



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3375



Introduced by Representative Sharon S. Garin

EXPLANATORY NOTE

Corn is second to rice as the most important crop in the Philippines, with one-third of Filipino farmers, or 1.8 Million farmers, depending on corn as their major source of livelihood. White corn, particularly, is the most important substitute staple in periods of rice shortage, especially for people in rural areas. Yellow corn, on the other hand, is the primary source of feeds for the Philippines' animal industry, and is being increasingly used by the manufacturing sector.

According to DA Secretary Piñol, the yellow and white corn harvest for 2017 is expected to hit 8.1-million metric tons (MT), a surplus of about two million MT since the country's domestic requirement is only 5.6-million MT. This rare surplus in domestic supply means we could export corn for the first time, with Malaysia, Taiwan and South Korea as possible buyers. The DA credits this upswing to ideal planting climate and the use of hybrid seeds.

However, despite all this good news, our corn production is still inefficient when compared to major corn-producing countries like Thailand, Argentina, and the United States. The cost of production in the Philippines is still high, leading expensive prices when compared to low-cost, low-priced corn of our competitors. This could prove the prospect of exporting corn still challenging.

The increase in corn production though, could also lead to certain health benefits. There's no denying that the Philippines is primarily a rice-consuming country. However, current medical consensus is that higher consumption of white rice can cause Type 2 diabetes. This is particularly troubling with the poorer sectors of society who mostly spend their entire food budget just on rice. A sustainable and surplus corn production means we can use more of it as food, particularly as a rice substitute, instead of animal feeds. Less consumption of rice in favor of corn could hopefully lessen the country's risk for diabetes.

This boon in corn production is a step in the right direction, and we must institutionalize these current effective practices, while still continuing to research and introduce additional support for the farmers and the industry, if we are ever to reach a competitive corn production sector.

This bill provides for various Productivity Improvement Programs for the corn industry. This includes socialized credit, a farm management and technical assistance services, and farm mechanization, among others. Personal assistance to corn farmers are also provided for through, capacity building, skills training, scholarship programs and other human resources development projects. Infrastructure support is also given through the construction of farm-to-market roads and irrigation services.

Just like its color, the progress and development of corn and the corn industry, is a golden opportunity for the Philippines. Through this legislation, we not only get to take care of our farmers, but we also get develop a most crucial crop in our agricultural sector. All these advancements leads us a step closer to a food secure Philippines.

In view of the foregoing, the passage of this bill is earnestly sought.



SHARON S. GARIN
AAMBIS-Owa Partylist



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3375

HOUSE BILL NO. _____

Introduced by Representative Sharon S. Garin

1 **AN ACT**

2 **PROMOTING AND SUPPORTING THE DEVELOPMENT OF THE CORN**
3 **INDUSTRY AND FOR OTHER PURPOSES**

4

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

7

8 **SECTION 1. Short Title.** - This Act shall be known as the "Corn Industry

9 Development Act of 2016."

10 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State

11 to promote and support the development of the corn industry, increase the income of
12 corn farmers and farm workers through improved productivity, product diversification
13 and employment generation.

14 For these purposes, the State shall establish productivity improvement
15 programs, provide the needed infrastructure support, enhance research and
16 development on product diversification, provide human resource development and
17 extension services, and provide financial assistance to small corn farmers and farm
18 workers.

19 **SEC. 3. Corn Industry Development Committee** – The Corn Industry
20 Development Committee, hereinafter referred to as the Committee, is hereby created
21 under the Office of the President, and shall be composed the following members:

- a) Secretary of Department of Agriculture (DA) as Chairman;
 - b) Secretary of Department of Labor and Employment (DOLE);
 - c) Director General of Technical Education and Skills Development Authority (TESDA);
 - d) Secretary of Department of Science and Technology (DOST);
 - e) Secretary of Department of the Interior and Local Government (DILG);
 - f) Commisioner of Commission of Higher Education (CHED);
 - g) Commisioner of Professional Regulation Commission (PRC);
 - h) Secretary of National Economic Development Authority (NEDA);
 - i) Secretary of Department of Transportation and Communications (DOTC);
 - j) Secretary of Department of Public Works and Highways (DPWH);
 - k) Representative of Philippine Ports Authority (PPA);
 - l) Representative of National Irrigation Administration (NIA);
 - m) Secretary of Department of Environment and Natural Resources (DENR);
 - n) Commisioner of Bureau of Customs (BOC);

The Committee is hereby mandated to implement the provisions of this act.

SEC. 4. Productivity Improvement Programs. - To boost the production of

corn, and increase the incomes of corn farmers and farm workers, the following Productivity Improvement Programs shall be implemented:

a) Farm Support Program - The Committee, particularly Department of Agriculture (DA) shall make available a support program which shall include, among others, the provision of socialized credit, and a farm management and technical assistance services.

(i) Socialized credit shall be made available, through the Land Bank of the Philippines (LBP), for the acquisition of farm inputs.

farm machineries and implements necessary for the continuous production of corn: Provided that the loans shall be made available to corn farmers duly registered with the DA: Provided, further, that the lender shall have a lien on the harvest of farmers who obtained the loan until the crop loan is fully paid: Provided, finally, that farmer borrowers cannot be granted another loan until existing loans are fully paid.

(ii) Farm Management and Technical Assistance Services - The Committee, particularly the DA, the Department of Labor and Employment (DOLE), the Technical Education and Skills Development Authority (TESDA), state universities and colleges (SUCs), and other concerned private and non-government organizations (NGOs), shall formulate and implement a deployment program of agricultural engineers, agriculturists and farm technicians for the provision of farm management and technical assistance services to corn farmers.

b) Farm Mechanization Program - Corn farmers and farm workers shall be encouraged and trained to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of corn and its by-products. The Committee, particularly the DA, in partnership with local government units (LGUs), consistent with the provisions of Republic Act No. 10601, otherwise known as the Agricultural and Fisheries Mechanization Law, shall:

- (i) Introduce and expand the use of machineries for the different stages of corn farming; and,
 - (ii) Formulate and implement a Corn Farm Mechanization Program at the barangay level.

5 To develop and deploy appropriate machineries and equipment, the
6 Committee particularly the DA, through its research centers, in collaboration with the
7 Philippine Center for Post-Harvest Development and Mechanization, the Bureau of
8 Agricultural Research, SUCs, other concerned government agencies, and industry
9 stakeholders, shall formulate and conduct research development and extension
10 programs for corn farm mechanization and engineering.

11 **SEC. 5. Research and Development.** - The Committee, particularly the DA,
12 in coordination with the Department of Science and Technology (DOST), as well as
13 relevant SUCs, and government research and development institutions, and the
14 private sector, shall intensify researches on high yielding or flood resistant corn
15 varieties; pest control and prevention; latest farming and harvesting technologies;
16 soil analysis and fertility mapping of corn areas; weather monitoring and climate
17 change adaptation measures; and other viable products that can be derived from
18 corn.

19 **SEC. 6. Extension Services.** - Extension services that can be provided shall
20 include, but not limited to, provision of technical assistance and advice, conduct of
21 tests, propagation, and dissemination of high yielding varieties, and operation of
22 demonstration farms.

23 **SEC. 7. Human Resources Development.** – The Committee, particularly the
24 DOLE, in collaboration with the DA, the Commission of Higher Education (CHED),
25 the TESDA, the Professional Regulation Commission (PRC), and the private sector,

- 1 shall formulate and implement a Human Resources Development (HRD) Master
2 Plan for the corn industry which shall include, but not limited to, the following:
- 3 a) Capacity-building, skills trainings, institutional strengthening of corn industry
4 workers and small farmers and their organizations to actively contribute in
5 productivity and competitiveness;
- 6 b) Conduct of capability trainings or attendance to local or international trainings
7 and seminars by corn farmers and farm workers on the latest technologies
8 related to corn farming and production of other products from corn;
- 9 c) Formulation and implementation of competency standards and training
10 regulations for technical vocational education and training for the corn
11 industry by the TESDA,
- 12 d) Scholarship programs for the underprivileged but deserving college and post-
13 graduate students who are taking up courses in relevant fields of discipline in
14 SUCs which have programs in agriculture, agricultural engineering and
15 mechanics, and chemical engineering; and for vocational courses and skills
16 development for farmers and farm technicians and skilled corn farm workers;
17 and,
- 18 e) Upgrading of facilities, faculty development and strengthening of the on-the-
19 job training programs for agri-based higher education institutions in corn
20 areas towards the production of highly employable and globally competitive
21 graduates needed by the corn industry.

22 **SEC. 8. *Infrastructure Support.*** - To facilitate the transport, marketing and
23 export of corn produce and other products derived therefrom, and complement
24 productivity improvement measures in this Act, transport infrastructures, farm-to-
25 market roads and irrigation facilities shall be provided.

a) *Transport Infrastructures* – The National Economic Development Authority (NEDA), the Department of Transportation and Communications (DOTC), the Department of Public Works and Highways (DPWH), and the Philippine Ports Authority (PPA) shall include in their annual Development Plans and Priority Investment Programs the immediate construction and/or improvement of existing transloading ports for coast-wide transport, sale or export of corn products in key corn producing areas.

b) *Farm-to-Market Roads* – The NEDA, the DA, the DPWH, and concerned local government units (LGUs), shall include in their annual Priority Investment Programs the immediate construction and/or rehabilitation of farm-to-market roads in key corn producing areas.

c) *Irrigation* – The National Irrigation Administration (NIA), the Bureau of Soils and Water Management (BSWM), and concerned LGUs, in coordination with the DA, shall construct appropriate, efficient and cost effective irrigation facilities, pump and other pressurized irrigation systems, rain capture and water impounding facilities in corn producing areas. The DA and NIA shall include in its annual budget the item or provision on construction and rehabilitation of irrigation facilities, rain capture and water impounding facilities in corn producing areas.

20 **SEC. 9. Classification and Regulation of Supply of Corn.** - The
21 Committee, particularly the DA, in the exercise of its regulatory authority, shall
22 classify imported corn according to their appropriate classification when imported at
23 a time that domestic productions are sufficient to meet domestic requirements. The
24 Bureau of Customs (BOC) shall require importers or consignees to secure form the
25 DA the classification of the imported corn prior to its release.

1 **SEC. 10. Appropriation.** - In the succeeding years from the effectivity of this
2 Act, the amount of Two billion pesos (P 2,000,000,000.00) shall be appropriated
3 annually and to be allocated as follows :

- 4 a) Twenty percent (20%) for socialized credit under the Farm Support and farm
5 Mechanization Programs;
- 6 b) Fifteen percent (15%) for research and development, capability-building and
7 technology transfer activities under Research and Development, Extension
8 Services and Human Resources Development;
- 9 c) Fifteen percent (15%) for scholarship grants to be provided under paragraph
10 (d) of Section 7 of this Act; and,
- 11 d) Fifty percent (50%) for infrastructure support programs.

12 In the identification and prioritization of specific programs and projects, the
13 Committee, particularly the DA shall conduct prior consultations with corn farmers
14 and farm workers, and producers of corn by-products. The Committee shall issue the
15 necessary guidelines for this purpose.

16 **SEC. 11. Implementing Rules and Regulations.** - The Committee, in
17 consultation with concerned government agencies and corn industry stakeholders,
18 shall issue the implementing rules and regulations of this Act within ninety (90) days
19 from the effectivity of this Act.

20 **SEC. 12. Separability Clause.** - If any provision of this Act is declared
21 unconstitutional, the validity of the remaining provisions hereof shall remain in full
22 force and effect.

23 **SEC. 13. Repealing Clause.** - All laws, decrees, executive orders and rules
24 and regulations or parts thereof inconsistent with any provision of this Act are hereby
25 repealed, modified or amended accordingly.

1 **SEC. 14. Effectivity Clause.** - This Act shall take effect after fifteen (15) days
2 from its publication in the Official Gazette or in at least two (2) newspapers of
3 general circulation.

4 *Approved,*