Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 1225

Introduced by: HON. FELIX R. ALFELOR, JR.

EXPLANATORY NOTE

This bill was filed with the 12th Congress as House Bill No. 5118 with the following explanatory note:

"Farm productivity is a key element in attaining food sufficiency in a country whose population is growing at an alarming rate like the Philippines. However, increasing agricultural productivity has always been an elusive goal as government continues to pour in limited funds in order to stimulate productivity in the agricultural sector.

As government resources become scarce and global competition intensifies in the agricultural world market, demand for more strategic provision of farm support increases.

Among the farm supports provided by the government, irrigation is the most crucial and is recognized as a catalyst of agricultural productivity. However, at present, only 1.37 million hectares or 44% of the country's irrigable land have adequate irrigation facilities.

This bill provides for a strategic provision of irrigation farm support with the view of increasing farm productivity. It grants incentives for the promotion of cost-effective irrigation technologies. This will maximize the potential of our agricultural sector towards more efficient farming technologies that will yield a more diversified produce thereby contributing to the food sufficiency goal of the country."

In view of the foregoing reasons, the approval of this bill, which was filed before the 12th Congress but was not acted upon at the time of its adjournment, is earnestly sought.

HON. FELIX R. ALFELOR, JR.
Representative

Fourth District, Camarines Sur

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AN ACT
TO ENHANCE FARM PRODUCTIVITY BY PROVIDING STRATEGIC FARM IRRIGATION SUPPORTS AND FOR OTHER PURPOSES

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

SECTION 1. Title.- This Act shall be known as the **"Farm Productivity Act of 2002."**

SECTION 2. Declaration of State Policy.- It is hereby declared the policy of the State to enhance farm productivity in order to boost food sufficiency in the country. In pursuit of such policy, the State shall provide strategic farm irrigation supports and incentives to increase the productivity of the country's agricultural sector especially in the countryside.

SECTION 3. Definition of Terms.- For purposes of this Act, the following terms are defined as follows:

a) **Minor Irrigation Systems** are irrigation systems that utilize small and medium scale irrigation facilities such as Shallow Tube Wells (STWs), Low-Lift Pumps (LLPs) and other inundation systems.
b) **Shallow Tube Well (STW)** refers to a tube or shaft vertically set into the ground for the purpose of bringing ground water to the soil surface from a depth of less than 20 meters by suction lifting.
c) **Low-Lift Pump (LLP)** refers to the pump in which the pressure is developed by the lifting action of the suction valves on the water source.
d) **Farm Enterprises** refers to any business activity or enterprise engaged in agriculture whether single proprietorship, cooperative, partnership or corporation duly certified by the Department of Agriculture.

SECTION 4. Technical Assistance – The National Irrigation Administration, together with agricultural state colleges and universities shall provide farm enterprise with a comprehensive technical assistance program in the development of minor irrigation systems thru training, research, information support services and the improvement of irrigation facilities.

SECTION 5. Irrigation Development Loans.- The Department of Agriculture shall establish an irrigation credit facility under the Agro-industry Modernization Credit and Financing Program that will provide access to concessional loans and credit guarantees for the acquisition of water pump sets, tube wells, sprinkler systems and other equipment for the development of minor irrigation systems: *Provided,* That interest rates for these loans shall not exceed nine percent (9%) per annum.

SECTION 6. Fiscal Incentives.- All purchases and rentals of equipment for minor irrigation systems such as Shallow Tube Wells (STWs), Low-Lift Pumps (LLPs) and other inundation systems used by farm enterprises that are duly certified by the Department of Agriculture in consultation with the Department of Finance and Board of Investment, shall, for a period of **ten (10) years,** be exempted from payment of all forms of taxes, tariffs and duties.

SECTION 7. Appropriations. – There shall be appropriated an initial appropriation of P1.0 Billion Pesos during the first year of implementation of this Act to be administered by the Department of Agriculture.

Thereafter, all such amounts as may be necessary for the sustainable financing, operation, maintenance and improvement of minor irrigation systems, shall be automatically appropriated in the General Appropriations Act as approved by Congress.

SECTION 8. Implementing Rules and Regulations.- The Secretary of Agriculture, in coordination with the National Irrigation Administration and the Department of Finance, shall within sixty (60) days from effectivity of this Act, issue the implementing rules and regulation of this Act.

Copies of such rules and regulations shall be both submitted to both Committees of Agriculture and Food of the Senate and the House of Representatives

SECTION 9. Separability Clause.- If any provision of this Act shall be deemed unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect.

SECTION 10. Repealing Clause.- All Acts, Presidential Decrees, Executive Orders and Administrative Orders, Rules and Regulations and other

SECTION 11. Effectivity.- This Act shall take effect Fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved.