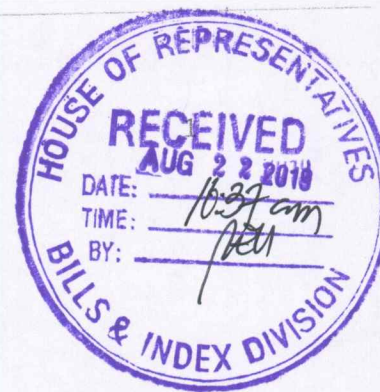


EIGHTEENTH CONGRESS )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



## HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez*

**4108**

House Bill No. \_\_\_\_\_

### EXPLANATORY NOTE

The corn industry is a major component of the food security, socio-economic and political structure of the country. There are approximately 600,000 farm family households in the corn value chain. Most of them are in the countryside with average farm size of 1.14 hectares. They provide the crucial supply of the country's secondary staple food and raw material (yellow corn) for the livestock industry (mainly for hogs and poultry). Yellow corn farmers' average yield and income are 4tons/ha and P16,000/ha, respectively. The picture of rural poverty, and unrest, in white corn sector which is mainly a secondary staple of many Filipinos is markedly noticeable in its average yield and income at 1.8 tons/ha and P3,000/ha, respectively. Yellow corn is grown in 1.4M has.while white corn is grown in 1.2M hectares spread though out the country.

The present laws restricting free enterprise and economic justice within the corn industry have not only stifled the industry's growth, stability of supply, price and farmers income, but more importantly, have placed it in the vicious sphere of monopolyand trade manipulation that necessitates a more concentrated effort towards achieving its full potential and development. It is of our national interest that the economic well-being of the population that depends to a large extent on the viability of the industry and its improvement in the areas of production, farm mechanization, processing, value adding and marketing be given the necessary support.The glass is "proverbially half-full" in corn, especially in the neglected white corn sector, in terms of development ineconomic potential in the rural areas and in its supplementary and complementary role of the country's overall food security.

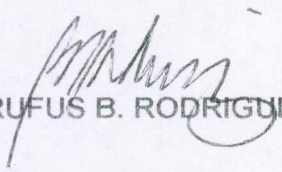
The importance of corn in the life of our nation cannot be overestimated in terms of our basic need for food- direct as staple or indirect as feeds. White flint corn is the type directly consumed as food. It is planted mainly in the upland mountainous areas consumed as staple in the form of corn grits to at least 12% of our population. Being less water requiring than rice, more agronomically productive as a C4 plant, and has the better nutritional advantage as a low glycemic index food, it has the potential to bring down our need for rice and address increasing incidence of diabetes should more Filipinos prefer and consume it for health and wellness. The Philippines is a diabetic hot spot in the western Pacific region: 5<sup>th</sup> after China, Indonesia, Japan and Thailand. Our diabetics are not only increasing in number but are getting younger. These are a glaring economic burden to our nation, now and henceforth, and are tremendous if the trend is not checked and its remedial measures put in place.

Indirect as feeds crop, yellow corn is crucial to the livestock industry which is growing in volume and value. The volume of available grains in the world's market, including rice, cannot anymore be relied upon. This is because the source countries themselves feel the pinch for their own need and the negative effect of climate change in their own food production. It is all the more important that we have to secure our own food supply locally. To be pessimistically prepared is better than optimistically empty-handed when the crunch comes.



This bill seeks to establish the Philippine Corn Industry Development Authority (CORNDEV) that will formulate, coordinate and unify all policies and programs that will strengthen the Philippine corn industry and assure that the economic gains resulting from it will benefit all the stakeholders in the industry value chain especially the primary producers in the rural areas. This will sustain the growth of the industry, as corn is grown in the countryside far and near, this will help in the development of the rural areas. Further, this will address the attendant social and environmental problem in highly congested urban areas and ultimately contribute to more balanced overall national economy.

In view of the foregoing, immediate approval of this measure is earnestly requested.



RUFUS B. RODRIGUEZ

EIGHTEENTH CONGRESS )  
 REPUBLIC OF THE PHILIPPINES )  
 First Regular Session )

## HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez*

House Bill No. 4108

### AN ACT

PROMOTING AND SUPPORTING THE DEVELOPMENT OF THE CORN INDUSTRY,  
 ESTABLISHING THE PHILIPPINE CORN INDUSTRY DEVELOPMENT AUTHORITY  
 (CORNDEV), APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Section 1. Short Title – This Act shall be known as the Philippine Corn Industry Development Authority (CornDev) Act.

Section 2. Declaration of Policy – It is hereby the policy of the State to promote the growth and development of the corn industry as crucial to food security through greater production supply chain, logistical and marketing efficiency from the farm to the consumers so that the economic benefits will be spread out to all in the corn value chain and to provide the leadership and support in the integrated development approach of the corn industry as government instrumentality with corporate powers.

Section 3. Establishment of the Philippine Corn Industry Development Authority – The Philippine Corn Industry Development Authority (CornDev) is hereby established under the Office of the Secretary of Agriculture which shall have the following objectives:

1. To improve the quality of life of all Filipino corn farmers, uplifting their livelihood economic conditions in the countryside;
2. To formulate, coordinate and unify all policies and programs that will transform the corn industry's marketing format to a more efficient grains commodity exchange system comparable to other agricultural advanced countries;
3. To institutionalize the intervention programs and projects of Department of Agriculture and the Corn Development Fund created by virtue of Presidential Memorandum No. 468 dated March 17, 1998 held in trust by the National Food Authority;
4. To make available the supply of corn as staple and raw material for food security together with other corn based products supply, establish corn post-harvest facilities, mechanization centers, and grains terminal warehouses in strategic areas accessible for farmers and end users;
5. To provide marketing scheme, commodity exchange systems, warehouse receipts and sequestration programs and services to the farmers that will duly securitize their delivered produce through the establishment of standard for corn equitable post-harvest recovery system;
6. To provide support to production, technology enhancement programs, including R&D on varietal seeds, production technology, marketing and its enabling policies; and
7. To provide focus support and development for white corn as staple food to ease pressure on rice imports.

Section 4. Duties and Functions – The Philippine Corn Development Authority shall exercise the following:

1. To formulate, adopt and institute general development programs in corn production for stable, sufficient corn supply and prices for the local consumption,



- exports and strategic reserves.
2. To evaluate the existing policies, programs and projects of all agencies and instrumentalities having to do with the industry's development and to integrate and coordinate the various facets of such activities into the approved general development program.
  3. To formulate and recommend for adoption policies affecting production, credit, marketing and processing of corn and its value adding by products.
  4. To undertake, lead and coordinate a national network of corn and corn-based farming systems research and extension agencies, center, and stations located in the different agro-ecological regions of the country where corn is a major crop.
  5. To source and/or borrow the necessary funds from local and international funding institutions and or issue bonds and other instrumentalities of indebtedness, subject to the rules and regulations of the Central Bank, for the purpose of financing programs and projects deemed vital and necessary for the attainment of its goals and objectives. Corn Dev shall be eligible to access from Tax Subsidy Provision and/or exempted 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.
  6. Plan, fund, conduct, monitor, and evaluate corn research, development, and technology promotion in different scientific and technological fields and programs, including but not limited to the following thrusts: (1) germplasm collection, conservation, breeding, and biotechnology; (2) natural resources management, watershed conservation, drought adaptation and mitigation; (3) corn engineering, farm mechanization, and postharvest management; (4) pest surveillance, early warning system, integrated pest management, and biological control methods; (5) socio-economics, impact assessment, and policy advocacy; (6) technology packaging and demonstration, promotion and deployment, training and communication; (7) processing and industrial-chemical products development; and (8) corn-based farming systems, farm management improvement, and experiment station development.
  7. Develop technologies suitable for the rainfed, upland, and dryland agro-ecosystems that will maximize the productivity and quality of locally grown corn and corn-based crops while also reducing production costs and ensuring long-term and sustainable corn and corn-based production systems through genetic improvement and environmental resources and conservation measures.
  8. Enhance corn farmers' income by developing suitable corn-based crops and livestock farming systems as well as crop rotation where applicable; value-adding corn technologies including on-farm verification, processing, packaging, marketing, and promotion of economically viable technologies as well as entrepreneurial skills, giving emphasis on those aspects necessary for group endeavours of small-scale farmers, cooperatives, and seed growers;
  9. To regulate the necessary biosafety, import, export and marketing of corn and corn based and it's by products, including the establishment of commodity exchange systems.
  10. To enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purpose and objectives and generally, to exercise all the powers necessary to achieve the purpose and objectives for which it is organized.
  11. Develop GIS databases of all corn farmers, plantations, corn grains terminal and center needed in the identification and preparation of necessary policy recommendations towards an efficient, highly productive and competitive corn industry and corn-based farming systems through appropriate socio-economic measures and public-private sector mobilization and participation;
  12. Organize and develop strong training and communication programs for corn and



- corn-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;
13. Publish and disseminate information related to corn markets, opportunities, research and extension findings and recommendations through scientific journals, books, technical and extension bulletins, videos, and other print and communication channels.

Section 5. The CornDev Board – In order to harmonize policies and programs on corn with other government and private institutions, there is hereby created a CornDev Board of Trustees which shall be composed of the following:

1. Secretary of Agriculture – Chairman
2. Secretary of Finance
3. Director General of the National Economic Development Authority
4. Secretary of Trade and Industry
5. Secretary of Budget and Management
6. Secretary of Science and Technology
7. Administrator of the National Food Authority
8. Secretary of Interior and Local Government
9. Representative from the Philippine Maize Federation, Inc.
10. Representative from the National Corn Competitiveness Board
11. Representative from the Office of the President
12. Representative from the Federation of Free Farmers, Inc.
13. Representative from the Philippine Feed Millers Association, Inc.
14. Representative from the Poultry and Livestock Sector Group
15. Representative from the University of the Philippines Los Banos

Section 6. Powers and Functions of the Board – The CornDev Board shall exercise the following powers and functions:

1. To adopt the by-laws and promulgate policies, rules, regulations, and procedures for the efficient and effective operations of the Authority.
2. 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 CornDev in accordance with its purposes and objectives and monitoring procedures
3. To approve the CornDev's organizational structure and staffing pattern, operating and capital expenditures, and financial budget prepared in accordance with its corporate plans.
4. 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 other government agencies as well as the life and medical insurances and retirement schemes or benefits for all officers and employees of the Authority, upon recommendation of the Administrator.
5. To appoint, promote, transfer, suspend, remove or otherwise discipline any subordinate officer or employee of the Corn Dev, upon recommendation of the Administrator.
6. To create such committee or committees and appoint the members thereof, as may be necessary for effective and proper management of the CornDev in the attainment of its purposes and objectives; and
7. To exercise such other powers and functions, perform such other acts as may be necessary or proper for the attainment of the purposes and objectives of the



CornDev, or as may be delegated by the Secretary of Agriculture through the Board of Trustees.

Section 7. Administrator and Other Officers – The CornDev shall be headed by an Administrator who shall be appointed by the President of the Philippines, upon recommendation of the Board of Trustees, based on the findings and recommendations of a Search Committee duly organized and commissioned for such purpose.

- a) The Administrator shall serve for a term of five years, subject to one term extension of another five (5) years for very meritorious performance, or a maximum total of ten (10) years without further extension for any reason whatsoever, Provided, however, That there shall be a reserved plantilla position of the same salary rate for the outgoing Administrator if he is not yet of retirement age.
- b) The Administrator shall be assisted by such Deputy Administrators, Division Heads, and Regional Directors or Managers as the Board may determine to carry out the purposes and objectives of the Corn Dev.

Section 8. Powers, Functions, and Duties of the Administrator – The Administrator shall be directly responsible and reports 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 program support, production, marketing, research, development, technology sharing programs, training and extension, upgrading of scientists, management and staff of the Authority and, in general, administer and direct the management, operation, and transparent, corrupt-free administration of Corn Dev.
- b) To execute all contracts, incur obligations, acquire and dispose of assets, and deliver documents on behalf of the Authority within the framework of the authority delegated by the CornDev Board;
- c) To implement and enforce policies, decisions, orders, rules and regulations that are promulgated or adopted by the Board;
- d) To arrange for the conduct of an External Program and Management Review (EPMR) by a Panel of Experts every 5 years or as often as necessary in order to understand the output and impact of CornDev programs to the farmers and stakeholders of the corn industry and provide guidance to management in charting the future of the authority; and
- e) To exercise such other powers and functions and performs such as other duties as may be authorized, assigned, or delegated by the Board.

Section 9. Offices – The Philippine Corn Industry Development Authority shall hold office in the new NFA Building at Visayas Avenue, Diliman Quezon City, with auxiliary office in UPLB and in the three major corn producer of region 2, 10 and 12. The staff of the Authority should be lean and efficient.

Section 10. Appropriation – There is hereby appropriated by the Department of Agriculture the amount of Two Hundred Million Pesos (Php 200,000,000) that shall support the establishment and programs of the CORNDEV. Thereafter, the proceeds of the Corn

Development Fund held in trust under the National Food Authority shall be transferred to the CornDev Authority. Further, the amount necessary for the operations of the CORNDEV shall be included in the Annual General Appropriations Act.

Section 11. Separability Clause – If any part, section or provision of this Act shall be held invalid or unconstitutional, the rest of the provisions not affected remains valid.

Section 12. Repealing Clause – All laws, decrees, executive orders and rules and regulations or parts thereof inconsistent with any provision of this Act are hereby repealed, modified or amended accordingly.

Section 13. Effectivity Clause – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,