

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. 2837

HOUSE OF REPRESENTATIVES	
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Introduced by REP. TEDDY BRAWNER BAGUILAT

**AN ACT TO PROMOTE FARMER AND FISHERFOLK ENTREPRENEURSHIP AND
DEVELOPMENT TO BE KNOWN AS "SAGIP SAKA ACT OF 2016"**

EXPLANATORY NOTE

Agriculture is the backbone of the Philippine economy. The agriculture sector accounts for 11.3% of the country's gross domestic product in 2014 and 32% of total employment in 2012. About 67% of the population is directly or indirectly involved in the sector. According to the National Statistical Coordination Board, farmers and fishermen, however, are among the least paid workers in the Philippine economy with an average daily wage and salary of ₱ 184.53 and ₱ 199.32, respectively in 2014.

This landmark legislation mandates national and local government agencies to directly purchase agricultural and fishery products from accredited farmers' and fisherfolks' cooperatives, which purchases shall be exempt from public bidding required under Republic Act No. 9184 or "The Government Procurement Reform Act". It grants tax incentives and deductions to private entities or corporations that give donations or gifts to and directly purchase agricultural and fishery products from accredited farmers' and fisherfolks' enterprises and/or cooperatives. It aims to improve the income of farmers and fisherfolks through entrepreneurship and development.

Hence, the passage of this bill is earnestly sought.


TEDDY BRAWNER BAGUILAT
Iligao Lone District

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*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

1 **SECTION 1. *Short Title.*** - This Act shall be known as the "***Sagip Saka Act of***
2 ***2016.***"

3 **SEC. 2. *Declaration of Policy; Creation of Farmer and Fisherfolk***
4 ***Entrepreneurship and Development Fund.*** – It is hereby declared to be the policy of
5 the government to contribute to the financial support for farmer and fisherfolk
6 entrepreneurship and development. For this purpose, there is hereby created a Farmer
7 and Fisherfolk Entrepreneurship Development Fund, to be derived from the General
8 Appropriations Act and the Internal Development Fund, to be derived from the General
9 Appropriations Act and Internal Revenue Allotment for barangays, municipalities or
10 cities, and provinces which shall be expended for farmer and fisherfolk entrepreneurship
11 and development by the Department of Agriculture in consultation with the Department
12 of Trade and Industry.

13 **SEC. 3. *Establishment of Local Councils for Agriculture and Fisheries***
14 ***Enterprise Development.***- Local councils for Agriculture and Fisheries Enterprise
15 Development shall be established in all levels of local government as well as the
16 regional level. Membership in the local councils shall be chosen from among the
17 responsible members of the community, including a representative from the agriculture
18 and fisheries sector, women sector, as well as representatives from government and
19 private agencies concerned with agriculture and fisheries. Membership in the regional
20 councils include a representative from the agriculture and fisheries sector, women

sector, government such as the Department of Agriculture and Department of Trade and Industry, and private agencies concerned with the agriculture and fisheries.

SEC. 4. *Function of Provincial, City or Municipal, Barangay Councils for Agriculture and Fisheries Enterprise Development.* – Provincial, city or municipal, barangay councils shall apply with the Department of Agriculture through the Council for Agriculture and Fisheries Enterprise Development at the regional level, for a share in the fund.

SEC. 5. *Financing and Sources of the Farmer and Fisherfolk Entrepreneurship and Development Fund.* – The Department of Agriculture will allocate the same amount equivalent to one percent (1%) of the total budget in their General Appropriations Act. Local government units (barangays, cities, municipalities, cities and provinces), will also allocate one percent (1%) of their Internal Revenue Allotment for the strengthening and implementation of the programs of the local councils.

SEC. 6. *Expenditure of the Farmer and Fisherfolk Entrepreneurship and Development Fund.* - Expenditure of the share of the Department of Agriculture in the Farmer and Fisherfolk Entrepreneurship and Development Fund shall follow a schedule of priorities prepared by the Department of Agriculture in consultation with the Department of Trade and Industry.

SEC. 7. *Direct Purchase by National and Local Government Agencies; Exemption from Public Bidding.* - The national and local government agencies are hereby mandated to directly purchase agricultural and fishery products from accredited farmers and fisherfolks cooperatives and enterprises. Said purchases shall be exempt from public bidding required under Republic Act No. 9184 or “*The Government Procurement Reform Act.*”

SEC. 8. - *Tax Incentives.* - To encourage corporations to directly purchase agricultural and fishery products from accredited farmers’ and fisherfolks’ cooperatives and/or enterprises, the Department of Finance (DOF), Department of Agriculture (DA) and the Department of Trade and Industry (DTI) shall provide tax incentives to the purchasing corporations for said purchases including, but not limited to, exemption from Value Added Tax (VAT) or a tax credit equivalent to one hundred percent (100%) of the VAT that would have been paid by said corporation.

1 **SEC. 9. - Tax deduction for donations made by private entities to farmers and**
2 **fisherfolks enterprises/organizations.**- Donations and gifts made by private entities in
3 favor of accredited farmers and fisherfolks enterprises/organizations may be claimed as
4 tax deductions from the gross taxable income of said entities.

5
6 **SEC. 10. – Creation of an Inter-Agency Task Force.** – In order to oversee the
7 proper implementation of this Act, an Inter-Agency Task Force in both national and
8 regional levels shall be created which shall be composed of representatives from the
9 following agencies and sectors: (1) Department of Agriculture (DA); (2) Department of
10 Trade and Industry (DTI); (3) Department of Trade and Industry (DTI); (4) Department of
11 Finance (DOF); (5) Cooperatives Development Authority (CDA) and (5) two (2)
12 representatives from the agriculture, food, restaurant and business sectors.

13
14 **SEC. 11. - Implementing Rules and Regulations.** – Within ninety (90) days from
15 the date of effectivity of this Act, the Department of Agriculture in consultation with the
16 Department of Trade and Industry, shall formulate the rules and regulations for the
17 proper implementation of this Act.

18 **SEC. 12. Separability Clause.** – If any provision of this Act is declared invalid or
19 unconstitutional, the other provisions not affected by such declaration shall remain in full
20 force and effect.

21 **SEC. 13. Repealing Clause.** – All laws, executive and administrative orders, rules
22 and regulations inconsistent with the foregoing provisions are hereby repealed or
23 modified accordingly.

24 **SEC. 14. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
25 publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,