



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF AGRICULTURE
FERTILIZER AND PESTICIDE AUTHORITY
4th Floor, Building B, NIA Complex, EDSA, Quezon City
TEL. NOS.: 922-33-71; 926-58-77; 922-33-68; 929-60-71 loc. 123
Telefax: 922-33-64; 922-33-55
e-mail address: fpa_77@yahoo.com website: www.fadinap.org/philippines
P.O. Box 2582, Q.C.

Memorandum Circular No. 02
Series of 2001

TO : ALL CONCERNED

SUBJECT : **GUIDELINES FOR ACCREDITATION AND REGULATION IN
THE SELLING OF FERTILIZER AND PESTICIDE INVOLVING
NETWORKING AND MULTI-LEVEL MARKETING STRATEGY**

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#### A. Legal Basis And Purpose

Recognizing the latest innovations in the field of marketing and distribution systems such as networking, multi-level and multiple effort marketing employed by licensed fertilizer/pesticide handlers as herein defined, and consistent with the provisions of Section 9 of P.D. 1144 and Sections 1 and 2 of Article III of FPA Rules and Regulation No. 1, series of 1977, all authorized individual dealers or distributors of licensed handlers adopting the multi-level marketing or networking strategy are hereby required to secure an accreditation as fertilizer/pesticide dispenser as set forth below:

#### B. Definitions

1. **Accreditation** – authorization issued to a person/entity of a networking or multi-level marketing scheme, in lieu of a license, after successfully attending and passing the examination in the Agro-Dealers/Retailers' training.
2. **Fertilizer and Pesticide Accredited Network Dispenser (FPAND)** – a person in the networking or multi-level marketing, also known as Individual Business Operator (IBO), among others, whether ambulant or otherwise, who do not have a permanent store/structure licensed by the Authority and is authorized to dispense fertilizer/pesticide products which are registered with the FPA from a mother company or the handler duly licensed by the Authority.
3. **Handlers** – shall mean exporters, importers, manufacturers, formulators, distributors, suppliers, wholesalers, dealers, repackers, commercial applicators, warehouses and retailers of fertilizer, fertilizer inputs, pesticide and other agricultural inputs.
4. **Multi-level Marketing** – also known as network marketing or multiple effort marketing, among others. Under this scheme, distributors/dealers or IBO's who are independent contractors and are not employees of the company act both as the company's customer base as well as the marketing and sales arm for the company's products and business opportunities.
5. **Mother Company** – the duly licensed handler by FPA with an office/store/warehouse, who follow the networking, multi-level or multiple effort of marketing and distribution system and supplies the duly registered products to the FPAND.



### C. Coverage and Mechanics of Implementation

1. This Circular cover handlers who are engaged in selling, distribution and peddling of fertilizer and pesticide products through the networking, multi-level marketing downline distribution and similar marketing style.
2. The FPAND should exclusively sell registered fertilizer and pesticide products of a particular mother company indicated in their respective networking accredited dispenser ID issued by FPA.
3. The Mother Company/distributors of this scheme should be duly licensed by FPA and should only sell and dispose duly registered fertilizer/pesticide products with the FPA to dispensers who are duly accredited by FPA.
4. Respective dispenser should prominently display their FPA accreditation ID during their operation.

### D. Training and Examination

Dispensers of fertilizers/pesticides under the networking/multi-level marketing who intend to market/sell fertilizers/pesticides are required to attend a 2-day Agro-Dealers/Retailers' training and pass the examination to be administered by the Authority as an integral part of accreditation. All those qualified (who passed the examination) shall file for a dispenser's ID.


### E. Issuance of Dispenser's ID

1. The following are the requirements in the issuance of ID:
  - a. Certificate of attendance to a 2-day Agro-Dealers/Retailers' training.
  - b. One piece 1 x 1 ID picture.
  - c. Accomplished application form.
  - d. Payment of dispensers' ID, amounting to PhP350.00 in the form of cash, Postal Money Order or Managers' Check payable to FPA.
2. The application for dispensers' ID shall be gathered by the Area Manager of the Mother Company in the province. The area manager shall submit to the FPA all the requirements including the fee.

### E. Validity and Renewal of Accreditation

The fertilizer/pesticide dispenser's ID for distributors/dealers of fertilizer/pesticide is renewable every three (3) years simultaneous with the renewal of the dealership/distributorship license by the mother company or distribution centers.

For the guidance and compliance of all concerned.

  
CESAR M. DRILON, JR.  
Undersecretary, DA and  
Officer-in-Charge

22 November 2001