

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

H. B. No. 391

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

It is estimated that as much as five million Filipinos in the rural sector are either unemployed or underemployed. Although the employment in the rural sector is largely seasonal, much of the unemployment and underemployment can be attributed to underutilization of agricultural lands throughout the country.

With the Rural Employment Generation Act of 2010, one million hectares of idle and underutilized lands will be converted into modern productive agricultural resources. In the process, it is expected that one million rural jobs will be created, with annual farm incomes of at least Twenty Five Thousand Pesos per hectare being generated.

Corn, cassava and high value commercial crops shall be planted throughout the country under this Act, with the Department of Agriculture serving as lead agency. Tie-ups between the private sector and government will be necessary, including collaborations between agribusiness companies and farmer-beneficiaries.

As catalyst, the Program will generate rural employment valued at 10.354 Billion Pesos and private sector investments of 10.605 Billion Pesos. More importantly, with an improvement in our country's rural employment level, it is anticipated that rural poverty will drastically be reduced.

For the above-mentioned reasons, approval of this bill is earnestly urged.


JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

AN ACT
TO ACCELERATE THE DEVELOPMENT OF IDLE AND UNDERUTILIZED
AGRICULTURAL LANDS AS A MEANS TO GENERATE EMPLOYMENT

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

SECTION 1. *Title of Act.* This Act shall be known as the "*Rural Employment Generation Act of 2010.*"

SEC. 2. *Purpose of the Act.* There is a need to accelerate the development of idle and underutilized agricultural land throughout the country as a means of generating rural economic activity, especially since the majority of our country's poor population belongs to the rural sector. In generating rural employment, it is anticipated that at least one person will find employment for every hectare developed, with an increase in income of Twenty Five Thousand Pesos (P25,000.00) per farmer.

SEC. 3. *Lead Agency.* The Department of Agriculture ("DA") shall undertake the implementation of the Rural Employment Generation Program (the "Program") and shall ensure implementation of this Act and its purposes, including the determination of areas to be planted.

SEC. 4. *Activities to be Undertaken.* DA shall undertake the development of a total of 845,000 hectares of idle or underutilized agricultural land, to be planted hybrid corn, cassava and high value commercial crops ("HVCC") over a period of two years, as follows:

	Yr 1 Hectares Planted	Yr 2 Hectares Planted
Corn	404,000	613,000
Cassava	20,000	88,000
HVCC	185,000	194,000

SEC. 5. *Features of the Program.* The Program shall have the following features:

(a) Modern Technology Systems. The Program will consolidate existing crop areas as well as idle prime lands into farm cluster modules for mechanized and/or irrigated production of hybrid corn, cassava and HVCC;

- (b) **Production Credit Support.** To ensure the adoption of modern crop production technologies, the Program will enhance farmers' access to credit for the purchase of production inputs through innovative credit schemes through the establishment of a seed/guarantee fund for production loans to be extended by input suppliers, end-users, traders, service providers and the formal banking sector;
- (c) **Human Resource Development.** The Program shall train farmers on hybrid technologies, farm mechanization, post harvest and processing technologies and promote local capacity-building in areas of participatory program management and implementation, research and extension and agribusiness marketing and management.

SEC. 6. *Farmer-Agribusiness Tie-ups.* The DA shall facilitate arrangements between farmers and agribusiness groups in the development of agricultural lands. Different business partnership modalities shall be established between farmer cooperatives and the private sector to provide ready markets, management and technical support, in whichever form most suitable for rural development, including but not limited to purchase orders, service or management contracts, contract growing or processing arrangements, lease agreements and joint venture agreements.

SEC. 7. *Quality Standards and Classification Systems.* Quality standards and classification systems shall be developed by the DA and implemented for feedgrains, vegetables, fibers, fruits and industrial crops in order to ensure better prices and competitiveness of domestic produce.

SEC. 8. *Joint Government-Private Sector Committee.* A committee is hereby created, consisting of the Secretary of Agriculture as Chairman, a representative of the private sector involved in agriculture as Vice Chairman, two representatives of the farmer-beneficiaries, two representatives of agribusiness companies involved in the Program, and two officials of the DA as members, all of which shall be appointed by the President of the Republic of the Philippines upon recommendation of the Secretary of Agriculture. The committee shall facilitate the assistance of the private sector in the identification of farmer beneficiaries, credit channels and market and service providers and shall oversee the administration, management and implementation of the Program.

SEC. 9. *Establishment of the Agricultural Development Fund.* The Agricultural Development Fund (the "Fund") is hereby established, in the amount of Pesos: Five Billion Five Hundred Fifty One Million (Php5,551,000,000.00) for the first year and Pesos: Four Billion Seventy Eight Million (P4,078,000,000.00) in the second year of the Program. The Fund shall be taken from the budget allocation of the DA, and will be utilized for the provision of a seed/loan guarantee fund for the production loans and direct government intervention in the provision of, among others, farm machinery, post harvest facilities. Farm-to-market roads and human resource development activities.

SEC. 10. *Separability Clause.* If any provision of this Act shall be declared unconstitutional or invalid, the other provisions not otherwise affected, shall remain in full force and effect.

SEC. 11. *Repealing Clause.* All laws, executive orders or issuances, or any parts thereof which are inconsistent herewith are hereby repealed or amended accordingly.

SEC. 12. *Effectivity Clause.* This Act shall take effect upon its publication in at least two (2) newspapers of general circulation.

Approved,