



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
1099 Manila

MASTER COPY *AK*

November 15, 2018

CUSTOMS MEMORANDUM CIRCULAR
NO. 247-2018

To: All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
And Others Concerned

Subject: DA Department Order No. 11/ Temporary Suspension of the Utilization of the Unused Sanitary Phytosanitary Import Clearance

Attached is a copy of the Department of Agriculture Order No. 11, Series of 2018, dated 17 October 2018 entitled: **"TEMPORARY SUSPENSION OF THE UTILIZATION OF THE UNUSED SANITARY PHYTOSANITRY IMPORT CLEARANCE"**

All collectors, appraisers, examiners and customs officials in all major ports of entry are instructed to strictly implement the said Order in support to the local onion growers to ensure the sufficient supply of onion in the local market.

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

Q
Bureau of Customs
REY LEONARDO B. GUERRERO
COMMISSIONER
18-00633
REY LEONARDO B. GUERRERO
Commissioner, BOC
NOV 22 2018 *JK*



Republic of the Philippines
DEPARTMENT OF AGRICULTURE
Office of the Secretary
Elliptical Road, Diliman, Quezon City, 1100 Philippines

17 October 2018

DEPARTMENT ORDER

No. 11
Series of 2018

**SUBJECT : TEMPORARY SUSPENSION OF THE UTILIZATION OF THE UNUSED
SANITARY PHYTOSANITARY IMPORT CLEARANCE**

In support to the local onion growers, and in view of the sufficient supply of onion in the local market, the utilization of the unused Sanitary and Phytosanitary Import Clearance is hereby temporarily suspended.

This Order shall take effect immediately and shall remain in force until revoked or amended.

[Signature]
EMMANUEL R. PIÑOL
Secretary

DEPARTMENT OF AGRICULTURE
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October 24, 2018

HON. BONG GO
Special Assistant to the President
SAP Office, Malacañang
Manila

Thru: Undersecretary Jennifer Ong

Dear Sir / Madam:

The undersigned, one of the stakeholder in the red onion industry, acting herein as spokesperson of the Katipunan ng mga Samahang Magsisibuyas ng Nueva Ecija (KASAMNE), a federation of cooperatives, being authorized by its Chairman of the Board, is humbly seeking your invaluable assistance in the implementation by the Bureau of Customs of the Department Order No. 11, Series of 2018 by the Department of Agriculture (DA) for the temporary suspension of the utilization of the unused sanitary phytosanitary import clearance that was issued right after a dialogue by the DA Secretary Emmanuel Piñol with the onion producers and importers held at the DA on October 17, 2018. A photocopy of the Department Order No. 11 and Authorization Letter from KASAMNE are hereto attached for your ready reference.

To begin with, harvesting of local red onions in the Philippines is from March to April. The expenses per hectare of planting red onions is around P150,000.00 and the expected harvest is approximately ten (10) tons per hectare. However early this year, the crops were infested by "army worms", wherein only four (4) tons had been harvested per hectare. The "farm gate price" of red onions is averaging to P45.00 per kilo if expenses for farming, harvesting, sacking, trucking, and wages of farmers are included. These red onions are being stored in cold storages scattered throughout Luzon to maintain its freshness and to avoid immediate rotting of the same. Because of the storage cost, the investment in red onions is from P63-P65 per kilo, which includes 10% deduction in weight from the time these red onions are stored in the cold storage until the time these are being pulled out from said cold storage.

During the harvest season this year, there were 3.5 Million bags at around 25 kilos of local red onions were harvested.

From May until August 2018, KASAMNE, together with SIPAG (Sibuyas ng Pilipinas Ating Alagaan, Inc.), an organization of onion growers from Mindoro, Ilocos, Pangasinan, Rizal and Nueva Ecija were interacting with the Bureau of Plant Industry (BPI) and its Task Force Allium, to give the latter vital information such as investment and inventory of locally harvested red onions, including the non-issuance of "import permits" for red onions because inventory of locally harvested red onions at that time is still sufficient.

On October 17, 2018, Sec. Piñol, after the aforesaid dialogue, immediately suspended the validity of more than 1,000 unused import permits for red onions, which were issued beginning August 23, 2018, based on "misrepresentation" of some groups of red onion importers since, at the time of the issuance of said unused import permits there were still 1.4 million, more or less, bags of locally

harvested RED onions in the whole country; including around 651,000 bags in Nueva Ecija and 786,000 bags in Metro Manila.

Also at the time of the suspension of the unused import permits on October 17, there were still around 900,000 bags of RED onions stored in several cold storages all over the Philippines, including 288,591 bags in Nueva Ecija and around 100,000 bags in Tarlac and Pangasinan, sufficient to supply the entire Philippines for at least another two (2) months. Selling price of imported red onions from India and China then was just half the cost of local red onions. This is the reason why the locally harvested red onions could not be sold even at its costs of P60.00 to P65.00 per kilo because of the proliferation of imported red onion that can be sold at a much lower cost of P30.00-P32.00 per kilo. Further, at the time of suspension, considering that the investment is around P60-P65 per kilo, the local red onions were being sold at the selling price of between P40-P45 per kilo but still there were only few takers.

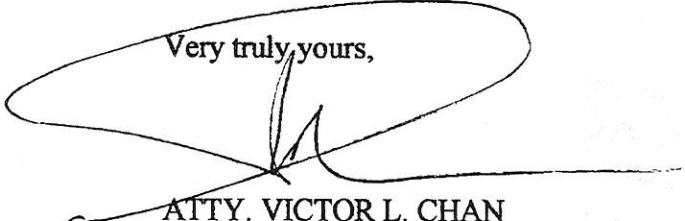
The suspension of said unused import permit for red onions is necessary; otherwise, the industry of red onions in the Philippines will demise, including the livelihood of local farmers that depends heavily on planting red onions, among others. Farmers and other stakeholders will be discouraged to plant and sell red onions as they cannot recover their investment because of the proliferation of imported red onions which are being sold at a cheaper price in the market. These imported red onions are just surpluses from foreign countries such as China and India, among others, of their harvest for local consumption and export to other countries.

The issue now at hand is the implementation of the subject Department Order No. 11, Series of 2018 of the Department of Agriculture by the Bureau of Customs as we have no way of accurately monitoring if said department order is being implemented to importers of red onions. We would just like to make sure that said department order is being properly and fully implemented so that no more imported red onions can be shipped out of the pier and delivered to their respective consignees.

In light of the foregoing, WE, on behalf of KASAMNE, humbly need your assistance to see to it that the Bureau of Customs would fully implement the aforesaid Department Order No. 11 and bar the release of imported RED onions arriving from foreign countries.

Thank you very much.

Very truly yours,


ATTY. VICTOR L. CHAN
Red Onion Stakeholder and as
Authorized Representative of
KASAMNE
Suite 101 Sunrise Condominium
226 Ortigas Avenue, Greenhills
San Juan City 1502
Tel. No. 7217102



KASAMNE
KATIPUNAN NG MGA SAMAHANG MAGSISIBUYAS NG NUEVA ECIIJA
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AUTHORIZATION LETTER

October 16, 2018

TO WHOM IT MAY CONCERN,


This is with reference to the issues and matters arising from untimely importation of Red Onions made by the Department of Agriculture.

I, **JULIUS G. CAMANIA**, am currently the Chairman of the Board of KASAMNE, a Federation of Cooperatives duly existing with the laws of the Republic of the Philippines, and I, as Chairman of the Board and on behalf of all the members of KASAMNE, is authorizing **ATTY. VICTOR L. CHAN** to speak, to answer and to represent KASAMNE with respect to all the issues and matters arising from the importation of Red Onions on our behalf.

This authorization will be deemed valid until a new one is issued or further notice from us.

Thank You and More Power.

Respectfully Yours,


JULIUS G. CAMANIA
Chairman of the Board