

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

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 3982



Introduced by **DIWA Party-list Representative Emmeline Y. Aglipay – Villar**

EXPLANATORY NOTE

Milk and dairy products are synonymous with health, not only in the Philippines, but worldwide. The Philippine dairy industry itself is essential to the health of our nation's economy, both directly and indirectly as an important factor to many upstream and downstream industries, such as animal feed manufacturers and milk processors, with dairy farms providing work for a host of different trades, from veterinarians to mechanics.

For the dairy industry in the Philippines to reach its full potential, for there to be a sustainable increase in both livestock and animal productivity, greater coordination and centralization is necessary. This bill -- filed as a counterpart of Senate Bill No. 142 with the support of its author, Senator Cynthia Villar -- aims to restructure and realign the government agencies charged with the development of ruminants, by creating the Philippine Ruminants Development Agency through the merger of the Philippine Carabao Center and the National Dairy Authority.

A handwritten signature in black ink, appearing to read "Emmeline Y. Aglipay – Villar".

EMMELINE Y. AGLIPAY – VILLAR
Representative, DIWA Party-list

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AN ACT

**MERGING THE PHILIPPINE CARABAO CENTER AND THE NATIONAL DAIRY
AUTHORITY INTO THE PHILIPPINE DAIRY DEVELOPMENT AGENCY TO
PROVIDE GREATER FOCUS ON THE ACCELERATED DEVELOPMENT OF THE
DAIRY INDUSTRY AND TO INCREASE PRODUCTION OF DAIRY ANIMALS IN
THE PHILIPPINES, PROVIDING FOR A RUMINANTS DEVELOPMENT FUND
THEREFORE, AND FOR OTHER PURPOSES**

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

SECTION 1. *Title.* This Act shall be known as the “Dairy Development Act of 2016.”

SECTION 2. *Declaration of Policy.* It is the declared policy of the State to promote the development of the livestock industry in order to increase the supply of livestock and livestock products and to attain greater self-sufficiency in food commodities from ruminants as sources of supply of milk and dairy products.

Towards this end, the State aims to restructure and realign the government agencies charged with the development of ruminants, by separating the regulatory functions from the development missions of the said agencies and merging these separate groups of functional roles into the appropriate agency structures.

The State recognizes the primary role of the private sector in research, training, production, processing, and marketing, and shall provide incentives and the needed support to encourage these activities in the areas of production and processing of ruminant meat and hide production as well as dairy products.

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

- a) To ensure adequate supply and growth of meat, milk and dairy, and other ruminants products at affordable prices and to promote and provide direction for the accelerated

development of ruminants as sources of draft animal power, meat, milk and dairy, and hide products;

b) To give support and assistance in the production, processing and marketing activities of ruminants and dairy products, particularly rural based small farm operators, farm families, rural cooperatives and private corporate enterprises through the provision of necessary support systems;

c) To formulate the long and short-range programs calculated to achieve major self-sufficiency, efficiency, and stability in food commodities of ruminant animal origins;

d) To formulate and establish comprehensive support programs and policy guidelines for the development of the ruminant livestock industry in all aspects in order to make the industry productive and profitable under sustainable environment through sound policies, programs, research and services on animal production, post-harvest activities.

e) To coordinate with sources of production financing support, and marketing assistance in order to boost the sustainability of ruminant animal and dairy producers; and

f) To coordinate, integrate, and supervise all policies and programs of all government agencies charged with the implementation thereof.

SECTION. 4. *The Philippine Dairy Development Agency.* - The Philippine Carabao Center created under RA. 7307 and the National Dairy Authority, created under RA. 7884 are hereby merged and converted into Philippine Ruminants Development Agency (PRDA), which shall be attached to the Department of Agriculture, and headed by an Administrator.

The Agency shall be the central coordinating agency tasked to ensure the accelerated development of the Philippine ruminant meat, hide and dairy industries, in accordance with the policies and objectives set forth in this Act.

SECTION. 5. *Powers and Functions of the PRDA.* The PRDA shall have the following powers and functions:

(a) To conserve, propagate and promote the ruminant animals as sources of draft animal power, meat, milk and dairy, and hide products;

(b) To enable the farmers, particularly smallholder farmers and CARP beneficiaries to avail themselves of good quality ruminant stocks at reasonable prices through an organized program of production. Breeding, training and dispersal;

(c) To undertake training programs for farmers, particularly smallholder farmers and CARP beneficiaries, designated to transfer technology on the proper care and reproduction of the carabao and the processing of its meat and milk;

- (d) To undertake research and development activities that lead to the improvement of the over-all productivity of the Philippine ruminants, provided that such activities shall indicate the potential of positive returns on the invested research funds.
- (e) To provide update information on varieties, prices, importation, propagation, storage, distribution and sale of ruminants and dairy animals, semen, forage seeds, fertilizers, veterinary supplies, dairy equipment and engineering supplies and such other inputs;
- (f) To receive grants, subsidies, donations or contributions from corporations, thrusts, foundations, associations and other sources from any private or government office, agency or corporation in the Philippines or abroad;
- (g) To establish, maintain or operate field units or offices in various parts of the country in order to achieve the objectives of this Act;

Section 6. *Transfer of Functions.* All on-going programs and functions of the merged agencies are hereby transferred to the PRDA and shall continue to be operational until such time as the appointed PRDA Administrator is able to implement a rationalization and reengineering program to align their functions, programs and activities to the objectives of this Act.

Any and all regulatory functions embodied in RA. 7307 and RA. 7884 are hereby transferred to the Bureau of Animal Industry, created by Republic Act No. 3639 as amended.

SECTION 7. PDDA Advisory Board.

The PDDA shall be governed by and Advisory Board to be composed of the following:

- (a) The Secretary of the Department of Agriculture as chairman;
- (b) The Director of the Bureau of Animal Industry;
- (c) One farmer representative each for Carabao, Cattle, Goat and Dairy producers; and
- (d) The Administrator of the PRDA, as Vice Chairman.

The PDDA Board shall and approve all the policies, systems, protocols and organizational re-engineering of the Agency. It shall also affirm the development programs that will be implemented by the Administrator.

SECTION 18. *Exemption from Taxes and Duties.* The Agency may, in behalf of ruminant and dairy producer enterprises and cooperatives, import and shall be exempt from the payment of customs duties and taxes on the importation of ruminants and dairy animals, veterinary and other supplies, other farm inputs, dairy equipment and machineries, research

equipment, including its spare parts, for purposes of augmenting and upgrading local stocks and breeders, subject to the following conditions:

- a) That the breeders are certified to upgrade and improve existing stocks;
- b) That the dairy equipment and machineries, including its spare parts, are not manufactured domestically in sufficient quantity, of comparable quality and reasonable prices; and
- c) That it shall be actually, directly and exclusively used by the ruminant producer enterprises and cooperatives in the production or manufacture of ruminant and dairy products;

SECTION 10. *Powers and Functions of the Administrator.* Subject to the control and supervision of the Advisory Board, the Administrator shall have the following powers and functions:

- a) Submit policy recommendations and proposed measures necessary to carry out the objectives and functions of the Agency, for the consideration of the Board;
- b) Recommend to the Board, for approval, an organizational structure, and plantilla of personnel of the merged Agency, in accordance with existing laws, rules and regulations;
- c) Execute, administer and implement policies and measures approved by the Board;
- d) Submit to the Board, in line with the national budget cycle, an annual budget and such supplemental budget as may be necessary for its consideration and approval;
- e) Represent the Authority in all its dealings with other persons, entities, agencies, and institutions whether public or private, domestic or foreign, subject to the limitations and conditions herein provided;
- f) Appoint, subject to the confirmation of the Board, and discipline or remove for cause in accordance with the civil service law, rules and regulations, the officers and personnel of the Authority; and
- g) Perform such other duties which may be assigned to him by the Board or by the Secretary of the Department of Agriculture.

SECTION 11. *Implementing Rules and Regulations.* Within three months from the effectivity of this Act, the Secretary of Agriculture shall form an ad hoc Task Force to be composed of two representatives each from the merged agencies, from the cattle producers, from carabao producers, goat producers, and the local dairy industry to formulate the Implementing Rules and Regulations within the ensuing period of three months. Two representatives of the Congressional Commission on Agriculture and Fisheries Modernization shall join the meetings of the ad hoc Task Force as observers.

SECTION 12. *Appropriations.* The appropriations of agencies, division, council and corporation, merged, abolished or transferred pursuant to this Act shall be turned over to the Agency. Thereafter, such sums as may be necessary for its continued operation and maintenance shall be included in the annual General Appropriations Act.

SECTION 13. *Repealing Clause.* RA. 7307 and RA. 7884 are hereby repealed. All laws, decrees, executive orders, rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 14. *Separability Clause.* If any provision of this Act is declared unconstitutional or invalid, other provisions thereof which are not affected thereby shall continue in full force and effect.

SECTION 15. *Effectivity.* This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in any newspaper of general circulation.

Approved,