



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

15 May 1991

MEMORANDUM CIRCULAR NO. 05

T O : ALL REGIONAL DIRECTORS, PAROs and MAROs

SUBJECT : SUPPLEMENTAL GUIDELINES IN THE REGISTRATION OF AGRARIAN REFORM COOPERATIVES

1. Pursuant to Article 95 of Republic Act 6938, an "Agrarian Reform Cooperative may be organized and registered only upon prior written verification by the Department of Agrarian Reform to the effect that the same is needed and desired by the beneficiaries. A study shall be conducted to fairly indicate the economic feasibility of organizing it and that it will be economically viable in its operation."
2. To expedite and facilitate the registration of agrarian reform cooperatives and in support to the Joint Administrative Order No 01 series of 1991 of the Department of Agrarian Reform and the Cooperative Development Authority (herewith attached as Annex I) a supplemental guidelines and a certification for the registration of an agrarian reform cooperative are hereby issued to wit;
 - 2.1 The Regional Director shall direct the MAROs to post public announcement in conspicuous places within their respective areas of coverage informing prospective cooperators to submit all requirements for registration as agrarian reform cooperative to the MARO office.
 - 2.2 The MAROs shall afterwards conduct an investigation to determine the veracity of the farmer cooperator's information particularly on their status whether they are bonafide beneficiaries and/or marginal farmers and whether organizing into cooperative is economically feasible and that it will be economically viable in its operations.
 - 2.3 The MARO shall sign the space provided for him/her in the Certification for Registration (herewith attached as Annex II) after confirming that all requirements for registration are found in order and forward this together with all the requirements to the Provincial Agrarian Reform Office. If the result of the investigation is negative, the MARO shall inform the applicant of the shortfalls.
 - 2.4 The PARO after reviewing all the requirements and found that everything is in order shall attest to the certification and together with all the requirements shall be forwarded to the regional office.

2.5 The Regional Director after thorough examination of the required documents shall submit to the nearest CDA extension office the Certification for registration together with all the other requirements and endorse favorably the registration of the agrarian reform cooperative.

3. The Regional Office shall keep the Bureau of Agrarian Reform Beneficiaries Development (BARBD) updated on the names and locations of the prospective agrarian reform cooperatives whose registration papers are favorably endorsed for registration to CDA by rendering quarterly reports to this office.

For strict compliance.


BENJAMIN V. LEONG
Secretary

Cooperative Development Authority and Department of Agrarian Reform
Joint Administrative Order No. 01
Series of 1991

SUBJECT: PROCEDURAL GUIDELINES FOR THE ORGANIZATION AND
REGISTRATION OF AGRARIAN REFORM COOPERATIVES

I. PREFATORY STATEMENT

Pursuant to the provisions on the Agrarian Reform Cooperatives of Republic Act No. 6938 otherwise known as the Cooperative Code of the Philippines and in order to obtain coordination in the organization and registration of agrarian reform cooperatives, hereunder are the procedural guidelines for the organization and registration of cooperatives composed of agrarian reform beneficiaries and marginal farmers. This guideline is primarily intended for agrarian reform beneficiaries/marginal farmers who would like to be registered as Agrarian Reform Cooperatives.

II. DEFINITION OF TERMS

1. Cooperative as defined in the Cooperative Code of the Philippines, is a duly registered association of persons with a common bond of interest, who have voluntarily joined together to achieve a lawful common social or economic end, making equitable contributions to capital required and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted principles.
2. Agrarian Reform Cooperative as defined within the meaning of the Cooperative Code, is one where the majority of the members are agrarian reform beneficiaries and marginal farmers.
3. Agrarian Reform Beneficiaries are the qualified beneficiaries of CARP as defined under Section 22, Chapter VII of R.A. 6657.
4. Marginal Farmers are the farmers in areas whose crops are sustained by rain fall.
5. Promoters/Organizers are the cooperative federations, unions, and non-government organizations (NGO's) that organize cooperatives.
6. Prospective Cooperators are the bonafide agrarian reform beneficiaries and marginal farmers.

III. PURPOSES FOR ORGANIZING AGRARIAN REFORM COOPERATIVES

Agrarian Reform Cooperative is organized for any or all of the following purposes:

1. To develop an appropriate system of land tenure, land development, land consolidation or land management in areas covered by agrarian reform;
2. To coordinate and facilitate the dissemination of scientific methods of production and provide assistance in the storage, transport and marketing of farm products for agrarian reform beneficiaries and their immediate families, hereinafter referred to as "beneficiaries";
3. To provide for a built-in mechanism savings to answer for the immediate and emergency needs of members;
4. To provide financial facilities to beneficiaries for provident or production purposes at reasonable costs;
5. To arrange and facilitate the expeditious transfer of appropriate and suitable technology to beneficiaries and marginal farmers at the lowest possible cost;
6. To provide social security benefits, health, medical and social insurance benefits that promote the general welfare of the agrarian reform beneficiaries and marginal farmers;
7. To provide non-formal education, vocational/technical training and livelihood programs to beneficiaries and marginal farmers;
8. To act as channels for external assistance and services to the beneficiaries and marginal farmers;
9. To undertake a comprehensive and integrated development program in agrarian reform and resettlement areas with special concern for the development of agro-based, marine-based, and cottage-based industries;
10. To represent the beneficiaries on matters that affect their common interest; and
11. To undertake such other economic or social activities as may be necessary or incidental in the pursuant of the foregoing purposes.

IV. MEMBERSHIP IN AGRARIAN REFORM COOPERATIVES

Only agrarian reform beneficiaries under the agrarian reform program of the Government and marginal farmers can be members of Agrarian Reform Cooperatives. At least fifteen (15) agrarian reform beneficiaries and marginal farmers in agrarian reform areas may form and operate an agrarian reform cooperative.

V. REQUIREMENTS FOR REGISTRATION

For the purpose of registering agrarian reform cooperatives, the following are the requirements under R.A. 6398:

1. Four (4) copies of economic survey (Art. 11)
 - a. General statement describing the:
 1. Structure
 2. Purpose
 3. Economic Feasibility
 4. Area of Operation
 5. Size of Membership
 6. Other Pertinent Data
2. Four (4) copies of Articles of Cooperation, together with:
 - a. Bonds of accountable officers
 - b. Sworn statement of the Treasurer elected by the subscribers that:
 1. at least 25% of the authorized share capital has been subscribed; and
 2. at least 25% of the subscribed capital has been paid up but in no case shall paid-up share capital be less than two thousand pesos (P2,000.00) (Art. 14.5)
3. Four (4) copies of By-Laws (Art. 14.4);
4. Certification from DAR Trustees; and
5. Registration fee in the amount of one hundred fifty pesos (P150.00) shall be paid to CDA in behalf of the National Treasury.

VI. REGISTRATION PROCEDURES


- Step I Promoters/Organizers who may come from Federations, Unions, and NGOs may assist the beneficiaries prepare the documents mentioned in Section V. Articles of Cooperation shall be signed by each of the prospective cooperators and acknowledged by them before a Notary Public.


- Step 2 Prospective cooperatives shall submit all required documents for registration to Regional Office of the Department of Agrarian Reform.
- Step 3 Regional Office of DAR will examine and verify whether the prospective cooperators are bonafide beneficiaries and/or marginal farmers and may now be organized and registered in accordance with the requirement of this Code.
- Step 4 DAR Regional Office shall submit to CDA Extension Office the written verification of the application for registration together with required documents and endorse favorably for registration if the same is found in order and return to applicants if findings are negative.
- Step 5 CDA Extension Office shall examine the required documents together with the findings of the DAR Regional Office for purpose of ascertaining compliance with the Cooperative Code.
- Step 6 CDA Extension Office shall issue the Certificate of Registration under its official seal which shall be the conclusive evidence that the cooperative therein mentioned is duly registered, unless it is proved that the registration thereof has been cancelled.

VII. EFFECTIVITY

This Joint Administrative Order shall take effect ten (10) days after its publication in two (2) newspapers of general circulation.

Quezon City, March 10, 1991


BENJAMIN T. LEONG
Secretary
Department of Agrarian Reform


EDNA E. ABERILLA
Chairperson
Board of Administrators
Cooperative Development Authority

CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that _____
(Name of Cooperative)

of _____, after reviewing
(Barangay, Municipality, Province)

all the requirements for registration as an agrarian reform cooperative as prescribed by Republic Act 6398 and R.A. 6657, is found to be eligible for registration.

This certification is issued for the purpose of facilitating the registration of said cooperative.

Issued on _____ at _____.

VERIFIED BY

ATTESTED BY:

MARO

PARO