

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Quezon City, Metro Manila

4
5 **FIFTEENTH CONGRESS**
6 Second Regular Session

7
8 **House Bill No. 4988**
9

10
11 **Introduced by HON. JOCELYN S. LIMKAICHONG**
12

13
14 **EXPLANATORY NOTE**
15

16 Manpower development programs in the agricultural sector have
17 been focused primarily on technologists and scientists. Every year,
18 universities and colleges in the country produce sizable numbers of
19 graduates in agriculture-related courses. Many of these graduates find
20 work in government agencies, companies engaged in agriculture, but
21 unfortunately a good number do not end up working in agri-related
22 jobs.
23

24 However, because of this bias, few graduates have ventured into
25 the business of farming or agricultural (or agri) entrepreneurship. This
26 has contributed to the historical underperformance of Philippine
27 agriculture and the transformation of the country from an agricultural
28 exporter into a major importer of agricultural products. In fact, the
29 Philippines is already the largest importer of rice in the world. The
30 same bias has tended to perpetuate the negative outlook that
31 agriculture is less of a profession or a business enterprise than a
32 means to daily subsistence: agriculture is often equated with poverty
33 and underprivileged status. An abundance of anecdotal reference
34 points to children of farmers preferring education in the professions or
35 work in the factories or in the service sector in large urban areas than
36 to farming.
37

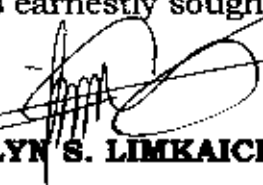
38 There have been initiatives to address the need for agricultural
39 entrepreneurship training programs. Family Farm Schools (in some
40 cases they are known as Rural Development Schools) have been
41 established in various parts of the country since 1988 based on the
42 original French model. Such schools provide boys and girls with vital
43 actual experience in agricultural operations and farm management
44 during the formative high school years. As a proof of the effectiveness
45 of the system, about 2,500 schools around the world have copied the
46 French model. The experience has been the same: farms operate as
47 business enterprises with significant results in profits for farming
48 families and increases in food production.

1 The concept of Family Farm Schools may be extended to the
2 post-secondary and collegiate level. In 1994, Congress enacted
3 Republic Act No. 7686 (The Dual Training System Act of 1994), which
4 institutionalized the dual training system, fusing technical and
5 vocational education with actual training. This dual training system
6 has since produced thousands of graduates who have given technical
7 and vocational education an impetus into the industrial,
8 manufacturing, and service sectors.

9
10 The new approach to education in agriculture espoused in this
11 bill takes inspiration from RA No. 7686. Through the measures
12 proposed in this bill, the country will train men and women as
13 agriculture entrepreneurs, with actual or "hands on" experience in
14 farming business, who would consider agriculture as an
15 entrepreneurial activity. This can be accomplished through a
16 *ladderized* system of agricultural education and training that begins
17 from secondary education. Further, this new approach aims to
18 alleviate poverty among farmers.

19
20 The bill does not seek to create new government agencies at a
21 time when there is renewed thrust to streamline the bureaucracy. It
22 also will not entail large appropriations. Instead, it empowers the
23 Department of Agriculture, through the Agricultural Training
24 Institute, to pursue the plans, goals and objectives of the bill, in
25 partnership with the private sector and non-governmental
26 organizations (NGOs). Thus, this is a Private Public Partnership for
27 manpower development for the agriculture sector.

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

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34 **RBP. JOCELYN S. LIMKAICHONG**
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15
16 **AN ACT**
17 **TO STRENGTHEN**
18 **AGRICULTURAL EDUCATION AND TRAINING IN THE PHILIPPINES**
19 **BY INSTITUTIONALIZING**
20 **THE PHILIPPINE MANPOWER DEVELOPMENT PLAN**
21 **FOR AGRICULTURE ENTREPRENEURSHIP,**
22 **PROVIDING FOR ITS MECHANISM, APPROPRIATING FUNDS**
23 **THEREFOR AND FOR OTHER PURPOSES.**
24
25

26 **Section 1. Title.** - This Act shall be known as *The Agriculture*
27 *Entrepreneurship Act of 2011.*
28

29 **Section 2. Declaration of Policy.** - It is hereby declared the policy
30 of the State to develop and strengthen manpower education and
31 training for agricultural entrepreneurship in order to provide the
32 country with a pool of an educated and skilled agricultural manpower
33 equipped with appropriate skills in agriculture and business, and
34 desirable work habits and attitudes. The manpower development plan
35 for agriculture entrepreneurship, as successfully implemented in
36 other countries, shall be adopted in duly accredited vocational and
37 technical schools, in cooperation with accredited agricultural,
38 industrial and business establishments, as one of the preferred means
39 of creating a dependable pool of well-trained farmers, agriculturists
40 and entrepreneurs for the economy.
41

42 To achieve this, the State hereby establishes the Agricultural
43 Manpower Education and Entrepreneurship System (AMEES) that will
44 assume a leadership role in secondary and tertiary level agricultural
45 and entrepreneurship education.
46

47 **Section 3. Objectives.** - This Act shall have the following
48 objectives:

- 1 (a) Encourage application of manpower education and training
2 for agriculture entrepreneurship in agricultural, technical
3 and vocational education and training by both public and
4 private schools within the context of existing agricultural
5 training and educational system;
6
7 (b) Promote investment in manpower education and training for
8 agriculture entrepreneurship by both public and private
9 sectors especially in rural areas;
10
11 (c) Enhance the technical competence of students of agriculture
12 by equipping them with analytical and creative thinking and
13 problem-solving abilities; manipulative competencies
14 suitable for occupational standards and requirements;
15 values and attitudes with emphasis on work ethics, quality
16 orientation, discipline, honesty, self-reliance and patriotism;
17 and
18
19 (d) Strengthen training cooperation between agricultural,
20 industrial and business establishments and educational
21 institutions by designing and implementing relevant training
22 programs in close coordination with local government units.
23

24 **Section 4. Definition of Terms.** - For purposes of this Act, the
25 following terms shall mean:
26

- 27 (a) *Appropriate Authority* refers to the government entity in
28 charge of implementing the provisions of this Act on
29 manpower education and training for agriculture
30 entrepreneurship;
31
32 (b) *Manpower Education and Training for Agriculture*
33 *Entrepreneurship* refers to the instructional delivery system
34 of agricultural, technical and vocational education and
35 training that combines hands-on training and in-school
36 training based on a training plan designed and implemented
37 by an accredited manpower education and training for
38 agriculture entrepreneurship institution/training center and
39 accredited dual system agricultural, industrial and business
40 establishments with prior notice and advice to the local
41 government unit concerned. Under this system, said
42 establishments and the educational institution share the
43 responsibility of providing the trainee with the best possible
44 competencies and experience, the former essentially through
45 practical training and the latter, by providing an adequate
46 level of specific, general and theoretical instruction on
47 agriculture and entrepreneurial management. *Dual* shall
48 refer to the two parties providing instruction; *system* does

not connote independent action of the two parties but connotes coordinated efforts;

(c) *Trainee* refers to a person qualified to undergo the manpower education and training for agriculture entrepreneurship;

(d) *Accredited Dual Training System Educational Institution or Training Center* refers to a public or private institution duly recognized and authorized by the appropriate authority in coordination with the agricultural sector, business and industry, to participate in the manpower education and training for agricultural entrepreneurship;

(e) *Establishments* refers to enterprises or services, or both, of agricultural, industrial, or business establishments;

(f) *Accredited Dual Training System Agricultural, Industrial and Business Establishments* refers to a juridical entity duly recognized and authorized by the appropriate authority to participate in the dual system for manpower education and training for agriculture entrepreneurship.

Section 5. Institutionalization of the Manpower Education and Training for Agriculture Entrepreneurship. - The manpower education and training for agriculture entrepreneurship (herein referred to as the *System*) shall be institutionalized in the Philippines in accordance with the provisions of this Act.

Section 6. 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 7. Components of the Manpower Education and Training for Agriculture Entrepreneurship. - The manpower education and training for agricultural entrepreneurship shall have the following components:

1. There shall be a ladderized system of agriculture entrepreneurship education that begins in the secondary level and culminates in applicable collegiate courses. The secondary level education shall follow the system of education of the Family Farm Schools and/or Rural Development Schools. The post-secondary program shall involve the conferment of a Diploma in Agriculture Entrepreneurship upon graduation of the trainee 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;

1 2. There shall be created for each administrative region
2 (excluding the National Capital Region) an AMEE Development
3 School and such other schools as may be established by law;
4

5 3. There shall be an instructional delivery system of
6 agricultural, technical and vocational education and training
7 beyond the secondary level that combines hands-on training
8 and in-school training based on a training plan designed and
9 implemented by an accredited manpower education and training
10 for agriculture entrepreneurship institution/training centre and
11 accredited dual system agricultural, industrial and business
12 establishments with prior notice and advice to the local
13 government unit concerned. Under this dual system, said
14 establishments and the educational institution share the
15 responsibility of providing the trainee with the best possible
16 competencies and experience, the former essentially through
17 practical training and the latter, by providing an adequate level
18 of specific, general and theoretical instruction on agriculture
19 and entrepreneurial management;
20

21 4. The AMEE System shall include instruction on vital values
22 on citizenship, governance, entrepreneurship, work ethics,
23 quality orientation, discipline, honesty, and self-reliance;
24

25 5. The partnership between the public, private and voluntary
26 sectors shall be a crucial component of the AMEE System in
27 both academic content and in on-the-job or hands-on training;
28

29 6. The AMEE System shall be promoted among poor farming
30 families and out-of-school youth in the rural areas; the State
31 shall ensure that poor and deserving youths receive the
32 necessary grants and scholarships.
33

34 **Section 8. Board of Trustees.** - There shall be a Board of
35 Trustees composed of the Secretary of the Department of Agriculture
36 as ex-officio Chairman, the Secretary of Department of Education
37 (DepEd) as ex-officio Vice Chairman, and the following members:
38

39 1. The Chairman of the Commission on Higher Education
40 (CHED);
41

42 2. The Chairman of the Technical Education and Skills
43 Development, Authority (TESDA);
44

45 3. The Director of the Bureau of Micro, Small and Medium
46 Enterprise and Development (BMSMED);
47

48 4. The Chairman of the National Anti-Poverty Commission
49 (NAPC);

1 5. The Chairman of the National Youth Commission (NYC);
2

3 6. One representative each from the private sector representing
4 higher education, industry, agriculture, and new and emerging
5 agricultural technologies, and the voluntary sector or non-
6 governmental organizations. The private sector representatives
7 shall be appointed by the Chairman subject to the confirmation
8 of the Board of Trustees. For the first set of appointments, three
9 (3) of them shall serve for four (4) years, while the other two (2)
10 for two (2) years, thereafter, succeeding appointments shall have
11 a fixed term of four (4) years.
12

13 The Board shall exercise the following powers:
14

15 (a) Formulate policies and guidelines for the administration and
16 operation of the AMEE System;
17

18 (b) Formulate policies on the appointment, promotion, retention,
19 removal, renewal, rewards and incentives for administrators,
20 faculty and staff;
21

22 (c) Approve the curricula submitted by the Executive Director;
23

24 (d) Approve the criteria for the selection and admission of
25 students;
26

27 (e) Approve the grant of scholarship, stipend and such
28 allowances for students;
29

30 (f) Approve the graduation of successful candidates from the
31 various AMEES campuses;
32

33 (g) Formulate policies and rules of discipline for students,
34 faculty and staff;
35

36 (h) Approve the AMEE System budget and appropriate to the
37 ends specified by law such sums as may be provided by law for
38 the support of the System;
39

40 (i) Receive grants whether cash, land, buildings and
41 improvements thereof; donations, contributions, bequest, gifts,
42 and to formulate policies for the administration thereof;
43

44 (j) Develop policies for the expansion of enrollment in the
45 campuses under the AMEE System;
46

47 (k) Set policies and criteria to rationalize the establishment of
48 AMEE schools under the System, for its evaluation and approval
49 thereof; and

1 (l) Prepare strategic plans to enhance the capability of the
2 System in developing human resources with focus on youth
3 with special aptitudes and inclination to agriculture and
4 entrepreneurship.
5

6 **Section 9. Planning and Coordination for In-plant Training.** - The
7 Agricultural Coordinating Office of the Agricultural Training Institute
8 (ATI) of the Department of Agriculture shall plan, set standards,
9 coordinate, monitor and allocate resources in the implementation of
10 the provisions of this Act and in support of the in-plant training
11 component of the AMEE System: *provided that* the industrial
12 establishment shall be required to furnish the educational institution
13 with the necessary information for the purpose of supervision.
14

15 The Agricultural Coordinating Office shall be headed by an
16 Agricultural Coordinator (AC) with at least an officer-level rank. The
17 agricultural coordinator may be assisted by such other personnel as
18 may be necessary for the effective discharge of the functions of the
19 office.
20

21 The AC shall perform the following roles and functions:
22

- 23 1. Coordinate curriculum planning activities for the AMEE
24 System;
25
- 26 2. Coordinate publication of research outputs of the teachers,
27 administrators and students from the AMEE System;
28
- 29 3. Provide legal and technical support to the members of the
30 System;
31
- 32 4. Coordinate exchange programs with other educational
33 institutions both local and foreign;
34
- 35 5. Develop and coordinate linkages and networking among the
36 campuses of the AMEE System with other institutions;
37
- 38 6. Coordinate the implementation of the program for the
39 identification and selection of scholars for the AMEE System;
40
- 41 7. Provide for the secretariat services of the Board of Trustees;
42
- 43 8. Perform other functions as may be deemed necessary.
44

45 For the efficient and effective implementation of the foregoing
46 functions, the AC shall be provided with a staff.
47

48 **Section 10. Status of Trainee.** For the duration of the post-
49 secondary training under the system, the trainee is to be considered

1 not an employee of the business/industrial establishment but rather a
2 trainee of both the accredited dual training system educational
3 institution and the agricultural, industrial and business
4 establishments: *provided that* the union or the workers of the latter
5 have been duly informed in advance of such an agreement.
6

7 A trainee who has successfully completed a training program in
8 a particular agricultural, industrial or business establishment shall be
9 given priority of employment in that agricultural, industrial or
10 business establishment. The appropriate authority shall keep a roll of
11 these successful trainees for purposes of identifying them for
12 employment.
13

14 **Section 11. Incentives for Participating Establishments.** To
15 encourage agricultural, industrial and business establishments to
16 participate in the system, they shall be allowed to deduct from their
17 taxable income the amount of One Hundred and Fifty percent (150%)
18 of the system expenses paid to the accredited dual training system
19 educational institution for the establishment's trainees: *provided that*
20 such expenses shall not exceed five percent (5%) of their total direct
21 labor expenses but in no case to exceed Twenty-Five Million Pesos
22 (P25,000,000.00) a year.
23

24 Donations for the operation of the system shall be deductible
25 from the taxable income of the donors. Donations to government-run
26 educational institutions shall be awarded incentives under the "Adopt
27 A School Program."
28

29 The Department of Finance shall issue the necessary rules and
30 regulations for the purpose of tax incentives provided herein.
31

32 **Section 12. Obligations of Accredited Agricultural, Industrial**
33 **and Business Establishments.** The Agricultural, Industrial and
34 Business Establishments shall:
35

36 (a) ensure that the necessary abilities and knowledge for the
37 trainee to achieve the purpose of his training are imparted to him
38 and shall provide such training systematically in accordance with
39 an approved training plan;
40

41 (b) appoint the training officer to implement the training plan;
42

43 (c) make available, free of charge, the consumable materials and
44 basic hand tools and equipment necessary for his training;
45

46 (d) allow the trainee to attend his in-school training and to sit for
47 his examinations;
48

1 (e) require the trainee to keep his report book up to date and
2 inspect such books;

4 (f) ensure that the trainee is encouraged to develop his
5 personality and that he is protected from physical or moral
6 danger;

8 (g) entrust to the trainee such jobs as are related to the purpose
9 of his training and are commensurate with his capabilities;

11 (h) pay to the accredited educational institution/training centre
12 the daily allowance of the trainee; and

14 (i) allow the trainee the necessary time off for his in-school
15 training.

17 **Section 13. *Obligations of the Trainee.*** A trainee shall exert
18 every effort to acquire the abilities and knowledge necessary for him to
19 achieve the purpose of his training. Towards this end, he shall:

21 (a) carefully perform the jobs entrusted to him as part of his
22 training;

24 (b) take part in training programs for which he has been granted
25 time off under this Act;

27 (c) follow the instruction given to him as part of his training by
28 the training officer or any other person entitled to give him such
29 instructions;

31 (d) observe rules of behavior in the training premises;

33 (e) use tools, instruments, machines and other equipment with
34 due care;

36 (f) not reveal any business or trade secrets that have come to his
37 knowledge in the course of his training; and

39 (g) keep his record books up to date.

41 **Section 14. *Obligations of the Accredited Educational***
42 ***Institutions/Training Centers.*** The educational institutions/training
43 centers that have entered into a memorandum of agreement with
44 agricultural, industrial or business establishments to undertake
45 training shall:

47 (a) design, implement and evaluate jointly the training plan with
48 the accredited establishments;

1 (b) provide specific, general and occupation-related theoretical
2 instruction;

3
4 (c) appoint industrial coordinators to supervise the in-
5 plant/farm training;

6
7 (d) pay the trainee his daily allowance; and

8
9 (e) perform such other tasks and activities as may be necessary
10 and in furtherance of the objectives of the training.

11
12 **Section 15. Non-diminution of Incentives.** Nothing in this Act
13 shall be construed to diminish or reduce any privilege already enjoyed
14 by the parties concerned under existing laws, decrees or executive
15 orders.

16
17 **Section 16. Signing of Memorandum of Agreements by the**
18 **Accredited Dual Training System Agricultural, Industrial and Business**
19 **Establishments, the Accredited Dual Training System, Educational**
20 **Institution/Training Centre and the Trainee.** Before an individual
21 establishment begins with an accredited education
22 institution/training centre and the trainee or his representative, the
23 individual establishment shall provide the accredited educational
24 institution/training centre and the trainee with a copy of the signed
25 agreement.

26
27 The Memorandum of Agreement shall set forth, among others,
28 the following:

29
30 (a) the training plan;

31
32 (b) the nature and objective of the training;

33
34 (c) the commencement and duration of the training period,
35 including the total number of in-school and in-plant/farm
36 training hours;

37
38 (d) the normal daily training hours;

39
40 (e) the trainee's allowance and the rate to be applied, which in
41 no case shall start below seventy-five percent (75%) of the
42 applicable minimum daily wage for days spent in the
43 establishments;

44
45 (f) the rights and obligations of the parties concerned in addition
46 to those provided in Sections 12, 13 and 14;

47
48 (g) the definition of the status of the trainee according to Section
49 10 of this Act;

- 1 (h) the conditions for the termination of the training agreement;
2
3 (i) the performance, monitoring and evaluation system; and
4
5 (j) such other essential particulars as would mutually benefit all
6 parties concerned.
7

8 **Section 17. Insurance Coverage of the Trainee.** Every
9 agricultural, industrial and business establishment undertaking
10 training, in accordance with the provisions of this Act, shall sign a life
11 and/or accident insurance policy on the life of the trainee with the
12 insured and the spouse, children or parents of the trainee as the
13 beneficiaries thereof: *provided that* the agricultural, industrial and
14 business establishments shall pay for the premiums of said insurance
15 policy.
16

17 **Section 18. Revolving Fund.** Any law, rule or regulation to the
18 contrary notwithstanding, the accredited dual training system
19 educational institution/training centre is hereby authorized to retain
20 as a revolving fund the amount paid to it by the agricultural,
21 industrial and business establishments representing the actual dual
22 training expenses. The fund shall be used to improve the operation of
23 the dual training system.
24

25 **Section 19. Implementing Rules.** The appropriate authority and
26 the Department of Finance, upon prior consultation with the business
27 and industry concerned, shall issue the necessary rules and
28 regulations for the effective implementation of this Act within a period
29 of ninety (90) days after its effectivity. Any violation of this section
30 shall render the concerned officials liable under R.A. No. 6713,
31 otherwise known as the "Code of Conduct and Ethical Standards for
32 Public Officials and Employees" and other existing administrative
33 and/or criminal laws.
34

35 **Section 20. Other Exemption from Taxes and Duties.** Any
36 donation, contribution, bequest, subsidy or financial aid which may
37 be made for the operation of the system shall constitute an allowable
38 deduction from the income of the donors for income tax purposes and
39 shall be exempt from donor's tax, subject to such conditions as
40 provided under the National Internal Revenue Code, as amended.
41 Essential equipment, apparatus and materials imported by accredited
42 dual training private educational institutions shall be exempt from
43 taxes and duties: *provided that* the importation of these items shall be
44 subject to the following qualifications:
45

46 (a) that the importation shall be certified by the appropriate
47 authority;
48

49 (b) that they should be actually, directly and exclusively used in

1 connection with the dual training system and any unauthorized
2 use shall subject the accredited dual training private
3 educational institutions to payment of taxes and duties thereon;
4 and

5 (c) that they are not available locally in sufficient quantity of
6 comparable quality, and at reasonable prices:

7
8 *Provided, however, that taxes and duties pertaining to the*
9 *importations of accredited government and dual training educational*
10 *institutions are deemed automatically appropriated.*

11
12 The Department of Finance shall accumulate the necessary
13 rules and regulations to implement the provisions of this section.
14

15 **Section 21. Appropriations.** For the initial implementation of
16 this Act, an amount of Fifty Million Pesos (P50,000,000.00) shall be
17 charged against the current year's appropriation of the contingency
18 fund. Thereafter, such sums as may be necessary for its continued
19 implementation shall be included in the annual General
20 Appropriations Act.

21
22 **Section 22. Separability Clause.** If for any reason any provision
23 of this Act is declared invalid or unconstitutional, the rest shall not be
24 affected thereby.

25
26 **Section 23. Repealing Clause.** All laws, decrees, orders, rules
27 and regulations or parts thereof inconsistent with this Act are hereby
28 repealed or modified accordingly.

29
30 **Section 24. Effectivity.** This Act shall take effect fifteen (15)
31 days after publication in two (2) national newspapers of general
32 circulation.

33
34 Approved,
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37