

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **4485**



Introduced by Honorable Michael L. Romero

EXPLANATORY NOTE

In accordance to its mandate, the republic of the Philippines shall establish marketing networks and outlets, especially among and between processors and end-users, that will include the integration of local milk production with existing industrial milk plants geared towards the sufficient production of local milk for the needs of the people.

The State is very responsive of its mandate to strive for national self-sufficiency in milk and dairy products as a vital feature in the attainment of a self-reliant and independent economy in the provision of proper nutrition and the generation of more employment opportunities for the people.

This House Bill seeks to create an agency tasked to help the private sector accelerate the development and growth of the *Philippine dairy industry* under the essence of cooperatives-development in all stages of dairy production, processing, distribution, marketing, and other dairy-related activities, in such a way that market viability of livestock and dairy products shall be ensured, focusing on developing breeds adapted to Philippine society.

Thus, the early passage of this bill is earnestly requested.


MICHAEL L. ROMERO

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AN ACT

**AMENDING REPUBLIC ACT 7884, "OTHERWISE KNOWN AS
THE NATIONAL DAIRY DEVELOPMENT ACT OF 1995",
APPROPRIATING FUNDS THEREFOR, PROVIDING STIFFER
PENALTIES AND SANCTIONS, AND FOR OTHER PURPOSES**

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

SECTION 1. Section 14 of Republic Act 7884 is hereby amended to read
as follows:

SEC. 14. Dairy Development Fund. – To implement Section 13 (*Priority Projects*) of this Act, there is hereby created a Dairy Development Fund which shall be used exclusively for the above-mentioned programs in the amount of Five hundred million pesos (**P400,000,000**) from the funds in the National Treasury not otherwise appropriated. Annually thereafter, the amount of not less than Two hundred eighty million pesos (**P280,000,000**) shall be provided to augment the fund in the General Appropriations Act.

SECTION 2. Section 17 of Republic Act 7884 is hereby amended to read as follows:

SEC. 17. Supply and Distribution. – The Authority shall monitor the importation, manufacture, supply and distribution of dairy products and raw materials for the manufacture or processing of milk and dairy products, as well as the importation and exportation of dairy animals, if the needs of the industry require, it shall, after public hearing and after consultations with the National Economic and Development Authority, the Department of Trade and Industry, the Department of Finance, and the representatives of the dairy cooperatives and the commercial sector, set guidelines for the importation, exportation and pricing of dairy animals, raw materials and other products necessary for the manufacture or processing of milk and dairy products: *Provided*, That within a period of Five (5) years from the effectivity of this Act, the dairy cooperatives and the commercial sector shall, subject to quality and price considerations, mutually agree upon a volume of local milk production to be absorbed by the commercial sector.

If at the end of the *five-year* period, the parties mentioned above have not come to a mutual agreement, the commercial sector shall absorb a fixed portion of the local milk supply to be determined by the Authority.

Processors who purchase locally produced milk from dairy cooperatives in excess of the volume prescribed by the Authority shall be accorded tax credits equivalent to Twenty (20%) percent of the value of the excess volume purchased.

SECTION 3. Section 22 of Republic Act 7884 is hereby amended to read as follows:

SEC. 22. Penalty Clause. – Any person or entity found guilty of violating any provision of this Act, shall be sentenced to an imprisonment of not less than six (6) years or a fine of not less than One hundred thousand pesos (**₱100,000.00**) or both upon the discretion of the Court.

SECTION 4. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six (6) months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 5. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within sixty (60) days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 6. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 7. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 8. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,