUEZON AVE., QUEZON CITY.***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** Thank you, Mr. Chair.

For our next agenda, we have agenda (A). This is the request for the "Approval of the Minutes of the 165<sup>th</sup> Regular Meeting of the NTA Governing Board, held on 17 August 2023, at 9:00 AM, at the NTA Board Room, 11/F Upper Class Bldg., Quezon Avenue, Quezon City".

**USEC. SAVELLANO:** Anybody moving for its approval?

**DIR. CASELA:** Mr. Chairman, I would like to make some corrections as to the last printed Minutes of the Meeting. That on Page 5-line 25, it should be "curing wet tobacco" and, on the same page line 26, it should be "air vents", not "effects" but "air vents". That's all, Mr. Chairman.

**USEC. SAVELLANO:** Any question as to the amendments? So, since there's none, what's the pleasure of the body?

**DIR. CASELA:** Mr. Chairman, I therefore move for the "Approval of the Minutes of the 165<sup>th</sup> Regular Meeting of the NTA Governing Board, held on 17 August 2023, at 9:00 AM, at the NTA Board Room, 11/F Upper Class Tower, Quezon Avenue, Quezon City."

**USEC. SAVELLANO:** There's a motion? Anybody seconded?

**DIR. PADAYAO:** I second the motion.

**USEC. SAVELLANO:** Is there any objection? If none, the same motion is **APPROVED**. So, we now go to the next item.

**BOARD RESOLUTION NO. 126. S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE MINUTES OF THE 165<sup>TH</sup> REGULAR MEETING OF THE NTA GOVERNIG BOARD, HELD ON AUGUST 17, 2023, AT 9:00 AM, AT THE NTA BOARD ROOM, 11<sup>TH</sup> FLOOR, UPPER CLASS BLDG., QUEZON AVE., QUEZON CITY.***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** Thank you, Mr. Chair.

So, for our next agenda, we have Agenda (B). This is the request for "Approval of the Audit Report and Recommendations for the

1 **Tobacco Leaf Regulation Division (TLRD) Enforcement and**  
2 **Monitoring of Trading Operations, for Trading Year 2022-2023."**  
3

4 So, for this agenda Mr. Chair, to render his summary of report and  
5 discussion held in yesterday's Joint Board Committee Meeting, we will  
6 be calling upon the Chairperson of the Committee on Audit and Finance,  
7 the Hon. Dir. Nestor C. Casela, to be joined and assisted by the Resource  
8 Person of the Internal Audit Department (IAD), Mrs. Dinah E. Pichay. So,  
9 with the permission of the honorable Chairman, may we request Dir.  
10 Casela. Sir...

11  
12 **DIR. CASELA:**

Thank you Mr. Chairman.

13  
14 On the agenda, Request for the Approval of the Audit Report and  
15 Recommendations for the Tobacco Leaf Regulation Division (TLRD)  
16 Enforcement and Monitoring of Trading Operations, for Trading Year  
17 2022-2023, as the subject matter was reported on yesterday's Joint  
18 Board Committee Meeting, this is the Summary and Discussion.  
19

20 The Resource Persons reported the highlights consisting of  
21 observations, conclusion, and recommendations of the Internal Audit  
22 Department. It's for the Enforcement and Monitoring of the Trading  
23 Operations at the NTA Branch Offices, Buying Stations, Wholesale  
24 Tobacco Dealers and Field Canvassers in Region I and CAR for the  
25 trading year 2022-2023.  
26

27 Yours truly proposed to Management to do some measures to  
28 implement the recommendations made by the Internal Audit  
29 Department and that a Memorandum shall be sent to the concerned  
30 division to start compliance with the Audit Recommendations, for  
31 transparency and accountability of officials.  
32

33 Likewise, Mrs. Dina E. Pichay, the Manager of the Internal Audit  
34 Department, reported that all the findings were discussed with the  
35 Regulation Department, through its Manager, Atty. Ambros, and that  
36 some of the findings will be addressed immediately by the concerned  
37 department, the Regulation Department.  
38

39 Likewise, Mr. Sarmiento, the Executive Assistant IV and Special Assistant  
40 to the Administrator, proposed for NTA to assign some NTA personnel  
41 with adequate knowledge on trading tobacco in the buying stations for  
42 guidance, to observe and mediate in case there is disagreement between  
43 the farmers and buying firms, as to the pricing, grading and quality of  
44 tobacco leaves.  
45

46 Likewise, Dir. Padayao opined that the Industrial Research Department  
47 and the Regulation Department staff shall be tasked to observe the  
48 grading and documentation of tobacco in the trading centers.  
49

50 Also, on the other part of the Regulation Department, they recognized  
51 the deficiencies of the Department as contained in the Audit Report. Atty.  
52 Ambros recommended that in the Report, remarks must be stated by the  
53 IAD as to actions taken by the Regulation Department.  
54

55 Yours truly also moved for the approval of the agenda, and Dir. Trongco  
56 seconded. This Agenda was approved, the subject matter having been

1 reported and discussed in the Committee Meeting proper. As such, I  
2 move for the approval of the agenda, and that's for the discussion of the  
3 Agenda.  
4

5 **USEC. SAVELLANO:** So, that's all will be presented and be discussed in the Tripartite?  
6

7 **DIR. CASELA:** The Tripartite will be the focused on the determination of prices, Sir, on  
8 per kilo of the different types and sub-types of tobacco and, in this case,  
9 the participating parties' groups will present their own cost of  
10 production for the types and sub-types of tobacco and there will be a  
11 discussion on the determination of the cost of production.  
12

13 **USEC. SAVELLANO:** So, this just will be the focus of the Tripartite?  
14

15 **DIR. PADAYAO:** It's for the determination of the prices, Sir.  
16

17 **USEC. SAVELLANO:** So, you also mentioned the grading. So, we have the measures and  
18 mechanism for that?  
19

20 **DIR. CASELA:** Yes sir. The collaboration between the farmers, traders and NTA as to  
21 the implementation of the harmonized way.  
22

23 **USEC. SAVELLANO:** So, 'okay na 'yong mechanism natin?  
24

25 **DIR. CASELA:** Well, we have gray areas for this.  
26

27 **USEC. SAVELLANO:** What are the gray areas?  
28

29 **DIR. CASELA:** Our farmers agree and understand the implementation of a harmonized  
30 grading system to be adopted. I mean reference to the international  
31 grading system.  
32

33 **USEC. SAVELLANO:** So, what is the role of the NTA? Ano ang mga measures natin?  
34

35 **DIR. CASELA:** Annually, we conduct trainings for our technical employees, mostly our  
36 technicians and, likewise, for the farmer leaders and, of course, training  
37 with the private sector, Sir.  
38

39 **DIR. PADAYAO:** Sir, based on the Audit Report given by ma'am Dinah E. Pichay, there  
40 were flaws in the implementation. However, several suggestions and  
41 recommendations were given to correct the flaws this coming tobacco  
42 marketing season, Sir. So, these are already included in the agenda.  
43

44 **USEC. SAVELLANO:** So, 'okay na?  
45

46 **DIR. PADAYAO:** Yes Sir.  
47

48 **USEC. SAVELLANO:** Sigurado?  
49

50 **DIR. PADAYAO:** Hopeful, Sir.  
51

52 **USEC. SAVELLANO:** Kasi 'dapat everybody's happy.  
53

54 **DIR. CASELA:** Sir, if I may. In all honesty, on the critical component, which is grading  
55 and pricing, that's truly the problem in the situation. That's why we have  
56 proposed that there will be a strict implementation of rules and

1 regulations in our meeting yesterday, that technicians from our NTA  
2 personnel should be always present in the trading centers, so that they  
3 should always check.  
4

5 **USEC. SAVELLANO:** May rotation ba 'yan?  
6

7 **DIR. PADAYAO:** Yes, Sir. They have a schedule, Sir.  
8

9 **USEC. SAVELLANO:** Kasi 'nung nagtatabako ang mommy ko, pinapakain at pinapa-meryenda  
10 namin.  
11

12 **DIR. PADAYAO:** At least two technicians will man the grading.  
13

14 **USEC. SAVELLANO:** Ano lang naman, so that ma-balance natin.  
15

16 **DIR. TRONGCO:** Sa 'kin, Sir, suggestion ko lang kasi grader din ako. Sana hindi buyer ang  
17 magiging grader sa farm, dapat meron tayo imbes na 'yung buyer.  
18

19 **USEC. SAVELLANO:** Kaya 'nga ano, we have the meeting with the companies regarding sa  
20 mga 'to kung paano magmi-meet. Ginagawa ba 'yon o hindi?  
21

22 **DIR. CASELA:** That's the issue presented by Dir. Trongco, that the NTA traders should  
23 be the one to grade and NTA personnel should have always been there  
24 in those trading centers to check the private sector because the reason  
25 is that the farmers' capital money is their capital.  
26

27 **USEC. SAVELLANO:** Off the record, "ngamin dagitoy farmers saan da nga satisfied, awan  
28 ngamin ti makitam nga happy."  
29

30 **DIR. CASELA:** Sir, if I may. There have been some improvements as to trading  
31 operations because of the collaboration between NTA and the private  
32 sector in the documentation of sustainable tobacco program for the  
33 application of agricultural processes so that old practices and cultural  
34 practices that are strictly implemented by and required by the  
35 international buyers from abroad must be complied with all the  
36 requirements, so much so that those compliant farmers do not have any  
37 more problems because they understand the training requirements and  
38 the determination of the quality of the traders, so that each farmer is  
39 delivering good tobacco. "Binubusisi 'yung tobacco, Sir eh' and let's  
40 educate our farmers in that aspect.  
41

42 **USEC. SAVELLANO:** Sa quality lang naman', 'pero 'yung problema ay 'yung pababa'. So, the  
43 challenge for NTA is to continue the education of the farmers. So, we go  
44 to the trading centers 'kasi may mga samples na 'di ba? Because of  
45 texture, kulay, 'kasi marami elements; kasi hindi naman pwedeng i-bar  
46 code, kasi appreciation pa rin'.  
47

48 **DIR. CASELA:** But, because of the advanced implementation, the traders only accept  
49 based on the physical attribute of the tobacco, but rather they look upon  
50 the content of the tobacco. Not actually the analysis of the tobacco, but  
51 rather the practices or the cultural practices used by the farmer,  
52 especially in the use of pesticides.  
53

54 **USEC. SAVELLANO:** Kaya nga eh' that's our challenge to took, like what I have said in the last  
55 meeting. We need to produce quality tobacco. That's what our main  
56 objective is.

1  
2 **USEC. SAVELLANO:** Any more discussion?  
3  
4 **DIR. CASELA:** I would like to make some. The most consideration being adopted on the  
5 disparity on marketing and buying tobacco leaves, as far as the concern  
6 is proper grading, proper pricing, and proper documentation on that  
7 aspect, that is pricing; and, as to the proper grading, there is compliance  
8 for this already. For the documentation, it is still a problem and this is  
9 being observed particularly by our politicians, because they're very  
10 interested really for the proper documentation of tobacco produce  
11 emanating from their municipalities because this is affecting their share  
12 from R.A. 7171 and R.A. 8240. That's why the LGUs are now aware of the  
13 proper documentation, so much so that they're coming up with some  
14 regulations within their municipalities as to the absolute control of  
15 tobacco buyers especially the farmers. But on the documentation  
16 process, they observe some trading centers do not issue outright the  
17 purchasing vouchers to the farmers after selling of the tobacco. That's  
18 why it's the NTA personnel who are being advised to implement the  
19 strict documentation on tobacco once the farmers sell the tobacco to the  
20 traders.  
21  
22 **USEC. SAVELLANO:** So, 'nadedelay 'yung reporting?  
23  
24 **DIR. CASELA:** Some way, some traders 'nade-delay sir 'yung mga reporting nila'.  
25 Although, this is the policy of that.  
26  
27 **USEC. SAVELLANO:** So, why is it delayed?  
28  
29 **DIR. CASELA:** Kasi 'yung sa harmonized', the traders apply the harmonized grading  
30 system and because of the level of knowledge of our farmers, the farmers  
31 still adopt the ABC already, so much so that when traders transform in  
32 the harmonized grading system to the old grading system, it will take  
33 time, Sir.  
34  
35 **USEC. SAVELLANO:** So, but since we have the NTA personnel, that would not help?  
36  
37 **DIR. PADAYAO:** May I, Sir. During the grading, the grades were already there 'naka  
38 incorporate na 'yung harmonized; however, sa pag-print ng PIVs medyo  
39 pupunta pa sa office kasi sa grading area sila nagge-grade'. However, for  
40 the farmers, we provided provisional receipts and the official receipt  
41 which the PIV will follow, they just give the provisional receipt wherein  
42 they will be paid. The PIV will follow, given to the farmers and to the  
43 offices concerned, they will be given but only temporary, because the  
44 computerization of the receipt will take place in the office.  
45  
46 **USEC. SAVELLANO:** So, what's the remedy? Para wala ng delay. 'Kasi napaka simple lang to'.  
47  
48 **ATTY. PARADO:** Mr. Chair, may we recognize, to answer the query, the Manager of the  
49 Regulation Department, Atty. Ambros. With the permission of the on.  
50 Chair, you may proceed, Sir.  
51  
52 **ATTY. AMBROS:** Good morning to the honorable members headed by our Hon.  
53 Chairperson. Sir, I just would like to clarify that based on our rules, PIVs  
54 of the buying stations are not obligated to issue immediately the PIVs. As  
55 you can see on the Trading Rules and Regulations, the buying stations

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are given 7 days from the day of purchase to submit the PIVs to our Branch Offices.

However, for the purpose of payment, the payment should be made as to the tobacco delivered. The computer printout will be used as basis for the payment already. That is in our rules, your honor. I would just like to clarify the misconception that upon the delivery, the buying stations should already issue the PIVs. It's not the case, your Honor, because they submit these PIVs not later than 7 days on the day of purchase, your Honor.

**USEC. SAVELLANO:** So, I think this is one issue.

**ATTY. AMBROS:** I don't know, Sir, but I think the former Division Chief was not involved in amplifying the result of audit of the Internal Audit Department, your Honor.

**USEC. SAVELLANO:** Dir. Casela, are you okay?

**DIR. CASELA:** Yes sir. Thank you.

**USEC. SAVELLANO:** Okay. Thank you. Can we go to the next.

**ATTY. PARADO:** Mr. Chair, we have a pending motion for approval.

**USEC. SAVELLANO:** So, any objection?

**DIR. PADAYAO:** I second the motion.

**USEC. SAVELLANO:** Seconded. The same Motion is **APPROVED**. Next item...

**BOARD RESOLUTION NO. 127, S. 2023**

***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING BOARD APPROVES THE AUDIT REPORT AND RECOMMENDATIONS FOR THE TOBACCO LEAF REGULATION DIVISION (TLRD) ENFORCEMENT AND MONITORING OF TRADING OPERATIONS, FOR TRADING YEAR 2022-2023.***

***UNANIMOUSLY APPROVED...."***

**ATTY. PARADO:** Okay. Thank you very much Mr. Chair.

So, for our next item, Agenda (C) is for the request for **"Approval of the Proposed Mode/Manner of Disposal of Unutilized Fertilizers and other Crop Protection Agents (CPAs) at the NTA- Isabela & Cagayan Branch Offices.**

To report the Summary of Discussion, may we call on the honorable Dir. Luzviminda U. Padayao, to be assisted by the Resource Person, our OIC-DAOP, Dr. Giovanni B. Palabay, together with Engr. Joefrey T. Bautista, the Manager of NTA- Isabela Branch Office, and Mr. Gilbert A. Taguiam, the Manager of the NTA-Cagayan Branch Office.

1 **DIR. PADAYAO:** Sir, for the second Agenda, this is the Request for Approval of the  
2 Proposed Mode/Manner of Disposal of Unutilized Fertilizers and other  
3 Crop Protection Agents (CPAs) at the NTA- Isabela and Cagayan Branch  
4 Offices.  
5

6 The subject matter was reported in yesterday's Joint Board Committee  
7 Meeting with the following summary of discussions, suggestions, and  
8 recommendations:  
9

10 No.1: That Dr. Palabay informed the Board that there are recent  
11 inventories of unutilized farm inputs in the branch offices of NTA-Isabela  
12 and Cagayan. He then called the concerned Managers to render a  
13 summary of the inventories.  
14

15 Second, the Resource Person, the Manager of NTA- Isabela, in the person  
16 of Engr. Bautista, reported that for NTA-Isabela, that there are unutilized  
17 NTA Fertilizers Inventory for TGCS for the Crop Year 2023-2024 of 4,381  
18 bags of 10-18-24 and 745 bags of 0-0-5.  
19

20 On the other hand, the Resource Person, Mr. Taguam of NTA- Cagayan,  
21 also reported the unutilized material inputs, which are the following: 13  
22 bags of 46-0-0; 8 bags of 21-0-0; 145 bags of 0-0-50; 381 bottles of Vaksi  
23 K, 500 ml; and 778 sachets of Steward, 4 g. insecticides.  
24

25 Further, the Branch Managers concerned, Engr. Bautista and Mr.  
26 Taguam, then requested the Board that the said inventories except  
27 Vaksi K will be utilized this cropping season in their respective branch  
28 offices while the Vaksi K will be transferred to others who need the crop  
29 protection agents.  
30

31 Dir. Casela commented that the proposed Mode/Manner of Disposal of  
32 Unutilized Fertilizers and other Crop Protection Agents, when approved,  
33 will be subject to the colatilla that the inventory fertilizers and CPAs will  
34 be utilized by the branch offices this Crop Year 2023-2024 under the  
35 Tobacco Contract Growing System project.  
36

37 After this, Dir. Casela then moved for the approval of the agenda, which  
38 was duly seconded by Dir. Serna, and the agenda was approved. The  
39 subject matter having been thoroughly and exhaustively discussed in the  
40 Committee Meeting proper, and the Motion to Approve which was duly  
41 seconded. Unless there are further discussions today, we request you,  
42 Sir, for the approval of the agenda. Sir, so I move for the approval of the  
43 agenda.  
44

45 **USEC. SAVELLANO:** So, I just want to be clarified. What are those unutilized fertilizers? Why  
46 did this happen?  
47

48 **DIR. CASELA:** May I give some background, Sir, on these inventories of fertilizers and  
49 insecticides. The CPAs, which accumulated, were not distributed in last  
50 year's program. Theses inventories accumulated because when the  
51 recruited farmers, and the requirements, were included in the program  
52 of the project's budget processing, but then suddenly some of the  
53 farmers listed as cooperators withdrew from the program. So, meaning  
54 to say, these fertilizer requirements should stop with the respective  
55 branches. In consideration of the issue on the lowering of efficacy of the  
56 CPAs and fertilizers, for this year it was the approved by the Board that

1 with these inventories, these two branches will now utilize these  
2 inventories as their requirements to offset the requirements for the  
3 farmers for this contract growing project, Sir. 'Ibig sabihin yung  
4 kakulangan nila for this year,' yun na lang 'yung gamitin, Sir'.  
5

6 **USEC. SAVELLANO:** Eh' yung efficacy nila okay pa?  
7

8 **DIR. CASELA:** Yes sir, okay pa. It has been tested on the efficacy aspect of these material  
9 inputs, Sir. Thank you.  
10

11 **USEC. SAVELLANO:** So, there's a Motion?  
12

13 **DIR. CASELA:** There was.  
14

15 **DIR. MARTINEZ:** I second the Motion.  
16

17 **USEC. SAVELLANO:** As seconded. Any further discussion? There being none, the Motion is  
18 **APPROVED.** We go now to the next item.  
19

20 **BOARD RESOLUTION NO. 128, S. 2023**  
21

22  
23 ***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE***  
24 ***NTA GOVERNING BOARD APPROVES THE PROPOSED MODE/***  
25 ***MANNER OF DISPOSAL OF UNUTILIZED FERTILIZERS AND***  
26 ***OTHER CROP PROTECTION AGENTS (CPAs) AT THE NTA -***  
27 ***ISABELA & CAGAYAN BRANCH OFFICES.***  
28

29 ***RESOLVED FURTHER, THAT THE INVENTORIED***  
30 ***FERTILIZERS AND CPAs SHALL BE UTILIZED BY THE SAID***  
31 ***BRANCH OFFICES FOR THEIR 2023 - 2024 TOTAL CONTRACT***  
32 ***GROWING SYSTEM (TCGS) REQUIREMENTS.***  
33

34 ***UNANIMOUSLY APPROVED...."***  
35

36 **ATTY. PARADO:** Thank you Mr. Chair.  
37

38 So, for our next item, the agenda (D) is the request for the "***Approval of***  
39 ***the Confirmation of Four (4) Promotional and / or Original***  
40 ***Appointments to Vacant Plantilla Positions***".  
41

42 To report on the Summary of the Discussions, may I call on the honorable  
43 Dir. Nestor C. Casela, representative of the Academic Community Sector,  
44 to be assisted by the Deputy Administrator for Support Services, Hon.  
45 Benedicto M. Savellano. Sir.  
46

47 **DIR. CASELA:** Thank you Mr. Secretary, and Mr. Chairman. Thank you very much Atty.  
48 Parado for allowing me to read the Report on the discussions of the  
49 agenda yesterday.  
50

51 I'd like to report that it was decided by the Board, as to request of  
52 management in the interview for positions starting from Division Chief  
53 to Department Managers, that the Personnel Committee of the  
54 Governing Board should be represented, so the Board selected me as its  
55 representative, so I participated in the interview of the applicants for the  
56 Division Chief and Managers, Sir, and this was the result.



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The agenda was exhaustively and comprehensively discussed yesterday in the Committee Meeting, and here is the Summary of discussion:

Mr. Savellano, the Honorable Deputy Administrator for Support Services called upon Atty. Parado, a Member of the Selection and Promotion Committee, to report on the agenda, in the official absence of the Chairperson of the Selection and Promotion Board.

Atty. Parado then presented and submitted the Shortlist of the Candidates for the different plantilla positions to be filled up at the NTA. He manifested that the vacant plantilla positions, consisting of four (4) items for confirmation, have been published in the CSC and NTA websites, in compliance with the requirements of the Civil Service Commission.

Likewise, he stated that the shortlisted candidates have been interviewed in accordance with established rules and have undergone a deep and thorough recruitment, selection and placement process.

He then manifested that: (1) That for the Position of Supervising Tobacco Production & Regulation Officer (JG-12) of Pangasinan Branch Office, Region I, with one vacancy, there was only one candidate to the said position, namely: Magdalena N. Mamuyac; (2) That for the position of Internal Audit II (JG-10), Internal Audit Department, NCR, with one vacancy, there was only one applicant to the said position, namely: Kriscia Mae M. Vidal; (3) That for the position of Science Research Specialist II (JG-10), for the Industrial Research Department, NCR, with one vacancy, there was only one applicant to the said position, namely: Renzo Vien C. Reas; and (4) That for the position of Secretary I, (JG-5), Industrial Research Department, NCR, with one vacancy, there were two applicants to the said positions, with the applicant who obtained the higher total average, namely: Reynalyn A. Udani.

All of them were recommended for the Board's confirmation.

Likewise, yours truly thereafter moved for the confirmation of the following:

- 1. *Magdalena N. Mamuyac*                      *Supervising Tobacco Production & Regulation Officer (JG-12)  
Pangasinan Branch Office, Region I*
- 2. *Kriscia Mae M. Vidal*                      *Internal Audit II (JG-10)  
Internal Audit Department, NCR*
- 3. *Renzo Vien C. Reas*                      *Science Research Specialist II (JG-10)  
Industrial Research Department, NCR*
- 4. *Reynalyn A. Udani*                      *Secretary I (JG-5)  
Industrial Research Department, NCR*

The same Motion for Confirmation was duly seconded by Dir. Serna, and the agenda was approved.

1 The subject matter having been confirmed, and discussed in the  
2 Committee Meeting proper, and that the Motion having been duly  
3 seconded; and, unless there is no need for further discussions, I so move  
4 for the approval of the agenda. Thank you, Mr. Chair.  
5

6 **USEC. SAVELLANO:** So, there's a Motion...

7  
8 **DIR. PADAYAO:** I second the Motion.  
9

10 **USEC. SAVELLANO:** Seconded. Any discussion, objection? I hear none, the same Motion is  
11 APPROVED.  
12

13 **BOARD RESOLUTION NO. 129, S. 2023**

14  
15  
16 ***"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, THAT THE NTA GOVERNING***  
17 ***BOARD APPROVES THE CONFIRMATION OF FOUR (4) PROMOTIONAL AND / OR***  
18 ***ORIGINAL APPOINTMENTS TO VACANT PLANTILLA POSITIONS, AS FOLLOWS:***  
19

- 20 1. **MAGDALENA N. MAMUYAC** ***SUPERVISING TOBACCO PRODUCTION &***  
21 ***REGULATION OFFICER (JG-12)***  
22 ***PANGASINAN BRANCH OFFICE, REGION I***  
23  
24 2. **KRISCIA MAE M. VIDAL** ***INTERNAL AUDIT II (JG-10)***  
25 ***INTERNAL AUDIT DEPARTMENT, NCR***  
26  
27 3. **RENZO VIEN C. REAS** ***SCIENCE RESEARCH SPECIALIST II (JG-10)***  
28 ***INDUSTRIAL RESEARCH DEPARTMENT, NCR***  
29  
30 4. **REYNALYN A. UDANI** ***SECRETARY I (JG-5)***  
31 ***INDUSTRIAL RESEARCH DEPARTMENT, NCR***  
32

33 ***UNANIMOUSLY APPROVED...."***  
34 -----  
35

36 **USEC. SAVELLANO:** So, Hired 'na sila. Next item...

37  
38 **ATTY. PARADO:** Thank you very much Mr. Chair. For the next item, on **Other Matters**.  
39

40 We have the proposed schedule for the **166<sup>th</sup> Regular Board Meeting**  
41 that will be held on **September 13, 2023 (Wednesday)**, at 9:00 AM,  
42 which is tentative. The proposed venue, Mr. Chair, is the Tobacco  
43 Farmers' Training Center, San Juan, Ilocos Sur. The **Joint Board**  
44 **Committee Meeting** will be on **September 12, 2023, (Tuesday)**, at  
45 9:00 AM.  
46

47 For the next item, that will be on Adjournment. But, before that, may we  
48 request our acting Chairman and DA Undersecretary for his final  
49 instructions. Your honor, please.  
50

51 I would like to thank our honorable DA USec. Deogracias Victor "DV"  
52 Savellano, and our Administrator, ma'am Belinda S. Sanchez, and the  
53 Members of the NTA Governing Board, our Deputy Administrators,  
54 together with our Branch Managers, Department Managers and OIC's,  
55 for your participation.  
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So, that concluded our 120<sup>th</sup> Special Meeting of the Board. Thank you very much to our participants. So, for the next item that will be on Adjournment.

**USEC. SAVELLANO:** Any motion?

**DIR. CASELA:** I move for the adjournment of the meeting.

**DIR. SERNA:** I second the motion.

**USEC. SAVELLANO:** Acting upon the Motion for Adjournment, today's meeting is hereby adjourned.

**SO, ORDERED.**


Thank you.

Note: **THE MEETING WAS ADJOURNED AT EXACTLY 11:30 AM.**

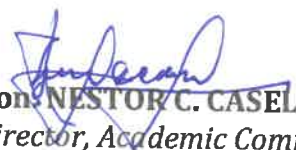
**PREPARED AND CERTIFIED CORRECT:**

  
**ATTY. JUN FRED V. PARADO**  
*Acting Board Secretary*  
NTA Governing Board

**ATTESTED:**

  
**Hon. DEOGRACIAS VICTOR "DV" B. SAVELLANO**  
*Undersecretary Department of Agriculture*  
*Alternate Representative of the DA Senior Undersecretary*  
*to the NTA Governing Board*

  
**Hon. BELINDA S. SANCHEZ, CPA**  
*Administrator/CEO and Vice-Chairman,*  
*NTA Governing Board*

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

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

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

**Hon. JESSIE PAT M. SERNA**  
*Appointive Director, Tobacco Traders/Exporters Sector*

**Hon. LUZVIMINDA U. PADAYAO**  
*Appointive Director, Tobacco Farmers Sector*