

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 3422

Introduced by Honorable Michael Odylon L. Romero

Explanatory Note

This bill seeks to establish the Philippine Corn and other Cereals Research Institute (PhilCorn) that will unify, coordinate, fund, and strengthen all research and development (R&D) as well as training and technology sharing activities on corn and related crops for food, feeds, industrial and biofuel purposes.

Corn is the second most important national food crop next to rice and it also serves as the staple food of 20 percent of the Philippine population. Furthermore, it is the main component of up to 75% of formulated feeds for livestock, poultry, and aquaculture fishery. Corn is grown mainly in rainfed farms after rice is harvested, and in upland and dryland farms of over 2.5 million hectares, mostly in Mindanao, Cagayan Valley, Ilocos Region, Central Luzon, and Western Visayas. The current national grain yield in various ecological regions is still low, ranging from 0.5 to 2.5 tons in resource-poor areas although yield can be as high as 10 tons per hectare in few favorable farm environments. Consequently, the country needs to improve overall productivity among farmers to achieve self-sufficiency, secure food security, and target the export market over the medium-and long-term view.

Of the major crops other than rice that support the national

economy, corn (and related cereals) as well as rotation crops such as grain legumes are the most neglected in research support with an allocation of less than 0.05 percent of the gross value added (GVA) compared to rice at 0.25 percent, coconut at 0.3 percent, and sugar at 0.5 percent.

In the Philippines, there are well established research institutes devoted to rice, coconut, sugarcane, fiber and abaca, silkworm, cotton, tobacco, root crops, biotechnology, plant breeding, crop protection, farming systems, carabao, dairy, fishery, hogs, and other strategic commodities and disciplines but unfortunately there is none devoted to crops such as corn and other related cereals such as sorghum, grain legumes.

Globalization and climate change require that the country must enhance its capability to continuously develop cutting-edge technology and agricultural innovations that will enable corn and dryland farmers to become prosperous by increasing their productivity and quality of their produce through modern processing and packaging techniques for the domestic and global markets.

From these observations, it is clear that there is an urgent need to establish a proactive, modern agricultural research and extension institute that is designed and committed: (1) to unify, coordinate, fund, and strengthen all national and farm-level efforts on corn and other cereals, suitable rotational crops such as grain legumes, biofuel crops that are also used for food and feeds; (2) to hasten technology sharing activities that will improve the livelihood of resource-poor farming communities and empower them to cope up with low yields owing to frequent occurrences of drought, warming temperatures, land degradation, and other risks arising from environmental calamities and climate changes; (3) to insure adequate and stable supply of quality products, and (4) to improve the economic condition and income of farmers in the upland and dryland regions of the country.

In view of the foregoing, approval of this bill is highly and earnestly recommended.



MICHAEL ODYLON L. ROMERO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3422

Introduced by Honorable Michael Odylon L. Romero

**AN ACT ESTABLISHING THE PHILIPPINE CORN AND OTHER CEREALS
RESEARCH INSTITUTE AND APPROPRIATING FUNDS THEREOF**

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

SECTION 1. **Short Title.** This Act shall be known as the **"Philippine Corn
and other Cereals Research Institute Act"**

SEC. 2. **Philippine Corn and other Cereals Research Institute.** The
Philippine Corn and other Cereals Research Institute, hereinafter referred
to as PhilCorn, is hereby established as a body corporate attached to the
Department of Agriculture.

SEC. 3. **Objectives.** The objectives of this Act are as follows:

- a) To develop and implement a strong, dynamic, and innovative
farmer-centered, needs-based national corn and other cereals research
and development, technology sharing, training and extension programs;
- b) To strengthen the national capacity for research and extension in
upland and dryland agriculture and modernize production, utilization,

and industrial processing of corn and related cereals such as sorghum and pearl millets, and promoting rotational cropping with legumes and other commodities for higher productivity and income as well as to sustain soil health and fertility;

c) To improve the livelihood and economic conditions of small-scale and resource-poor farmers;

d) To expand employment opportunities through corn and corn-based farming systems in the rural areas, and ultimately promote the general welfare of the people through higher efficiency and profitability in production and industrial products processing, development, and marketing;

e) To develop such other related programs in partnership and in consultation with the DA-Bureau of Agricultural Research (DA-BAR), the DA regional research centers (DA-RIARCs), the Philippine Council for Agriculture, Aquatic Resources, Forestry, and Natural Resources Research and Development (PCARRD), State Colleges and Universities (SCUs), and the private sector.

SEC. 4. **Principal and Regional Offices.** The PhilCorn shall have its principal office at any suitable site as the Board of Trustees may decide. It may also establish other offices, branches, satellite stations, or subsidiaries in any geographically suitable region in the Philippines that are major producers of corn and/or as may be necessary or proper for the accomplishment of its purposes and objectives.

SEC. 5. **Duties and Functions.** The PhilCorn shall exercise the following duties and functions:

a) Lead and coordinate a national network of corn and related upland and dry-land based farming systems research and extension agencies, centers, and stations located in the different agro-ecological regions of the country where corn is one of the major crops;

b) Plan, fund, conduct, monitor, and evaluate research, development, and technology promotion in different scientific and technological fields and programs, including but not limited to the following: (1) germplasm collection, conservation, breeding, and biotechnology; (2) natural resources management, watershed conservation, drought adaptation and mitigation; (3) pest surveillance, early warning system, and integrated

pest management; (4) socio-economics, impact assessment, and policy advocacy; (5) technology demonstration, promotion and deployment, training and communication, and products development, processing and packaging; and (6) experiment station and farm management improvement;

c) Develop technologies suitable for the upland and dryland agro-ecosystems which will maximize the productivity and quality of locally grown corn and related cereals as well as grain legumes and suitable bioenergy crops while also reducing production costs and ensuring a long-term and sustainable corn and dryland-based production systems through genetic improvement and environmental resources and conservation measures;

d) Enhance corn farmers' income by developing suitable dryland-based crops and livestock farming systems, and crop rotation where applicable and value-adding corn technologies, including on-farm verification, processing, packaging, marketing, and promotion of economically viable technologies, giving emphasis on those aspects necessary for group endeavor of small-scale farmers, cooperatives, and seed growers;

e) Develop databases needed in the identification and preparation of necessary policy recommendations towards an efficient, highly productive, and competitive corn and other cereal industry and dryland-based farming systems through appropriate socio-economic measures and public-private sector mobilization and participation;

f) Organize and develop strong training and communication programs for corn and dryland-based farming systems scientists, research managers, and extension specialists to enable them to undertake effective and timely technology promotion of packaged technologies among clusters of farmers and corporate growers by utilizing modern extension systems such as information, education, and communication (IEC) technology and participatory social mobilization procedures;

g) Publish and disseminate research and extension findings and recommendations through scientific journals, books, technical and extension bulletins, videos, and other print and communication channels.

SEC. 6. Corporate Powers. The Phil Corn shall exercise the following corporate powers:

a) Exercise all the powers of a corporation under the general

corporation law, in so far as such powers are not inconsistent with the provisions of this Act;

b) Enter into, make and execute contracts and agreements of any kind or nature, and to sue and be sued in its corporate name;

c) Borrow funds and obtain loans from all sources, whether local or foreign and whether government or private, to help finance its research programs and its capital and operating expenditures;

d) Invest in, purchase or otherwise acquire, own, lease, mortgage, pledge, sell, assign, convey, exchange, encumber, borrow, or otherwise deal in real and/or personal properties of whatever kind and nature, or any interest therein, including shares of stock, bonds, notes, securities, and other evidences of indebtedness of natural or juridical persons, whether domestic or foreign and whether government or private;

e) Receive and acquire from any person, government and private entities, whether foreign or domestic, or from any person, corporation, partnership, association or other entity such characters, licenses, franchises, rights, privileges, concessions, assistance, grants, donations, loans, and contributions consisting of such properties, real or personal, including funds and valuable effects, as may be useful, necessary or proper to finance its research, capital and operating expenditures or otherwise carry out its purposes and objectives, and to administer the same in accordance with the terms and agreement consistent with its purposes and objectives; and

f) Acquire from the government, whether national or local or from any person, corporation, partnership, association or other entity, such characters, franchises, rights, privileges, assistance, financial or otherwise and concessions as may be conducive to and necessary or proper for the attainment of the purposes and objectives of PhilCorn.

SEC. 7. Board of Trustees, The corporate functions and powers of the PhilCorn shall be exercised, and all its businesses, activities, and properties shall be controlled, by a Board of Trustees, hereinafter referred to as the Board,

a) The Board shall be composed of the Secretary of Agriculture or his designate as *ex-officio* Chairperson and fourteen (14) members from the following agencies and sectors: Director of the Bureau of Agricultural Research (BAR) who will act as Vice-Chairman; Regional Executive Director representing the DA Regional Field Units (DA-RFU); Director of the

Philippine Council for Agriculture, Aquaculture, Forestry, and Natural Resources Research and Development (PCAARRD) of the Department of Science and Technology (DOST); Undersecretary of the Department of Budget and Management (DBM); Director of the Agriculture Division of the National Economic and Development Authority (NEDA), three (3) University Presidents from the State Universities and Colleges (SUCs) representing major corn producing and dryland-based agriculture regions; four (4) private sector representatives, namely: one each from among the national outstanding corn farmers, farmers' organizations or federations (Philippine Maize Federations, Inc.), private companies engaged in corn research and seed production, and the livestock/poultry industry; and two (2) distinguished scientists from the public and private sectors,

b) The term of office of the members of the Board who are heads or officials from their respective agencies or institutions shall be co-terminus with their respective appointments; *Provided, however,* That the term of office of the Regional Executive Director who represents the DA-RFU where corn is a major crop and the four (4) sector representatives shall be for five years without prejudice to a reappointment for another five years based on merits and excellent performance in the Board. The PhilCorn Executive Director shall serve as Secretary of the Board. All government officials in the Board shall serve as ex-officio members and shall not receive any salary or compensation.

c) The Chairperson and members of the Board shall receive per diem, as the Board may determine, for each Board meeting actually attended; *Provided, however,* That such members shall also be entitled to reimbursable transportation and representation allowances in going to and coming from board meetings and in transacting official business for the Institute.

d) The Board shall meet regularly, at least once (1) every quarter or as often as the exigencies of the service demand. The presence of the Chair or the Vice-Chair and at least seven (7) members of the Board shall constitute a quorum and the majority vote of the members present, there being a quorum, shall be necessary for the adoption of any resolution, rule, regulation, decision or any other act of the Board.

SEC. 8. Powers and Functions of the Board The Board shall exercise the following powers and functions:

a) To adopt by-laws and promulgate policies, rules, regulations, and

procedures for the efficient and effective operations of the Institute;

b) To define and guide in the formulation of the vision, mission, strategy, and research-extension priorities, general plans and programs, and guidelines for the proper operations and management of the Institute in accordance with its purposes and objectives and in line with BAR research planning and monitoring procedures;

c) To approve the PhilCorn's organizational structure and staffing pattern, operating and capital expenditures, and financial budget prepared in accordance with its corporate plans;

d) To approve the plantilla and salary ranges, benefits, privileges, bonuses, scholarship and manpower development, housing facilities, and other terms and conditions of service, including promotion systems similar to those in the SUCs and DOST as well as life and medical insurances and retirement schemes or benefits for all officers and employees of the Institute, upon recommendation of the Executive Director;

e) To appoint, promote, transfer, suspend, remove or otherwise discipline any subordinate officer or employee of the Institute, upon recommendation of the Executive Director;

f) To create such committee or committees and appoint the members thereof, as may be necessary and proper for the management of the Institute or for the attainment of its purposes and objectives; and

g) To exercise such other powers and functions and perform such other acts as may be necessary or proper for the attainment of the purposes and objectives of the PhilCorn, or as may be delegated by the Secretary of Agriculture.

SEC. 9. *Executive Director and Other Officers.* The PhilCorn shall be headed by an Executive Director who shall be appointed by the President of the Philippines, upon recommendation of the Board, based on the findings of a Search Committee duly organized and commissioned for such purpose,

a) The Executive Director shall serve for a term of five (5) years subject to one term extension of five (5) years for very meritorious performance, or a maximum total of ten (10) years without further extension for any reason whatsoever.

b) The Executive Director shall be assisted by such Deputy Executive Directors, Division Heads, Program Directors, and Branch Station Managers as the Board may determine to carry out the purposes and objectives of the Institute.

SEC. 10. **Powers, Functions, and Duties of the Executive Director.** The Executive Director shall be directly responsible to the Board, and shall have the following powers, functions, and duties:

a) To exercise dynamic leadership, create a vision, map out the mission, provide strategic direction, and undertake systematic supervision over the planning and implementation of all research for development, technology sharing programs, training and extension, upgrading of scientists and staff of the Institute and, in general, administer and direct the management, operation, and transparent, corrupt free administration of the PhilCorn;

b) To execute all contracts, incur obligations, acquire and dispose of assets, and deliver documents on behalf of the PhilCorn within the framework of the authority delegated by the Board;

c) To implement and enforce policies, decisions, orders, rules, and regulations that are promulgated or adopted by the Board: and

d) To exercise such other powers and functions and performs such other duties as may be authorized, assigned, or delegated by the Board,

SEC. 11. **Technical Advisory Committee.** A Technical Advisory Committee (TAC), organized and approved by the Board, shall assist the Executive Director, Division heads, Program Directors, and Branch Station Managers in pursuing interagency activities and participation of the national R&DE network. The TAC shall be composed of not more than nine (9) members, or as the Board may designate, who are heads, representatives, or experts of agencies, government or private, that are actively involved in any critical aspect of corn research, dryland-based farming systems, seed quality certification, training and extension, production and processing, marketing and consumption, policy advocacy, and capacity building. TAC members may be assigned to assist specific programs, divisions, or branch stations as the services may require to achieve the goals and objectives of Phil Corn.

SEC. 12. **Services of Government Personnel.** The PhilCorn may, for the purpose of its research, development, training, and extension activities, obtain and secure the services of scholars, scientists, technical, extension, and communication personnel of any unit, experiment stations, institutes, and centers of the Department of Agriculture, University of Southern Mindanao, University of the Philippines Los Banos, Central Mindanao University, Mariano Marcos State University, Isabela State University, and other agencies and universities of the national government. Those personnel of national and international reputations, from public or private institutions, shall be designated as visiting scientists and research fellows for a term of one year to five years to assist in conducting major research problems of strategic importance and consequences in pursuing the goals and objectives of the Institute. The selected personnel may be paid such honoraria or incentives acceptable to all concerned and as may be fixed and authorized by the Board,

SEC. 13. **Buildings, Facilities, and Equipment.** The PhilCorn is hereby authorized to own, acquire, borrow, lease, plan, and construct buildings, laboratories, experimental farms, and other facilities as may be necessary or proper to attain its purposes and objectives. It may also utilize facilities of any unit of any cooperating SUCs, the Department of Agriculture, and of the national government engaged, directly or indirectly, in activities that relate to agriculture, rainfed based farming system, corn production or development of the corn industry.

a) The PhilCorn is further authorized to purchase equipment, materials and articles, either locally or abroad, as may be necessary or proper to carry out its powers and functions and attain its purposes and objectives. It shall be exempt from the payment of any and all forms of taxes, duties, fees and charges on any and all such importation of equipment, materials, articles, and services; Provided, however, That the same are not available locally on favorable terms.

b) The PhilCorn shall be authorized to expropriate lands for corn and dryland-based farming systems research and development purposes provided just compensation is paid to the owners of the land. If the land belongs to the government or is inalienable, the Institute is granted automatic title to the land.

c) Likewise, all lands, farms, plantations, whether directly or indirectly owned, used, utilized or administered by the PhilCorn and those that it may hereinafter acquire or utilize for research and development purposes shall be exempted from the coverage of the Comprehensive Agrarian

SEC. 14. **Appropriation.** The Secretary of Agriculture and the Secretary of Budget and Management are hereby authorized and directed to set aside out of the existing funds of the Department of Agriculture the amount of Four Hundred Million Pesos (P400M) as the initial fund to be used for its initial operations, including provisions for salary of personnel, conduct of research and technology promotion, construction of physical infrastructures, and purchase of equipment. This initial amount shall be drawn from the DA National Con Program, BAR appropriations for research, RP-Japan Fertilizer Grant (KR-2), Public Law PL 480 (PL480), and/or any other existing bilateral funding sources in the Department of Agriculture. Thereafter, the government contribution to the Institute's operations shall be provided for under its own Key Budgetary Inclusion (K81) in the Annual General Appropriations Act. Furthermore, the Board shall seek financial support from foreign donors such as JICA, KOICA, AusAid, USAID, and similar institutions for the establishment and improvement of PhilCorn infrastructures, laboratory facilities, field experiment station development, and training/scholarship of qualified personnel.

The annual appropriations herein provided shall be subject to the fiscal control and management procedures provided for in Executive Order 714 of 1981. All funds, savings, grants, and income of the PhilCorn shall constitute a revolving fund, to be managed as trust fund, and shall be considered part of the funds automatically released to the PhilCorn.

SEC. 15. **Applicability of Civil Service Laws.** The PhilCorn and its officers and employees shall be subject to the Civil Service Law, rules and regulations; *Provided*, however, That all technical personnel shall be selected on the basis of the highest possible standards of merit and fitness for public officials and employees, to be determined in accordance with such policies and guidelines as may be approved by the Board.

SEC. 16. **Annual Report.** The Board shall submit to the President of the Philippines through the Secretary of Agriculture an annual report, together with the audit report on the relevant accounts, generally dealing with the activities and operations of the PhilCorn.

SEC. 17. **Separability Clause.** The provisions of this Executive Order are hereby declared separable. If any portion hereof shall be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions, which shall remain in full force and effect in their entirety.

Sec. 18. *Effectivity.* This Act shall take effect immediately.

Approved,

A handwritten signature in black ink, consisting of a large, sweeping initial 'M' followed by several smaller, connected loops and a long, curved flourish extending to the right.