

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**18TH CONGRESS**  
First Regular Session

HOUSE BILL NO. 1189



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**Introduced by Representatives Michael L. Romero and  
Enrico A. Pineda**

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**EXPLANATORY NOTE**

The State shall promote food security, including sufficiency in our staple food, namely rice and white corn. The production of rice and white corn shall be optimized to meet our local consumption and shall be given adequate support by the State.

The State shall adopt the market approach in assisting the agriculture and fisheries sectors while recognizing the contribution of the said sector to food security, environmental protection, and that of the balanced urban and rural development, without neglecting the welfare of the consumers, especially the lower income groups. The state shall promote market-oriented policies in agricultural production to encourage farmers to shift to more profitable crops.

This House Bill seeks to empower the agricultural and fisheries sector to develop and sustain themselves. Toward this end, the State shall ensure the development of the agriculture and fisheries sectors in accordance with its mandate and principles.

Earnest approval of this bill is hereby requested.



**MICHAEL L. ROMERO Ph.D.**



**ENRICO A. PINEDA**

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**AN ACT**

**PROVIDING FOR ADDITIONAL FUNDING FOR THE "Agriculture  
and Fisheries Modernization Act OF 1997" (RA No. 8345), RE-  
ALIGNING ITS ALLOTMENT AND DEFINING ITS DISBURSING  
GUIDELINES, AND FOR OTHER PURPOSES**

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

**SECTION 1. DECLARATION OF POLICY** – The Department of Agriculture (DA) shall hereby provide an additional Five billion pesos (**₱5,000,000,000.00**) to promote urgent related measures to modernize the agriculture and fisheries sector. The Department is hereby authorized to re-align its appropriations, along with its supplemental and additional funding in the current year of the date of the effectivity of this Act to conform with its mandate and requirements.

**SECTION 2. ALLOCATION AND DISBURSING GUIDELINES** – for purposes of this act, the additional funding shall be allocated and disbursed as follows:

1. Thirty percent (30%) for irrigation;



- 2.** Ten percent (10%) for post-harvest facilities Provided, That the Secretary of Agriculture may invest up to fifty percent (50%) of the said amount to fund post-harvest facilities of cooperatives, especially market vendors' cooperatives, where said cooperatives exist and are operational Provided, further, That if no cooperatives are operational, said amount shall fund the post-harvest facilities of the market -assistance system;
- 3.** Ten percent (10%) for other infrastructure including fishports, seaports, and airports, farm-and -coast-to-market roads, rural energy, communications infrastructure, watershed rehabilitation, water supply system, research and technology infrastructure, public markets and abattoirs;
- 4.** Ten percent (10%) for the Agro-industry Modernization Credit and Financing Program (AMCFP) to be deposited by the Department in participating rural-based public and private financial institutions provided that no less than fifty percent (50%) of said funds shall be deposited in rural banks in cooperative banks;
- 5.** Eight percent (8%) for the implementation of the Farmer-Fisherfolk Marketing Assistance System and support of market vendors' cooperatives;
- 6.** Ten percent (10%) for research and development, four percent (4%) of which shall be used to support the Biotechnology Program;
- 7.** Five percent (5%) for capability-building of farmers and fisherfolk organizations and LGUs for the effective implementation of the agriculture and fisheries programs at the local level;
- 8.** Six percent (6%) for salary supplement of Extension Workers under the LGUs;
- 9.** Five percent (5%) for NAFES , for the upgrading of the facilities of State Universities and Colleges that will be chosen as national center of excellence in agriculture and fisheries education;
- 10.** Four percent (4%) for the National Information Network (NIN) consisting of both the national and local levels;
- 11.** One-and-three-fourth percent (1.75%) for SUC- and TESDA-administered Rural Non-Farm Employment Training; and
- 12.** One-fourth percent (0.25%) for the identification of the SAFDZs.

**SECTION 3. CONTINUING APPROPRIATION.** - The Department of Budget and Management (DBM) is hereby mandated to include annually in the next five **(5) years**, in the President's Program of expenditures for submission to Congress, and release, an amount not less than Five billion pesos **(P5,000,000,000.00)** for the implementation of this Act.

Additional funds over and above the regular yearly budget of the Department shall be sourced from twenty percent **(20%)** of the proceeds of the securitization of government assets, including the Subic, Clark, and other special economic zones.

Other sources of funds shall be from the following:

- a. Fifty Percent (50%) of the net earnings of the Public Estates Authority;
- b. Loans, grants, bequest, or donations, whether from local or foreign sources;
- c. Forty percent (40%) of the TESDA Skills Development Fund;
- d. Net proceeds from the privatization of the Food Terminal Inc. (FTI), the Bureau of Animal Industry (BAI), the Bureau of Plant Industry (BPI), and other assets of the Department that will be identified by the DA Secretary and recommended to the President for privatization;
- e. Proceeds from the Minimum Access Volume (MAV) in accordance with the provisions of Republic Act No. 8178;
- f. Poverty alleviation Fund; and
- g. Fifty Percent (50%) of the Support Facilities and Services Fund under Republic Act No. 6657.

**SECTION 4. PERIODIC REPORTS** - The Committee shall submit periodic reports on its findings and make recommendations on actions to be taken by



Congress and Senate and the appropriate department, and in order to carry out the objectives and mandates of this Act, an additional amount of Five billion pesos (**₱5,000,000,000.00**) is hereby appropriated.

**SECTION 5. AUTOMATIC REVIEW** - Every three **(3) years** after the effectivity of this Act, an independent review panel composed of experts to be appointed by the President shall review the policies and programs in the Agriculture and Fisheries Modernization Act and shall make recommendations, based on its findings, to the President and to both Houses of Congress.

**SECTION 6. REPEALING CLAUSE.** All laws, executive orders, issuances, rules and regulations inconsistent with this Act are hereby amended, repealed or modified accordingly.

**SECTION 7. SEPARABILITY CLAUSE.** If, for any reason or reasons, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

**SECTION 8. EFFECTIVITY CLAUSE.** This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,