



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

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3394



Introduced by Representative Sharon S. Garin

EXPLANATORY NOTE

Manpower development programs in the agricultural sector have been focused primarily on technologists and scientists. Every year, universities and colleges in the country produce sizable numbers of graduates in agriculture-related courses. Many of these graduates find work in government agencies, companies engaged in agriculture, but unfortunately a good number do not end up working in agri-related jobs. Only a few graduates have ventured into the business of farming or agricultural entrepreneurship due to lack of education and training in this field.

This bias has contributed to the historical underperformance of Philippine agriculture and the transformation of the country from an agricultural exporter into a major importer of agricultural products. In fact, the Philippines was already the largest importer of rice in the world in 2010. The same bias has tended to perpetuate the negative outlook that agriculture is less of a profession or a business enterprise than a means to daily subsistence. Agriculture is often equated with poverty and underprivileged status. An abundance of anecdotal reference points to children of farmers preferring education in the professions or work in the factories or in the service sector in large urban areas to farming.

There have been initiatives to address the need for agricultural entrepreneurship training programs. For instance, the Family Farm Schools (known as Rural Development Schools) have been established in various parts of the country since 1988 based on the original French model *Maison Familiale Rurale* (literally, Family Rural House). Such schools provide boys and girls with vital actual experience in agricultural operations and farm management during their formative high school years. As a proof of the effectiveness of the system, about 2,000 schools around the world have copied the French model. The experience has been the same – farms operate as business enterprises with significant results in profits for farming families and increases in food production.

After 25 years of existence in the country, President Benigno Aquino III signed into law the Rural Farm Schools Act on September 3, 2013, finally giving formal recognition for this type of schools. While former President Corazon Aquino inaugurated the first Family Farm School as a private initiative in the Philippines on September 8, 1988, President Aquino gave meaning to this type of educational system by signing a law that shall establish it as part of the Department of Education

(DepEd) program. Most importantly, it recognizes the need for rural education suited to rural areas, which have specific needs different from those in the urban areas.

The concept of Family Farm Schools was extended to the post-secondary and collegiate level. In 2004, the Management Association of the Philippines (MAP) created a program called the Farm Business School. It is a post-secondary school following the curriculum of the Family Farm School. The first Farm Business School was established in 2009 under the auspices of the MFI Foundation (formerly Meralco Foundation). Three other Farm Business Schools soon followed in Palawan, Zamboanga del Sur and Negros Occidental, which are all private sector initiatives.

Moreover, in 1994, Congress enacted Republic Act No. 7686 (The Dual Training System Act of 1994), which institutionalized the dual training system as an instructional delivery system, fusing technical and vocational education with actual training based on a training plan collaboratively designed and implemented by accredited dual system institutions. This dual training system has since produced thousands of graduates who have given technical and vocational education an impetus into the industrial, manufacturing, and service sectors.

The manpower development plan for agricultural entrepreneurship, as successfully implemented in other countries, shall be adopted in duly accredited vocational and technical schools, in cooperation with accredited agricultural, industrial and business establishments, as one of the preferred means of creating a dependable pool of well-trained farmers, agriculturists and entrepreneurs for the country.

The new approach to education in agriculture espoused in this bill takes inspiration from RA No. 7686. Through the measures proposed in this bill, the country will train men and women as agriculture entrepreneurs (agripreneurs), with actual or "hands on" experience in farm business or enterprise, who would consider agriculture as an entrepreneurial activity. This can be accomplished through a ladderized system of agricultural education and training in the post-secondary or collegiate level, which can be an extension of the Rural Farm Schools curriculum.

The passage of this bill is timely as the world tries to give significance to farming as a way to eradicate hunger and poverty, provide food security and nutrition, improve livelihoods, manage natural resources effectively, protect the environment and achieve sustainable development. The 2014 International Year of Family Farming aims to reposition family farming at the center of agricultural, environmental and social policies in the national agendas through the identification of gaps and opportunities towards a more balanced development. It promotes awareness and understanding of the challenges faced by smallholders, and helps identify efficient ways to support family farmers. With this global initiative, the need to improve family farming in the Philippines is already opportune and essential for survival, as the country continues to struggle to provide for its growing population.

The bill does not seek to create new government agencies at a time when there is a renewed thrust to streamline the bureaucracy. It also will not entail large appropriations. Instead, it shall empower the Department of Agriculture (DA), through the Agricultural Training Institute (ATI), to pursue the plans, goals and objectives of this bill, in partnership with the private sector and non-governmental organizations

(NGOs). Thus, this is a Private Public Partnership for manpower development for the agricultural sector. Furthermore, this new approach on education and training would pave the way for a better standard of living among farmers and rural area dwellers, and a more stable national economy.

In view thereof, approval of this bill is earnestly sought.



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**AN ACT PROVIDING FOR THE STRENGTHENING OF
AGRICULTURAL EDUCATION AND TRAINING IN THE PHILIPPINES
BY INSTITUTIONALIZING THE MANPOWER DEVELOPMENT
FOR AGRICULTURAL ENTREPRENEURSHIP,
PROVIDING FOR ITS MECHANISM, AND FOR OTHER PURPOSES**

Section 1. Title. – This Act shall be known as “*The Entrepreneurial Agricultural Education Act.*”

Section 2. Declaration of Policy. - It is hereby declared the policy of the State to promote the sustained development of a reservoir of national talents consisting of Filipino scientist, entrepreneurs, professionals, managers, high-level technical manpower and skilled workers and craftsmen in all fields. Towards this end, manpower education and training in the agricultural sector must be developed and strengthened in order to provide the country with a pool of educated and skilled agricultural manpower equipped with appropriate skills in agriculture and business, and desirable work habits and attitudes.

Section 3. Agricultural Manpower Education and Entrepreneurship System. – The State hereby establishes the Agricultural Manpower Education and Entrepreneurship System (AMEES) that will assume a leadership role in the post-secondary, vocational or tertiary level of agricultural and entrepreneurship education, following the completion of the rural farm school's curriculum in the secondary level.

Section 4. Objectives. – This Act primarily aims to develop and strengthen the agricultural education and training in the country through the institutionalization of manpower development for agricultural entrepreneurship in the post-secondary level. It shall have the following specific objectives:

- (a) Encourage the application of manpower development for agricultural entrepreneurship in agricultural, technical and vocational education and training by both public and private schools within the context of existing agricultural training and educational system;

- (b) Promote investment in manpower education and training for agriculture entrepreneurship by both public and private sectors especially in rural areas;
- (c) Enhance the managerial skills and technical competence of students of agriculture by equipping them with analytical and creative thinking and problem-solving abilities; manipulative competencies suitable for occupational standards and requirements; values and attitudes with emphasis on work ethics, quality orientation, discipline, honesty, self-reliance and patriotism; and
- (d) Strengthen training cooperation between agricultural, industrial and business establishments and educational institutions by designing and implementing relevant training programs in close coordination with local government units.

Section 5. Definition of Terms. - For purposes of this Act, the following terms shall mean:

- (a) **Agricultural Entrepreneurship** refers to the process of identifying, starting and managing a farm business or enterprise, sourcing and organizing the required resources and taking both the risks and rewards associated with the venture.
- (b) **Manpower education and training** refers to the instructional delivery system of agricultural, technical and vocational education and training that combines hands-on training and in-school training based on a training plan designed and implemented by an accredited manpower education and training institution for agricultural entrepreneurship and accredited dual system agricultural, industrial and business establishments with prior notice and advice to the local government unit concerned.
- (c) **Trainee** refers to a person qualified to undergo the manpower education and training for agriculture entrepreneurship.
- (d) **Farm Business Schools** are post-secondary schools where students, who are graduates of the Rural Farm Schools or any qualified secondary institution specializing in agriculture, shall be trained on agricultural entrepreneurship.
- (e) **Accredited dual training system educational institution or training center** refers to a public or private institution duly recognized and authorized by the TESDA in coordination with the agricultural sector, business and industry, to participate in the manpower education and training for agricultural entrepreneurship;
- (f) **Accredited dual training system agricultural, industrial and business establishment** refers to a juridical entity duly recognized and authorized by the TESDA to participate in the dual system for manpower education and training for agricultural entrepreneurship.

- (g) **Establishments** refer to enterprises or services, or both, of agricultural, industrial, or business establishments.

Section 6. Institutionalization of the manpower education and training for agricultural entrepreneurship. - The manpower education and training for agriculture entrepreneurship, hereafter the System, shall be institutionalized in the Philippines, it shall form as part of the post-secondary education curriculum as provided in this Act.

Section 7. Coverage. - This Act shall apply to all public and private educational institutions or training centers, and agricultural, industrial and business establishments duly accredited to participate in the manpower education and training for agriculture entrepreneurship.

Section 8. Components of the Manpower Education and Training for Agricultural Entrepreneurship. - The manpower education and training for agriculture entrepreneurship shall have the following components:

1. There shall be a ladderized system of agriculture entrepreneurship education that begins in the post-secondary level following the completion of the Rural Farm School curriculum as provided in Republic Act 10618 (Rural Farm Schools Act of 2013), or upon graduation in any qualified secondary institution, and culminates in applicable collegiate courses. The post-secondary program shall involve the conferment of a Diploma in Agricultural Entrepreneurship upon graduation of the trainee from the Farm Business Schools who shall have the option to continue his studies in partner universities for a degree in Bachelor of Science in Entrepreneurial Management, major in Farm Business;
2. There shall be created for each administrative region (excluding the National Capital Region) an AMEES Development School or Farm Business School, and such other schools as may be established by law;
3. There shall be an instructional delivery system of agricultural, technical and vocational education and training in each Farm Business Schools that combines hands-on training and in-school training based on a training plan designed and implemented by an accredited manpower education and training institution for agriculture entrepreneurship and accredited dual system agricultural, industrial and business establishments with prior notice and advice to the local government unit concerned. Under this dual system, said establishments and the educational institution share the responsibility of providing the trainee with the best possible competencies and experience, the former essentially through practical training and the latter, by providing an adequate level of specific, general and theoretical instruction on agriculture and entrepreneurial management;
4. The AMEES shall include instruction on vital values on citizenship, governance, entrepreneurship, work ethics, quality orientation, discipline, honesty, and self-reliance;
5. The partnership between the public, private and voluntary sectors shall be a crucial component of the AMEES in both academic content and in on-the-job or hands-on training;

6. The AMEES shall also be promoted among poor farming families and out-of-school youth in the rural areas and in agrarian reform communities; the State shall ensure that poor and deserving youths receive the necessary grants and scholarships.

Section 9. Board of Trustees. – There shall be a Board of Trustees, herein referred to as the Board, composed of the Secretary of the Department of Agriculture as ex-officio Chairman, the Chairman of the Commission on Higher Education (CHED) as ex-officio Vice Chairman, and the following members:

1. The Chairman of the Technical Education and Skills Development Authority (TESDA);
2. The Director of the Bureau of Micro, Small and Medium Enterprise and Development (BMSMED);
3. The Director of the DA-Agricultural Training Institute (ATI);
4. Two (2) Representatives from the private sector representing higher education, industry, agriculture, and new and emerging agricultural technologies;
5. Representative from a non-governmental organization.

The representatives from the private sector and non-government organizations shall be appointed by the Chairman subject to the confirmation of the Board of Trustees.

The members of the Board shall serve for four years.

Section 10. Powers and Functions of the Board. The Board shall exercise the following powers and functions:

- (a) Formulate policies and guidelines for the administration and operation of the AMEES;
- (b) Formulate policies on the appointment, promotion, retention, removal, renewal, rewards and incentives for administrators, faculty and staff;
- (c) Craft and approve the AMEES curricula;
- (d) Approve the criteria for the selection and admission of students;
- (e) Approve the grant of scholarship, stipend and such allowances for students;
- (f) Approve the graduation of successful candidates from the various AMEES campuses or farm business schools;
- (g) Formulate policies and rules of discipline for students, faculty and staff;

- (h) Approve the AMEES budget and appropriate to the ends specified by law such sums as may be provided by law for the support of the System;
- (i) Receive grants whether cash, land, buildings and improvements thereof; donations, contributions, bequest, gifts, and to formulate policies for the administration thereof;
- (j) Develop policies for the expansion of enrollment in the campuses under the AMEES;
- (k) Set policies and criteria to rationalize the establishment of AMEES schools under the System, for its evaluation and approval thereof;
- (l) Prepare strategic plans to enhance the capability of the AMEES in developing human resources with focus on youth with special aptitudes and inclination to agriculture and entrepreneurship;
- (m) Identify training centers/institutions that will provide manpower training and education; and
- (n) Perform such other functions as may be necessary to implement the provisions of this Act.

Section 11. Career Management Development Division. - The Career Management Development Division (CMDD) of the Agricultural Training Institute (ATI) of the Department of Agriculture shall plan, set standards, coordinate, monitor and allocate resources in the implementation of the provisions of this Act and in support of the in-plant training or on-the-job training component of the AMEES: *Provided that the agricultural and agro-industrial establishment shall be required to furnish the AMEES with the necessary information for the purpose of supervision.*

The CMDD shall be headed by a Division Chief (DC). The DC shall be assisted by such other personnel as may be necessary for the effective discharge of the functions of the office.

Section 12. Duties and functions of the Division Chief. - The DC shall perform the following duties and functions:

1. Coordinate curriculum planning activities for the AMEES;
2. Coordinate publication of farm business outputs of the teachers, administrators and students from the AMEES;
3. Provide legal and technical support to the members of the System;
4. Coordinate exchange programs with other educational institutions both local and foreign, including youth development and empowerment organizations such as the 4-H Club;

5. Develop and coordinate linkages and networking among the campuses of the AMEES with other institutions;
6. Coordinate the implementation of the program for the identification and selection of scholars for the AMEES;
7. Provide for the secretariat services of the Board of Trustees; and
8. Perform such other functions as may be deemed necessary for the effective discharge of the DC's duties.

Section 13. Status of trainee. – Any student who is a bona fide graduate of a Rural Farm School or any qualified secondary educational institution shall be eligible to enroll in a farm business school. For the duration of the post-secondary manpower training under the system, the trainee is to be considered not an employee of the business/industrial establishment but rather a trainee of both the accredited dual training system educational institution and the agricultural, industrial and business establishments: *Provided* that the union or the workers of the latter have been duly informed in advance of such an agreement.

A trainee who has successfully completed a training program in a particular agricultural, industrial or business establishment shall be given priority of employment in that agricultural, industrial or business establishment. The CHED shall keep a roll of these successful trainees for purposes of identifying them for employment.

Section 14. Obligations of the accredited educational institutions or training centers. – The educational institutions or training centers that have entered into a memorandum of agreement with agricultural, industrial or business establishments to undertake training shall:

- (a) ensure that the necessary skills and knowledge are imparted to the trainee during his in-school trainings in accordance with an approved training plan;
- (b) design, implement and evaluate jointly the training plan with the accredited agricultural, industrial and business establishments;
- (c) provide the training instructors;
- (d) provide specific, general and occupation-related theoretical instructions;
- (e) appoint industrial coordinators to supervise the in-plant or farm training;
- (f) pay the trainee his daily allowance; and
- (g) perform such other tasks and activities as may be necessary in furtherance of the objectives of the training.

Section 15. Obligations of accredited agricultural, industrial and business establishments. The agricultural, industrial and business establishments shall have the following duties and responsibilities:

- (a) ensure that the necessary skills and knowledge are imparted to the trainee during his hands-on trainings in accordance with an approved systematic training plan;
- (b) appoint the training officer/s to implement the training plan;
- (c) make available, free of charge, the consumable materials and basic hand tools and equipment necessary for the training;
- (d) allow the trainee to attend his in-school training and to sit for his examinations;
- (e) require the trainee to keep his report book up to date and inspect such books;
- (f) ensure that the trainee is encouraged to develop his personality and that he is protected from physical or moral danger;
- (g) entrust to the trainee such jobs as are related to the purpose of his training and are commensurate with his capabilities;
- (h) pay to the accredited educational institution/training centre the daily allowance of the trainee;
- (i) allow the trainee the necessary time off for his in-school training; and
- (j) perform such other obligations in accordance with the provisions of this Act and other prevailing laws of the Philippines.

Section 16. Obligations of the trainee. - A trainee shall exert every effort to acquire the skills and knowledge necessary for him to achieve the purpose of his training. Towards this end, he shall:

- (a) carefully perform the jobs entrusted to him as part of his training;
- (b) take part in training programs for which he has been granted time off under this Act;
- (c) follow the instruction given to him as part of his training by the training officer or any other person entitled to give him such instructions;
- (d) observe rules of behavior in the training premises;
- (e) use tools, instruments, machines and other equipment with due care;
- (f) not reveal any business or trade secrets that have come to his knowledge in the course of his training;
- (g) keep his record books up to date; and
- (h) perform such other obligations in the attainment of the objectives of this Act.

Section 17. Memorandum of Agreements. Prior to the commencement of any manpower training, a memorandum of agreement (MOA) shall be signed by all parties which shall stipulate the following, among others:

- (a) the training plan;
- (b) the nature and objective of the training;
- (c) the commencement and duration of the training period, including the total number of in-plant/farm training hours;
- (d) the normal daily training hours;
- (e) the trainee's allowance and the rate to be applied, which shall not be less than seventy-five (75) per cent of the applicable minimum daily wage;
- (f) the rights and obligations of the parties concerned in addition to those provided in Sections 14, 15 and 16;
- (g) the definition of the status of the trainee according to Section 13 of this Act;
- (h) the conditions for the termination of the training agreement;
- (i) the performance, monitoring and evaluation system; and
- (j) such other essential particulars as would mutually benefit all parties concerned.

Section 18. Incentives for the trainees.

- a. Every agricultural, industrial and business establishment undertaking training, in accordance with the provisions of this Act, shall sign a life and/or accident insurance policy on the life of the trainee with the insured and the spouse, children or parents of the trainee as the beneficiaries thereof: *provided* that the agricultural, industrial and business establishments shall pay for the premiums of said insurance policy;
- b. Upon graduation, the students will be provided funding as start-up capital for their farm business. Financial services and programs shall be made available to them as stipulated in Republic Act 10000 or the "The Agri-Agra Reform Credit Act of 2009". Students should be able to avail loans without the need for a collateral. A government guarantee fund shall be set aside for this purpose in case of a default or failure to pay the debt: *provided* that a proof is presented that the student suffers from financial hardships and is no longer able to pay his loan.
- c. The government shall also extend incentives to students for the production and propagation of organic farm inputs by maximizing their use in all government and government-supported agricultural production, research and

demonstration programs, as embodied in Republic Act 10068 or the "Organic Agriculture Act of 2010."

Section 19. Incentives for participating establishments. - To encourage agricultural, industrial and business establishments to participate in the system, they shall be allowed to deduct from their taxable income the amount of one hundred and fifty (150) per cent of the system expenses paid to the accredited dual training system educational institution for the establishment's trainees: *provided* that such expenses shall not exceed five (5) per cent of their total direct labor expenses but in no case to exceed twenty-five million pesos (P25,000,000) a year.

Donations for the operation of the system shall be deductible from the taxable income of the donors. Donations to government-run educational institutions shall be awarded incentives under Republic Act 8525 or the "Adopt-a-School Act of 1998."

The Department of Finance shall issue the necessary rules and regulations to implement the provisions of this section.

Section 20. Non-diminution of incentives. - Nothing in this Act shall be construed to diminish or reduce any privilege already enjoyed by the parties concerned under existing laws, decrees or executive orders.

Section 21. Other exemption from taxes and duties. - Any donation, contribution, bequest, subsidy or financial aid which may be made for the operation of the system shall constitute an allowable deduction from the income of the donors for income tax purposes and shall be exempt from donor's tax, subject to such conditions as provided under the National Internal Revenue Code, as amended. Essential equipment, apparatus and materials imported by accredited dual training private educational institutions shall be exempt from taxes and duties: *provided* that the importation of these items shall be subject to the following qualifications:

- (a) that the importation shall be certified by the appropriate authority;
- (b) that they should be actually, directly and exclusively used in connection with the dual training system and any unauthorized use shall subject the accredited dual training private educational institutions to payment of taxes and duties thereon; and
- (c) that they are not available locally in sufficient quantity of comparable quality, and at reasonable prices.

Provided, however, that taxes and duties pertaining to the importations of accredited government and dual training educational institutions are deemed automatically appropriated.

The Department of Finance shall accumulate the necessary rules and regulations to implement the provisions of this section.

Section 22. Revolving Fund. Any law, rule or regulation to the contrary notwithstanding, the accredited dual training system educational institution/training center is hereby authorized to retain as a revolving fund the amount paid to it by the

agricultural, industrial and business establishments representing the actual dual training expenses. The fund shall be used to improve the operation of the dual training system.

Section 23. Implementing rules. - The CHEd, DA, TESDA and the Department of Finance, in coordination with other industries concerned, shall issue the necessary rules and regulations for the effective implementation of this Act within a period of ninety (90) days after its effectivity.

Section 24. Separability clause. If any part or provision of this Act is declared unconstitutional or invalid, other parts or provisions thereof which are not affected thereby shall continue to be in full force and effect.

Section 25. Repealing clause. All laws, decrees, executive orders, rules and regulations or other issuances or parts thereof, inconsistent with this Act, are hereby repealed, amended or modified accordingly.

Section 26. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,