

CREATING THE FERTILIZER INDUSTRY AUTHORITY

PRESIDENTIAL DECREE NO. 135, February 22, 1973

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WHEREAS, fertilizer is a vital input to food production and must therefore be supplied inadequate quantities at the lowest possible cost;

WHEREAS, world fertilizer prices have increased drastically in recent months;

WHEREAS, the domestic fertilizer market has elements of disorganization leading to higher distribution costs;

WHEREAS, there is a need to insure the viability of the fertilizer industry in which the Government has substantial financial interests;

WHEREAS, the national interest demands the maximum production utilization of all installed fertilizer production capacity in the country and the rationalization of all fertilizer importations of the industry; and

WHEREAS, the objectives for the fertilizer industry can be most expeditiously accomplished through greater government participation and control through a centralized government authority;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, do hereby create the Fertilizer Industry Authority to regulate, control and develop the fertilizer industry in the Philippines with the end in view of assuring the agricultural sector of adequate fertilizer supply at the lowest possible cost.

SECTION 1. The Fertilizer Industry Authority, which shall have jurisdiction overall existing and potential manufacturers and suppliers of fertilizer and fertilizer inputs, shall have the following functions:

- To control and regulate the prices, terms, mark-ups, distribution channels, promotion, storage and other marketing factors in the domestic fertilizer market;
- To establish and implement regulations governing the import and export of fertilizer inputs, and when necessary, to itself import and/or export such items;
- To control and regulate all aspects of domestic fertilizer production, including the utilization of idle capacity and the orderly expansion of the industry;
- To control and assist in the financing of the importation of fertilizer and fertilizer inputs, of production, or inventory and working capital, and of the expansion of the industry; and
- To do all such things as may be necessary to maintain an adequate supply of fertilizers to the domestic market at reasonable prices while maintaining the long-term viability of the industry.

SEC. 2. The Fertilizer Industry Authority shall be composed of the following officials or their representatives:

- Secretary of Agriculture and Natural Resources, Chairman

- Secretary of Finance, Member
- Chairman, Board of Investments, Member
- Governor, Central Bank, Member
- President, Philippine National Bank, Member

The Authority is empowered to create the position of Executive Director and other subordinate officials as may be required. All managerial and technical positions shall be specifically exempt from WAPCO and Civil Service requirements.

The Authority shall be supported by a Secretariat to be supplied initially by the Department of Agriculture and Natural Resources until such time as the Authority can create its own staff.

SEC. 3. The Fertilizer Industry Authority shall have the following powers:

- To make a continuous assessment of the fertilizer supply and demand situation, both domestic and worldwide;
- To establish and enforce sales quotas, production schedules, distribution areas and such other marketing regulations as may be necessary to assure market stability and viable operations in the industry;
- To determine and set the volumes and prices, both wholesale and retail of fertilizer and fertilizer inputs;
- To negotiate and enter into contracts for all imports and exports of fertilizer and fertilizer inputs;
- To import fertilizer and fertilizer inputs exempt from customs duties, compensating and sales taxes and all other taxes for a period of two years from date hereof, unless earlier terminated or later extended by the President, and to sell or convey such fertilizer or fertilizer input to any individual association, partnership, or corporation likewise exempt from the payment of customs duties and all other taxes;
- To control and regulate all marketing companies, whether importer, indenter, wholesaler or retailer;
- To regulate and control quality of the different grades of fertilizer and to set new grades when necessary;
- To compel the utilization of unused or underutilized capacities of fertilizer companies and to direct any improvements, modifications or repairs as may be necessary to accomplish this;
- To approve or to reject the establishment of new fertilizer or fertilizer input plants and the expansion or contraction of existing capacities;
- To promote and coordinate all fertilizer research;
- To obtain complete access to all pertinent information on the operations of the industry, including audited and/or unaudited financial statements, marketing, production, and inventory data;
- To call upon anyone in the fertilizer industry or in industries related to the fertilizer industry or any other government agency to assist the Authority in carrying out its functions;
- To establish and impose appropriate penalties on the fertilizer manufacturers, distributors, dealers, wholesalers, retailers and raw-materials suppliers for violations of any rule, quota, or guideline established by the Authority; and
- To do any and all acts not contrary to law or existing decrees and regulations as may be necessary to carry out the functions of the Authority.

SEC. 4. The Fertilizer Industry Authority may delegate such selected privileges, powers, or authority as may be allowed by law to corporations, cooperatives, associations, or individuals as may presently exist or be organized to assist the Authority in carrying out its functions.

SEC. 5. The Fertilizer Industry Authority shall constitute itself immediately and shall exist for five (5) years from the date of this Decree, unless earlier abolished by the President of the Philippines.

SEC. 6. This Decree shall take effect immediately.

Done in the City of Manila, this 22nd day of February, in the year of Our Lord, nineteen hundred and seventy-three.

(Sgd.) FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.) ALEJANDRO MELCHOR

Executive Secretary

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