

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

First Regular Session

House Bill No. 5292



Introduced by:

**REPS. WILFRIDO MARK M. ENVERGA, LORENZO R. TAÑADA III
and MARK LLANDRO L. MENDOZA**

EXPLANATORY NOTE

This bill seeks to strengthen State's support towards rural development and promote the leadership role of small farmers and agrarian reform beneficiaries (ARBs) in an envisioned agribusiness revolution in the Philippines. It outlines an integrated solution to the crisis-ridden agricultural sector by reorienting the existing agriculture, food and trade policies of the country towards a more balanced, holistic and pro-Filipino approach to agricultural development. In general, the bill is meant to help the government fulfill the Constitutional call for agrarian justice, balanced rural development and agri-based industrialization in the country.

A key feature of the bill is the promotion of food security. A nation which can grow its own food is a secure nation. The responsibility of the State is to develop an enabling environment so that the Philippines can be self-sufficient in meeting its own food requirements, specially staple crops such as rice and corn.

In this context, this bill envisions farming, small farming in particular, to become a viable and profitable enterprise, able to generate decent jobs and incomes to farming families and motivate them to become competitive and productive. In support of this, the State shall invest from pre- to post-production infrastructures and facilities, seed research and propagation, integrated human resources development, market buffer and niching assistance and crop insurance. This is what integrated rural investment means. If Philippine agriculture is to become as competitive as the developed countries like the United States, European Union, Japan and Australia, the necessary enabling and integrated support systems, which only the State is in a position to develop or provide, must be there.

Under the present conditions and policy set-up, sustained agricultural development, much less modernization, is not possible. What presently obtains is a piece-meal and non-coordinated approach to the agricultural sector as vividly reflected in the ad-hoc and stop-gap responses to the food crisis. The policies of agricultural deregulation and liberalization, developed and imposed by the World Bank in the 1980s, have led to a neglect of agriculture. They have also fueled higher and higher dependence of the Philippines on food imports so much so that the country today is now considered one of the world's biggest food-short importing countries. These twin policies of deregulation and liberalization are at the roots of the crisis of the agricultural sector, which, sadly, has been compounded by the bungled implementation of the agrarian reform program for 20 years. Clearly, reducing, much less alleviating, rural poverty, especially among the small small farmers, the ARBs and the huge growing army of landless rural poor, requires a bold overhaul of the present agrarian policy regime.

The limited gains of the 20-year-old comprehensive agrarian reform program (CARP) are due not only to the weaknesses in CARP implementation but also in the weak productive state of agriculture today. Farming has ceased to be a viable and profitable enterprise for small farmers in general. This bill, therefore, seeks to complement the agrarian reform program by creating an enabling environment for the transformation of ARBs into modern and self-sufficient agribusiness producers. It is not enough that ARBs and other small farmers are able to enjoy land rights; they should also be able to acquire knowledge, technology and confidence in investing and caring for the land under a policy regime that enables ARBs and small farmers a secure stream of incomes and jobs.

A central element of this new agricultural policy regime is a national land use policy. With a population pushing towards a hundred million and the food hunger in the world projected to intensify in the coming years, the Philippines can not afford a single moment further to treat its land and natural resources with neglect and abandon. There should be greater respect, circumspection and utmost seriousness in maintaining and caring for these God-given resources, taking into account the food, life and equity requirements of the greatest number of our people. The country's land resources should and must be mapped and their use for the maximum benefit of the country should and must be strictly regulated. For example, the temporary ban on the non-conversion of irrigated farms into non-farm commercial purposes should be made permanent, to ensure that food security objectives is met.

Of course, every inch of land must be made productive. This means full development and propagation of agricultural technology and related R&D. The small farming sector must also be integrated in the wired cyber world. For this, this bill proposes a Farming Information Technology Services (FITS) so that

farming knowledge and technologies will become readily accessible to the small farmers and agrarian reform beneficiaries.

Additionally, there is a need to reorient existing policies of the Department of Agriculture, and its attached agencies and bureaus, refocus their extension services towards agribusiness development and improve the agribusiness and marketing services of the Department of Agriculture. On the other hand, this bill seeks to insure that farmers will not be disadvantaged in the trading of their goods locally and internationally.

In support of farm and off-farm activities, this bill proposes the creation of a Rural Investment Revolving Fund. The Fund is envisioned to increase the income not only of those already with farm jobs but also those of home producers and rural entrepreneurs, especially women, by encouraging them to develop alternative and innovative products for livelihood. To strengthen this Fund, this bill is seeking the creation of tangkilikan centers all over the country, which shall be the venues for product information and exchanges, product design development and collaborative marketing.

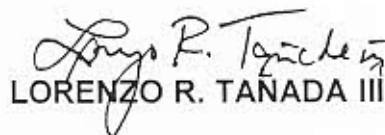
Ultimately, integrated rural development means agri-based industrialization. There should be more value-adding activities in agriculture through the increased processing of agricultural products, which eventually means more and better jobs in the rural areas. The bill proposes incentives for the development of forward and backward linkages in agriculture.

To sum up, the passage of this bill is urgently being sought in order to foster coherence in the country's trade, agricultural and rural development policies and to help transform small farmers and ARBs into agribusiness champions under globalization. It is time that we rebuild our agricultural sector and our future as a country.



WILFRIDO MARK M. ENVERGA

MARK LLANDRO L. MENDOZA



LORENZO R. TANADA III

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

First Regular Session

House Bill No. 5292

Introduced by:

**REPS. WILFRIDO MARK M. ENVERGA, MARK LLANDRO L. MENDOZA
and LORENZO R. TAÑADA III**

**AN ACT
TO SPUR RURAL DEVELOPMENT
BY STRENGTHENING PHILIPPINE AGRICULTURE
THROUGH A BALANCED FARM, FOOD, TRADE AND DEVELOPMENT
POLICIES, and APPROPRIATING FUNDS THEREOF AND FOR OTHER
PURPOSES**

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

CHAPTER 1 – GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be known as "THE PHILIPPINE FARM
SECURITY AND AGRICULTURE COMPETITIVENESS ACT."

SECTION 2. Declaration of Policy – Recognizing that agriculture contributes
significantly to the development of the national economy and provides significant
employment in the country, most especially in the rural areas, where majority of
the people are poor, it is the declared policy of the State to give the highest
priority to the balanced and progressive development of agriculture, including
agro-industries. While the State recognizes the fact that the welfare and the
development of small farmers, agrarian reform beneficiaries, and the fisherfolk is
their primordial responsibility, the State shall sufficiently provide the necessary
support mechanisms towards the attainment of a productive, competitive and job-
creating Philippine agriculture.

Recognizing that adequate, affordable, accessible, and nutritious food is a
basic human right, inherent to human dignity and indispensable to the realization

of the rights established by the Constitution, it shall be the declared policy of the State to give the highest priority to agriculture by protecting prime agricultural lands from conversion to non-agricultural purposes and guaranteeing food self-sufficiency in the country and nutritional security for the population which shall mean regular and permanent access to good quality food, in sufficient quantity, without compromising the fulfillment of other basic needs, having as its basis healthy and nutritional habits that respect cultural diversity that are environmentally, culturally, economically, and socially sustainable.

Recognizing the socio-economic impact of globalization and international trade to agriculture, it shall be the policy of the State to protect, aid, and nurture the farmers, fisherfolk and other workers in the rural communities in the pursuit of its food security, livelihood security, and rural development goals.

Recognizing further that rural development based on growth and equity requires the full integration of the women and youth in the mainstream of development, the State shall ensure that they are given the fullest opportunity to develop their entrepreneurial skills while creating the right environment and giving the full support for the creation of agro-industries to spur rural industrialization.

Recognizing even further that an empowered farmer, agrarian reform beneficiary, and fisherfolk is primordial to the development and sustainability of farming and fishing in the country, the State shall create all mechanisms so that they will have full social participation in the formulation, execution, examination, monitoring, and control of the policies and plans on farm, trade, food and nutrition, rural development in all spheres of the Government.

SECTION 3. Objectives. In pursuit of the declared State policy in Section 2, the State shall –

- a. Transform men and women farmers into modern and competitive agents of agricultural development in the face of stiff competition brought about by agricultural deregulation and import liberalization.
- b. Generate rural employment and improving the welfare, income, and productivity of farmers, including his/her family.
- c. Secure food self-sufficiency for the country by protecting prime agricultural lands for food production activities and enhancing domestic capacity in producing staple crops by institutionalizing subsidies and supplemented by an appropriate policy of building a buffer stock, including the stocking up of essential food products that are not produced in the country or not being produced in sufficient quantities.

- d. Expand access to food through its production, particularly via family and traditional farming, food processing, industrialization and commercialization, including international agreements; better food supply and distribution, including water; job creation and redistribution of wealth.
- e. Secure a stable agriculture through fair trading practices in the conduct of multilateral, regional and bilateral trade negotiations and trading arrangements.
- f. Promote sustainable agriculture through the wider propagation of sustainable farming practices, improvement in the development of agricultural facilities such as irrigation and post-harvest, and the development of human resources needed in agriculture.
- g. Ensure that this Act shall complement agrarian reform in meeting the constitutional mandates of social justice, balanced development and rural industrialization.
- h. Strengthen the forward and backward linkages in agriculture in order to lessen import dependence on agricultural inputs, hasten rural industrialization and foster job-creating and value-adding activities.
- i. Support the proactive efforts of farmers, farmers' organizations, fisherfolk and fisherfolk organizations and cooperatives in the modernization of their farms.
- j. Institutionalize research and development (R&D) in agriculture.
- k. Encourage positive local government participation in creating an enabling environment for intensive agricultural production.
- l. Institutionalize permanent mechanisms of articulation with related agencies on food and nutritional security and fully mobilizing and supporting entities of civil society in the discussion and implementation of public actions for agricultural development and food self-sufficiency.

CHAPTER 2 – FARM DEVELOPMENT BLUEPRINT AND THE COUNCIL FOR FOOD, FARM SECURITY, AND RURAL DEVELOPMENT

SECTION 4. Farm Development Blueprint– The Department of Agriculture, in consultation with all stakeholders in agriculture shall formulate a Farm Development Blueprint as a basic plan to serve as the guide in promoting the integrated development of agriculture under globalization, jumpstarting rural

industrialization, and the transformation of small farmers and farming communities, fisherfolk and fisherfolk communities into modern and competitive ones.

The Farm Development Blueprint shall focus on five (6) major concerns:

- a. Food self-sufficiency
- b. Productivity and competitiveness
- c. Linkaging with industry
- d. New sources of growth for agriculture
- e. Conservation and utilization of natural resources in a sustainable manner
- f. Role of the non-government organizations, people's organizations, farming associations and cooperatives.

SECTION 5. Contents of the Farm Development Blueprint – The Department of Agriculture, in consultation with the farmers, farmers' organizations, fisherfolk, agro-processing sector, input industries sector, and appropriate government agencies shall formulate the Farm Development Blueprint with a time frame of ten (10) years and subsequently revised every four (4) years, by taking into account the changes in circumstances surrounding food, agriculture, and rural areas and the recommendations of CONFFERD. This blueprint shall set forth the following objectives:

1. Yearly target rates for food self-sufficiency of staple products, such as, but not limited to rice and corn. It shall be reviewed every four (4) years.
2. Identification of agricultural crops that will be developed for exports and those that will be developed for domestic consumption.
3. Support services such as marketing, logistics, warehousing, and distribution systems, research and research extension, and credit facilities.
4. Measures to stabilize prices and domestic agricultural production through tariff adjustments, safeguard impositions and import restrictions, when urgently required, when certain imports have or are likely to have serious adverse effect on the production of domestic agricultural products that compete against imports.
5. Infrastructure plan, which includes the improvement of existing infrastructure and the formation of new ones to support both agriculture and rural development.
6. Role of the local government in the implementation of this plan.
7. Agriculture and manufacturing vertical integration plan and internalization of value-added activities at the farm level.
8. A land use plan which specifies which land will be used for agricultural production and non-agricultural production.

SECTION 6. Submission to Congress – The Department of Agriculture, shall without delay, submit the Farm Development Blueprint and its subsequent revisions to both Houses of Congress. This shall serve as the guide for future budgetary allocations and a reference for future policies in agriculture and industry.

Non-submission of the Farm Development Blueprint shall constitute a violation and the official/s concerned shall be held liable under Republic Act. No. 6713 otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees" and other existing administrative and/or criminal laws.

SECTION 7. The Council on Food, Farm Security and Rural Development (CONFFERD). It is hereby created a Council on Food, Farm Security and Rural Development which shall be primarily tasked to:

1. Advise the President of the Republic on matters of food security, farm security, and rural development concerns.
2. Suggest to the Executive Department, in view of its deliberations, and the result of the National Conference, the guidelines and priorities of the Farm Development Blueprint including the budgetary requirements for its execution.
3. Articulate, examine, and monitor the implementation and convergence of actions of the Farm Development Blueprint.
4. Institute permanent mechanisms of dialogue with related agencies from the municipal and city levels up to the regional levels.
5. Mobilize and support civil society in the discussion and the implementation of public actions for food security, farm security, and rural development goals.

SECTION 8. Composition of CONFFERD. It shall be composed based on the following criteria:

1. One-third (1/3) of governmental representatives constituted by the departments, agencies, and bureaus responsible for food security, farm security, and rural development.
2. Two-thirds (2/3) of civil society representatives chosen based on appointment criteria approved by CONFFERD.
3. Observers, including representatives from the Church and international bodies.

SECTION 9. Basic Parameters of CONFFERD - The CONFFERD shall set its own parameters of composition, organization, and operation, based on its own regulation. It shall meet periodically, not more than four years apart, to discuss, advise, and set recommendations on farm security, food security, and rural development concerns to the President of the Republic, the Department of Agriculture, the Grains Stabilization Authority, the Committee on Rural

Development and the Committee on Food and Agriculture of both Houses of Congress. The periodic meeting shall culminate in a National Conference. It shall also call special meetings to discuss urgent matters requiring its utmost attention. It shall be presided by one of its members, a civil society representative, chosen by the general assembly, according to its regulations, and appointed by the President of the Republic.

The National Conference shall be preceded by city and municipal conferences which shall be summoned and organized by the Department of Agriculture, from which the delegates to the National Conference shall be chosen.

The performance of advisers, and permanent and substitute members of CONFFERD shall be considered of relevant public interest and non-remunerated service.

CHAPTER 3 – INTERNATIONAL TRADE

SECTION 10. Coherence with the Farm Development Blueprint – the conduct of agricultural trade shall be aligned and consistent with the objectives of the Farm Development Blueprint set forth in Section 4 and 5 of this Act.

SECTION 11. Agricultural Trade Negotiating Objectives and Parameters – It is the policy of the State to pursue a negotiating objective in behalf of the farm workers and agribusiness industries, with respect to all multilateral, regional, plurilateral, and bilateral negotiations, that will maximize its competitive opportunities for exports equivalent to the competitive opportunities afforded foreign exports in the Philippines to achieve fairer and more open conditions of agricultural trade in bulk and value-added commodities by -

1. Reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for the export of Philippine agricultural commodities, giving priority to the Philippine agricultural commodities that are subject to significantly higher tariffs or subsidy regimes of major producing countries;
2. Immediately eliminating all export subsidies on agricultural commodities worldwide while maintaining and preserving Philippine agricultural market development assistance programs that allow the Philippines to compete with other foreign export promotion efforts;
3. Leveling the playing field for the Philippine agricultural producers by disciplining domestic supports of other countries while preserving green box to support food security, livelihood security, rural development, and conservation activities;
4. Developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly reduce

Philippines market access opportunities for Philippine agricultural commodities or distort agricultural markets to the detriment of the Philippines, including –

- a) unjustified technical barriers to agricultural trade;
 - b) unjustified sanitary and phyto-sanitary restrictions;
5. Leveling the playing field for the Philippine agricultural producers by penalizing traders and smugglers doing technical and outright smuggling, or traders who are distorting prices which unfairly compete with the Philippine agricultural producers.

SECTION 12. Trade assistance programs – The Department of Agriculture, in coordination with the Department of Trade and Industry shall draw up trade assistance and marketing programs per agricultural commodity which shall include: (a) Warehousing and storage facilities, (b) Distribution channels, (c) Processing and going into value-adding activities, (d) Information access (e) Agricultural integration.

SECTION 13. Trade Remedies for Agriculture and Small Farmers – Any agricultural product's viability and survival that is threatened by smuggling and dumping of imported products, whether like or substitute product, can avail of any of the following trade remedy which shall include, but not limited to:

- a. tariff adjustment upwards even beyond the current bound levels;
- b. re-imposition of quantitative restrictions; and
- c. application of specific duties

This shall be imposed immediately by Secretary of the Department of Agriculture. The Secretary shall justify these actions through the invocation of food security, livelihood security, and rural development concerns. These measures of trade support shall be maintained for as long as the threat to the survivability of the farmers in any sector in agriculture is present. Further, the importation of agricultural and fishery products that are being produced domestically in sufficient quantity shall only be done if the sufficiency targets of 100 percent is not met.

SECTION 14. Special and Differential Treatment (SDT) – The Department of Agriculture shall self-designate any agricultural product, including fisheries as special product to be given special and differential treatment in terms of coverage and treatment. Products that will be given special and differential treatment shall be exempt from tariff cuts, minimum access volume (MAV) and tariff-rate quota (TRQ) commitments. If the need arises, it will be given only a minimum cut of not more than 1 percentage point per year only during the implementation period of any agreement, whether multilateral, bilateral, plurilateral, and regional.

The inclusion of any agricultural product, including fisheries, shall be argued for any of these justifiable criteria or reasons: food security, livelihood security, and rural development. The inclusion of any agricultural product, including fisheries, from the "special product" category shall vary from time to time, depending on the strength of its viability in both domestic and international markets.

Further the Department of Agriculture shall use a Special Safeguard Mechanism to address import surges and price depressions and protect farmers against undue trade advantages of importing countries. It shall use two triggers to justify the imposition of the special safeguard, namely:

- a. Price Trigger Level – if the price of a particular imported good falls below a defined level. This shall be computed on the average monthly farmgate price of the product in question for the most recent three-year period preceding that year for which data are available.
- b. Volume Trigger Level – if the import volume of a particular good exceeds a certain level. This shall be computed using Olympic averages. Under this scheme, import data for the past five years will be considered. The highest and the lowest annual import data will be dropped in order to ensure that the resulting import trigger is more reflective of the normal import volume.

Once the trigger levels are breached, the Department of Agriculture shall notify the Bureau of Customs to apply additional duties on incoming imports, which shall be set by the Department of Agriculture itself.

SECTION 15. Import Permits - Importation of agricultural commodities shall not be allowed without securing from the Bureau of Plant Industry 72 hours before the shipment carrying agricultural commodities the necessary import permit and quarantine certificates.

SECTION 16. Import Manifests – Importation of agricultural commodities shall not be allowed without giving the Bureau of Customs a copy of the import manifests four (4) working days in advance. The import manifests shall be published in two newspapers with nationwide circulation.

SECTION 17. Consultation with Congress – Before the Philippine negotiators, in this case, the Department of Agriculture, negotiates any trade agreement that would reduce tariffs on agricultural commodities or require a change in the any policy of the Philippines on agriculture, the negotiators for agriculture shall consult with the Committees on Rural Development , Agriculture and Food, , Ways and Means, , Finance, and Foreign Affairs .

Not less than 48 hours before initialing any agreement relating to agricultural trade whether under the auspices of the WTO or not, regarding the –

- i. the details of the agreement;
- ii. the potential impact of the agreement on the Philippine agricultural producers; and
- iii. any changes in Philippines laws and policies necessary to implement the agreement.

Any agreement or understanding (whether verbal or in writing) that relates to agricultural trade that is not disclosed to Congress before legislation implementing a trade agreement is introduced in either the Senate or the House of Representatives should not be considered of the agreement approved by Congress and should have no force under Philippine law or in any dispute settlement body.

SECTION 18. Transparency in International Trade Negotiations – The Department of Trade and Industry, Department of Agriculture, shall publish immediately in its website, or made available to the public, any document that is relevant to the trade deal that is being negotiated. It shall call on farmers and fisherfolk representatives to a regular meeting to discuss with them the content of any trade negotiation, whether multilateral, bilateral, plurilateral, and regional.

CHAPTER 4 – GRAINS STABILIZATION AUTHORITY

SECTION 19. Establishment of the Grains Stabilization Authority (GSA) – The National Food Authority shall be renamed as the Grains Stabilization Authority, giving it additional regulatory powers, responsibilities, and budget to cope with the challenges of both domestic and international trade and to achieve the national goal to be self-sufficient in rice and corn. The GSA shall be the custodian of the government rice buffer stock for food security and stabilization purposes.

SECTION 20. Buffer Stock– The Grains Stabilization Authority shall continue to intervene directly and indirectly in the rice and corn market through buffer stocking, especially rice.

1. The Grains Stabilization Authority is mandated to have the following buffer stock levels and timeframes:

- a. Strategic Rice Reserve – equivalent to a minimum inventory of rice of at least thirty (30) days national rice consumption to be maintained year-round in government depots for food security purposes.

- b. Government Rice Buffer Stock – equivalent to inventory of rice of at least sixty (60) days rice consumption by July 1 of every year, exclusive of the thirty (30)-day Strategic Rice reserve for stabilization purposes particularly in deficit areas and during lean production periods.

The GSA shall adhere to the food security benchmark of an ideal 150-day national rice buffer stock in the hands of the household, government and commercial sectors by July 1 of every year. The rice buffer stock shall be built up primarily through domestic procurement, directly from the farmers and farmers' organizations or cooperatives and importation will only be warranted if self-sufficiency of 100 per cent is not met.

SECTION 21. Price support system for rice and corn - The GSA is mandated further to provide price support system to rice and corn to a level that provides farmers with a fair return on their investment.

SECTION 22. Retailing of Rice and corn - The GSA is mandated to sell its rice and corn at subsidized pricing scheme for regular distribution to pursue the overall mandate of food security and price stabilization.

SECTION 23. Other farming incentives - On top of the price support, the GSA shall provide PhP 0.50/kg. drying incentive and 0.25/kg. delivery incentive for farmers who deliver directly to the GSA grain centers. For cooperatives, an additional PhP 0.50/kg Cooperative Development Incentive Fee (CDIF) is granted. These rates should be periodically reviewed to adjust to inflation.

SECTION 24 – Farming Input Support – To increase agricultural productivity, the Grains Stabilization Authority shall procure fertilizer and sell it to farmers at subsidized rates. The fertilizer subsidy shall not be more than 15 percent of the total cost of per 50-kilo bag of fertilizer, whether it be organic or inorganic.

SECTION 25. Absorptive Capacity of GSA – In order to strongly compete and be the price leader in the domestic market, the GSA is mandated to buy at no less than 15 per cent of palay production annually, directly from the farmers and farmers' cooperatives.

SECTION 26. Rice and Corn Self-sufficiency – To achieve self sufficiency for rice and corn, the two basic commodities in agriculture, the GSA, shall implement, but not limited to, the following strategies and programs -

(1) For Rice:

- b. Provinces like Nueva Ecija, Pangasinan, Cagayan, Isabela, Quezon, Camarines Sur, Iloilo, Leyte, North Cotabato, Sultan Kudarat shall be designated as permanent paddy producing areas to realize a minimum self-sufficiency level of 100 percent by the end 2015.

- c. Enhance the national yield per hectare from the existing 4.1 metric tons (for irrigated) to 6.0 metric tons by the end of 2012. This shall be maintained as the minimum yield.
- d. Unproductive paddy areas outside of these provinces shall be converted into agroforestry.
- e. The GSA shall buy fertilizer and sell it to farmers at subsidized rate. The fund for fertilizer procurement will be sourced from the MAV collection for rice.
- f. Use of System of Rice Intensification (SRI) in the provinces that will be designated as permanent paddy producing areas.
- g. Rice farms which have a productivity yield of 5.0 metric tons by the end of 2011 and 6.0 metric tons by the year 2012 shall have additional subsidies of P10,000.00 per hectare to cover for fertilizer costs. The subsidy shall adjust based on inflation.

(2) For Corn:

- a. Provinces like Cagayan, Quirino, Albay, Bohol, Cebu, Zamboanga del Sur, Bukidnon, Lanao del Norte, Misamis Oriental, Davao del Sur shall be designated as permanent paddy producing areas to realize a minimum self-sufficiency level of 100 percent.
- b. Enhance the national yield per hectare for yellow corn from the existing 3.1 metric tons to 4.7 metric tons by the end of 2012. This shall be maintained as the minimum yield.
- c. Corn prices should be stabilized at a minimum fair market value. Corn imports must be priced according to this market value to stabilize domestic corn production.
- d. No importation of corn shall be allowed during the peak season.
- e. Corn substitutes such as feed wheat should have the same out-quota tariff of corn.
- f. The GSA shall buy fertilizer and sell it to farmers at subsidized rate. The fund for fertilizer procurement will be sourced from the MAV collection for corn.
- g. Corn farms which have a productivity yield of 3.5 metric tons by the end of 2011 and 4.7 metric tons by the year 2011 shall have additional subsidies of P10,000.00 per hectare to cover for fertilizer costs. The subsidy shall adjust based on inflation.

SECTION 27. Penalty for Rice Hoarding – any individual, trader or business enterprise owner which shall be found to be hoarding rice, which is sold under any government program, shall be penalized for economic sabotage and shall be met with a maximum penalty of reclusion perpetua.

Further, any official or employee of the Grains Stabilization Authority, or any such similar agency of the Government, who connives with any individual, trader, and business enterprise owner in the hoarding of rice shall also be

penalized with economic sabotage with a maximum penalty of reclusion perpetua, without prejudice to administrative sanctions imposed by the subject agency with perpetual disqualification of from holding office and forfeiture of retirement benefits.

CHAPTER 5 – SUSTAINABLE AGRICULTURE

SECTION 28. Food sufficiency targeting – The Department of Agriculture shall release a national self-sufficiency targeting system for basic and essential food stuff namely: rice, corn, sugar, hog, chicken, fishery, and vegetables consistent with the Farm Development Blueprint to guide and boost domestic production of these essential food stuffs. A copy of it shall be given to the Office of the President, National Economic Development Authority (NEDA), Department of Trade and Industry, both Houses of Congress, and the University of the Philippines Los Banos (UPLB).

SECTION 29. Organic Agriculture – The Department of Agriculture and the local government units must promote and propagate organic farming through budgetary support and issuances of relevant department orders and memorandum circulars. Appropriate awareness programs shall be done by DA to promote the use of organic fertilizer and organic manures, and its appropriate technological application in order to improve, maintain, or rehabilitate soil health.

SECTION 30. Incentives to Farmers practicing organic farming - Fiscal incentives, primarily in the form of subsidies, and others in the form of recognition and grants shall be given to farmers or farmer cooperatives which are practicing organic agriculture. Farmers and farmers' cooperatives and associations practicing organic farming shall be certified by the provincial agriculturist as such and they shall be the recipients of the fiscal incentives.

SECTION 31. Community-based seed banking – The Department of Agriculture shall likewise establish community-based seed banks in every rural municipality to provide farmers with an easy access to planting materials as well as control of the diversity of varieties.

SECTION 32. Research and Development System – The R&D System shall focus on the building up and creation of indigenous and locally-adaptive farming innovations and technologies which shall enhance the capacity of the farmers to produce more in an efficient and effective way and provide solutions to problems encountered by farmers in the area of processing and marketing. The Department of Science and Technology and the Department of Trade and Industry shall help the Department of Agriculture in the implementation of these efforts.

The Philippine Council for Agriculture and Resources Research and Development shall be the lead agency to strengthen the existing R and D System in coordination with the Bureau of Agricultural Research, the Philippine Rice Research Institute and other government research institutions, private research institutions; state colleges and universities; and the farmers' organizations in the area.

SECTION 33 – Support for Propagation and Commercialization of Research Findings, Inventions, and Technologies – The Department of Agriculture shall support the propagation and commercialization of indigenous and locally-adaptive inventions and technologies for farming so that they can be effectively used by the farmers to increase their production. Emphasis of these technologies shall be on the ease of its usage, consistent with the promotion of sustainable agriculture, and the increase in the income of farmers and agrarian reform beneficiaries.

SECTION 34. Role of NGOs and POs – Non-government organizations and peoples' organization shall share in the delivery of support services to farmers and farmers' associations in the area of credit, marketing, processing, transportation, provision of farming equipment, and training on entrepreneurship and farm management, especially women farmers.

CHAPTER 6 – LAND USE AND LAND UTILIZATION PLAN

SECTION 35. Land Utilization and Conversion of Agricultural Lands – Prime agricultural lands to the extent necessary for attaining food self-sufficiency in rice and corn and other basic commodities must be conserved and solely be used for food production only and protected from conversion. Irrigated and irrigable lands, all lands with existing or potential for high value crops, and all agricultural lands that are ecologically fragile and whose conversion will result into serious environmental problems shall be given full protection from conversion. Lands that are idle and remain uncultivated shall also be used for agricultural production. However, lands that are uncultivable, lands affected by high salinity and acidity can be used for non-agricultural development activities.

SECTION 36. Land Use and CARP – Consistent with the State policy on giving priority to the Comprehensive Agrarian Reform Program (CARP), all the remaining lands subject to CARP, including lands covered by notice of compulsory acquisition and voluntary offer to sell, production or profit-sharing, shall also be fully protected from conversion pending the distribution and the installation of farmer-beneficiaries.

SECTION 37. Reclassification of Agricultural Lands by the LGUs – Reclassification of agricultural lands by the LGUs to other uses under the Local Government Code of 1991 shall exclude the protected areas as stated in the

Sections 35 and 36 hereof. After the completion of the base mapping of protected agricultural lands, the DA and the DAR shall provide the LGUs with a list of the maps thereof.

SECTION 38. Moratorium on land conversion – Pending the completion of the protected areas base mapping, there shall be a moratorium on all applications for conversion of agricultural lands into non-agricultural purposes, except for priority infrastructure projects that are of national interest as identified by NEDA and DA a day after this law has been passed by Congress or until a national land use policy is enacted by the same. The application of conversion of protected areas as provided in Sections 35 and 36 hereof shall not be given due course by the Department of Agrarian Reform.

SECTION 39. Protection of Critical Watershed Areas – The DENR, in coordination with the DA, the LGUs, and other government agencies, including government-owned and controlled corporations, and with mandatory public hearings, shall identify and delineate critical watershed areas that need to be protected, rehabilitated, and enhanced.

CHAPTER 7 – ROLE OF ARBs AND ARCs

SECTION 40. Agrarian Reform Beneficiaries (ARBs) – ARBs, along with small farmers, will take the lead in the implementation of this Act's rural development policy. ARBs are those beneficiaries, with or without Emancipation Patents (EP) or Certificate of Land Ownership Award (CLOA), of Presidential Decree 27 and the Comprehensive Agrarian Reform Program (CARP).

SECTION 41. Completion of CARP's Land Acquisition and Distribution – The State, through its government instrumentalities shall complete the land acquisition and development (LAD) component of CARP and shall focus on the redistributive aspects of CARP, which is the actual and physical possession and operation of the lands awarded to ARBs.

Any violation of this section shall render the official/s concerned liable under Republic Act. No. 6713 otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees" and other existing administrative and/or criminal laws.

SECTION 42. Transformation of ARBs – The effective transformation of ARBs into self-sufficient owner-cultivators and modern farmers, would require various confidence- and capability-building intervention programs and activities from the state, private sector, academe and/or agricultural schools, and NGOs. The provisions of this Act, particularly on infrastructure support, credit, technology, extension services, and human resources development are envisaged to enhance the capability of ARBs to become modern and competitive farmers.

Training and other related interventions aiming to reorient ARBs' mindset from being sharecroppers or tenants or leaseholders to becoming self-sufficient owner-cultivators will be likewise pursued. Here NGOs play a crucial role.

SECTION 43. Encouragement of Associative Schemes – ARBs shall be encouraged to form into associative or collective organizations in the form of cooperatives, rural associations, rural enterprises, and other similar modes, without prejudice however to the desire of ARBs to individually till and operate the land awarded to them. Undertakings such as but not limited to purchase of inputs, co-production, credit access, clustering schemes, storage, marketing and distribution, and research and development, will be encouraged to be implemented collectively.

Non-government organizations involved in rural development and empowerment will be encouraged to assist ARBs in their associative undertakings.

SECTION 44. Prioritization of ARBs and ARCs – The ARBs, through the Agrarian Reform Communities (ARCs), will be given priority in the provision of infrastructure support, inputs and services as provided in Chapter 11 of this Act. As such, support services will be channeled to ARCs. ARCs will also get priority in the allocation of official development assistance (ODA) for agriculture and agrarian reform. For a more inclusive and transparent process, the development and implementation of programs and projects for ARCs using ODA will involve the active participation of all stakeholders, particularly ARBs, in the ARCs. In this regard, ARBs and their organizations will form part of the CONFERRD being established in this Act as provided in Sections 7 and 8.

ARBs will also get priority in the buying of their palay and corn produce by the Grains Stabilization Authority (GSA) created by virtue of Chapter 4 this Act.

SECTION 45. ARCs as Agro-Industrial Centers – Being in an ARC, whether one is an ARB or non-ARB, increases a farmer's household income and expenditure per capita. Thus, the combination of land transfer and being in an ARC makes the farmer less likely to be poor.

This Act thus seeks to transform ARCs into viable agro-industrial centers based on the Farm Development Blueprint to be developed by virtue of this Act as provided in Sections 4 and 5 .

The ARCs shall be expanded to include non-ARBs, other small farmers, and landless rural workers. Landowners whose lands have been covered by CARP will be encouraged to channel their compensation capital to productive investments in viable and profitable ARCs. The State shall endeavor to come up with the most appropriate mix of investment in ARCs where a certain proportion of compensation capital invested in ARCs will get a fixed return.

The CONFERRD, Presidential Agrarian Reform Council (PARC) and DAR will determine the most feasible number of ARCs targeted to be established annually. These institutions will also identify viable ARCs that have the potential to become agro-industrial centers.

The strategic plans and programs of all CARP implementing agencies headed by DAR, the local government units (LGUs), agricultural schools, as well as non-government agencies (NGOs) working in the rural areas, will need to be harmonized and integrated to focus more on the development of ARBs and ARCs. These plans and programs will also have to be in sync with the Farm Development Blueprint.

CHAPTER 8 – AGRIBUSINESS DEVELOPMENT, EXTENSION SERVICES, HUMAN RESOURCE DEVELOPMENT

SECTION 46. Leadership of small farmers in agribusiness transformation.

The successful transformation of agriculture as envisioned above requires the transformation of the small farmers, settlers, indigenous people and agrarian reform beneficiaries (ARBs) into modern agribusiness producers able to adopt modern sustainable farming practices and meet the challenges of competition in both the domestic and export markets. Towards this end, all concerned agencies of the government are mandated to focus their resources and energies on how this transformation can be achieved at the local, regional and national levels.

SECTION 47. Agribusiness extension offices. A Bureau for Agribusiness Extension for Small Farmers and ARBs (BAESA) is hereby created under the Department of Agriculture (DA) for the express purpose of developing business capacity-development programs for small farmers, settlers, indigenous people and agrarian reform beneficiaries as well as farmer cooperatives, associations and agrarian reform communities (ARCs). BAESA shall develop prototypes of various business-oriented training programs such as farm business planning, farm accounting, input procurement, agricultural marketing and so on. The BAESA shall also conduct market researches and help propagate most profitable production-marketing schemes for small farmers. BAESA shall maintain linkages necessary linkages with different agencies in touch with small farmers, including the Department of Interior and Local Governments (DILG).

SECTION 48. Small Farmer Agribusiness Development – The Department of Agrarian Reform and the DA, together with the LGUs under the DILG and other concerned agencies, shall join forces in helping in the transformation of agrarian reform communities (ARCs) and farmer cooperatives into agribusiness consortiums or economic enterprises so that they can have better control of market channels and improve profit opportunities.

SECTION 49. Linkages with agribusiness corporations – Agribusiness corporations, foreign and domestic, in agriculture shall be encouraged to develop beneficial trading and agricultural processing arrangements with the small farmers. Small farmers can partner with business firms through an "Adopt-a-Farm" Programme, in which the business firms shall buy direct to the tenant-farmer their produce at fair prices. BAESA and the local government units, through its Provincial and City Technology and Livelihood Offices, shall be there to assist the partnership and in safeguarding the interest of the tenant-farmers.

SECTION 50. Extension Services to the Barrio– It is the policy of the State to transform farmers and fisherfolk into modern and competitive agents of agricultural renewal and rural industrialization. Toward this end, the provincial offices of the Department of Agriculture and the Department of Trade and Industry, Department of Science and Technology, in coordination with the local government units, universities, shall create a pool of technical experts or agricultural extension specialists in every municipality that shall develop and transfer to the farmers, knowledge on:

- a. Best farming practices
- b. Agricultural Technology
- c. Conducting feasibility studies
- d. Simple accounting and financial planning
- e. Farm management
- f. Marketing and Pricing
- g. International trade
- h. Sustainable Agriculture
- i. Entrepreneurship

The pool of agricultural extension specialists, who shall be trained and upgraded regularly, shall go to the every rural barangay on a quarterly basis to conduct "transfer-of-social-technology" sessions. They shall develop training kits that will be easily understood by the farmers and fisherfolk in their areas of responsibility.

SECTION 51. Certification of Farm Skills – A system of certification of farm skills shall be instituted by the Department of Agriculture, in coordination with the Technical Education and Skills Development Authority, or any duly authorized institution to upgrade the skills of farmers and farmworkers.

SECTION 52. Rural Development Course – The Commission on Higher Education shall make it mandatory for every college and university in the Philippines to include a rural development course for all four-year and five-year BA and BS courses. It shall be taught during the third year. The colleges and universities may also be required to send their students a maximum of one (1)

month exposure and internship in the rural areas to enhance public understanding and awareness of agriculture.

CHAPTER 9 – RURAL INVESTMENT AND INDUSTRY LINKAGES

SECTION 53. Establishment of the Rural Investment Fund – Every 3rd, 4th, and 5th class municipalities shall be appropriated from the national budget on top of their Internal Revenue Allotment (IRA), P 2,000,000.00 as a revolving loan facility available for individuals, households, cooperatives, that will be used for long-term local investments and income creation activities in the rural areas. Interests to this loan, whatever the amount shall have a maximum ceiling of 3 per cent. Further, the priority of the use of the fund shall be given to small-scale farmers and agrarian reform beneficiaries, who own less than or equal to 2 hectares of land.

SECTION 54. Tax incentives for input industries development – The Department of Agriculture, in close coordination with the Department of Trade and Industry, and in consultation with the private sector, shall develop a rationalized input industries that will make agricultural production more competitive and will reduce the cost of farming and fishing. Toward this end, the State shall undertake programs that shall stabilize or minimize the price increase of inputs such as fertilizers, agricultural chemicals, seeds, planting materials, feeds, agricultural machinery and equipment. Further, the State shall provide tax incentives for the private sector for the development of these input industries. With regard to organic farming, the State shall provide incentives to the private sector which shall put up factories producing organic fertilizer.

SECTION 55. Agricultural Integrators and Processors – In every district there shall be at least one (1) integrator or processor as a forward linkage of the agricultural sector. The integrator can be a public-private partnership, a cooperative that is also into manufacturing. This can spur the rural industrialization, as mandated by the Constitution. This will also promote value-adding activities in the rural areas, which will inevitably create jobs.

SECTION 56. Rural Employment Targeting – The National Economic Development Authority, Department of Agriculture, Department of Trade and Industry, and the local government units shall develop rural employment targets per year. The yearly national target of jobs to be created shall be allocated to every municipality so as to make local government units accountable for job generation program of the national government. Further, incentives, in the form of increase IRA allocation shall be made for those who meet or exceed their rural employment targets.

SECTION 57. Creation of Tangkilikan Centers – Within four years upon the effectivity of this Act, it shall be established in every congressional district a

tangkilikan center that will be the venue of product exchanges and product development. It shall also be the monitoring center of domestic and international prices of major agricultural commodities traded in the domestic and international markets. Toward this end, a business directory, which includes all businesses operating in agriculture, manufacturing, and services shall be published and updated every two years. A Tangkilikan e-Network shall be further created in order to link and consolidate the various district tangkilikan centers all over the Philippines.

SECTION 58. Women and youth empowerment – Women and youth working or participating in farm management shall be given appropriate support services by the municipal LGU such as nutrition, health, and farm training and livelihood opportunities.

CHAPTER 10 - ROLE OF THE LGUs

SECTION 59. Local Government Participation - Local government units are mandated by this Act to:

1. Participate in the strict implementation of this Act.
2. Harmonize their laws with the Farm Development Blueprint as stated in Section 4 and 5 and the Land Use Plan, also stated in Section 29.
3. Provide training to farmers on farming management. Farming households and non-farming households shall also be given livelihood trainings and opportunities to augment their incomes.
4. Play an active role in the grains stabilization efforts as stated in Chapter 4 of this Act by monitoring prices and hoarding activities in their area of responsibility.
5. Formulate its own strategies for increasing agricultural production and enhancing agricultural development, consistent with this Act.
6. Whenever necessary, the local government units shall provide manpower and budget for the proper implementation of this Act.

CHAPTER 11 – INFRASTRUCTURE, CREDIT, AND SUPPORT SERVICES

SECTION 60. Provision of Infrastructure Support, Inputs and Services – in order to increase agricultural productivity and become competitive in the market, the Government shall provide adequate infrastructure to the agriculture sector.

SECTION 61. Communication Infrastructure – It is hereby established an agriculture information kiosk, to be called as the Farming Information Technology Services (FITS), which shall provide farmers with vital information such as, but not limited to, prices of agricultural products, weather, markets, and credit opportunities. The kiosk shall have an internet facility with broadband access.

A hotline number shall also be established so that farmers have easy and immediate access to any information regarding their farming business from production, credit to marketing and processing.

The Department of Communications and Technology (DOTC) shall, in coordination with other agencies of the National Government, and the local government unit and its agencies, implement the provisions of this section. The operational expenses of this facility shall be shouldered by the local government unit. The facility shall be operated by either the local government unit or the designated farmers' organization.

SECTION 62. Farm Machinery and Equipment – To further modernize the farming system and improve the productivity of agriculture, the Government shall subsidize the buying of tractors and threshers for the farmers. For every rural municipality there should be one (1) hand tractor, one (1) thresher, and one (1) dryer for every 10 hectares of arable land.

SECTION 63. Transportation Infrastructure – The Government shall provide the building of farm-to-market roads, feeder roads, and bridges which will link the farms to the market. It shall prioritize 3rd, 4th, 5th class municipalities, and agrarian reform communities.

The Department of Public Works and Highways shall, in coordination with other agencies of the National Government, and the local government unit and its agencies, implement the provisions of this section. Farmers' organizations shall participate in site identification, preparation, actual execution and maintenance of infrastructure projects.

SECTION 64. Rural Energy Infrastructure – Many rural areas are still without electricity and this hinders agricultural productivity. In this case, National Electrification Administration shall install electricity in all rural areas. Priority shall be given to agrarian reform communities.

SECTION 65. Irrigation Infrastructure – The Government shall provide adequate support for irrigation development and the conservation of water resources. Focus shall be made on the establishment of small irrigation systems and communal irrigation systems. The design and construction of irrigation systems shall be based not only economic rate of return but also on the sustainable use of these systems. Inefficient irrigation systems shall be rehabilitated, improved and maintained.

To enhance the compatibility of environment sustainability and agricultural productivity, the Department of Natural Resources shall adopt measures to promote conservation practices such as reforestation and watershed management.

SECTION 66. Credit Infrastructure - Farmers will be given priority by rural banks in their credit facilities. A credit window shall also be made available by rural banks to women farmers. A credit counseling desk shall be created in every municipality in order to educate the farmers how to avail financing. In times of farm crisis caused by flood, drought, pestilence, and other natural calamities, small-scale farmers shall be given an automatic debt moratorium and suspension of principal payment for one (1) year and interest payments for two (2) years.

SECTION 67. Strengthening the Crop Insurance System – The State shall strengthen the Philippine Crop Insurance Corporation in order to further:

- a. Protect small and marginalized farmers from the economic losses caused by natural hazards, such as typhoon, drought, or flood, and thus enable them to maintain production capacities and capabilities.
- b. Sustain the gains of agrarian reform beneficiaries, who because of natural calamities, will be in danger of selling their lands and returning back as tenant status.
- c. Secure stable food supply.
- d. Restore the credit eligibility of farmers, after a crop failure, for the next cropping season.

In view of this, the Philippine Crop Insurance Corporation shall issue guidelines that will make their crop insurance schemes accessible to small and marginalized farmers. Specifically, the crop insurance application shall be approved at the most 15 days upon filing of the application. The premium rate should be based on market rate, but not more than 5 percent. If the farmer will not be able to cover fully the premium cost, the government should be ready to subsidize at no less than 50 per cent.

SECTION 68. Philippine Crop Insurance Corporation Satellite Offices - The PCIC shall establish satellite office per province. Satellite offices shall directly accept and approve applications in their areas of responsibility at not more than 10 days.

CHAPTER 12 – SUPPLEMENTARY AND TRANSITORY PROVISIONS

SECTION 69 – Appropriation – For the initial year of the implementation of this Act, the amount of Forty-Five Billion Pesos (PhP 45,000,000,000.00) is hereby appropriated for the following purposes:

- a. GSA's additional budget for procurement of 20 percent of palay production annually – Twenty Billion Pesos (PhP 20,000,000,000.00);
- b. Irrigation Construction and Rehabilitation – Five Billion Pesos (PhP 5,000,000,000.00);

- c. Post-harvest facilities/Farming Equipment - Five Billion Pesos (PhP 6,000,000,000.00);
- d. Farm to market roads – Three billion Pesos (PhP 3,000,000,000.00);
- e. Fertilizer subsidy - Five Billion Pesos (PhP 2,000,000,000.00);
- f. Rural Investment Fund – (PhP 2,500,000,000.00)
- g. Farming Information Technology Services – (PhP 1,000,000,000.00)
- h. Tangkilikan Centers – (PhP 2,000,000,000.00)
- i. HRD/Capacity building for farmers – (PhP 1,200,000,000.00)
- j. Research and Technology propagation - (PhP 1,000,000,000.00)
- k. Agribusiness Extension Services for Small Farmers - (PhP 1,200,000,000.00)
- l. Trade Negotiation Support - (PhP 100,000,000.00)

For the succeeding years of the implementation of this Act, the Department of Budget and Management is hereby mandated to include annually in the President's program of expenditures, for submission to Congress, and release, an amount not less than Thirty Billion Pesos (PhP 30,000,000,000.00), for the implementation of this Act.

Other sources of Funds shall come from the following:

- a) Proceeds from the Minimum Access Volume (MAV)
- b) 40 percent of the AFMA Fund
- c) Percentage of the income from GOCCs and GFIs
- d) Grants and donations whether from local or foreign sources

SECTION 70 – CONGRESSIONAL OVERSIGHT COMMITTEE. - A CONGRESSIONAL OVERSIGHT COMMITTEE ON FOOD, FARM SECURITY AND RURAL DEVELOPMENT (COCOFFaRD) IS HEREBY CREATED TO OVERSEE AND MONITOR THE PROPER IMPLEMENTATION OF THIS ACT. IT SHALL BE COMPOSED OF THE CHAIRPERSONS OF THE HOUSE COMMITTEES ON RURAL DEVELOPMENT AND AGRICULTURE AND FOOD AND THE SENATE COMMITTEES ON SOCIAL JUSTICE, WELFARE AND RURAL DEVELOPMENT AND AGRICULTURE AND FOOD , WITH FIVE (5) MEMBERS EACH FROM BOTH HOUSES. THE SAID MEMBERS SHALL BE DULY APPOINTED BY THE SENATE PRESIDENT AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES FROM THE MEMBERS OF THE RESPECTIVE COMMITTEES BASED ON THE PROPORTIONAL REPRESENTATION OF THE PARTIES OR COALITION THEREIN.

THE CHAIRPERSONS OF THE HOUSE COMMITTEE ON RURAL DEVELOPMENT AND THE SENATE COMMITTEE ON SOCIAL JUSTICE, WELFARE AND RURAL DEVELOPMENT SHALL BE THE CHAIRPERSONS OF THE COCOFFaRD. THE MEMBERS SHALL RECEIVE NO

COMPENSATION; HOWEVER, TRAVELLING AND OTHER NECESSARY EXPENSES SHALL BE ALLOWED.

IN ORDER TO CARRY OUT THE OBJECTIVES OF THIS ACT, THE COCoFFaRD SHALL BE PROVIDED WITH AN INITIAL AMOUNT OF TWENTY-FIVE MILLION PESOS (P25,000,000.00) FOR THE FIRST YEAR OF ITS OPERATION AND THE SAME AMOUNT SHALL BE APPROPRIATED EVERY YEAR THEREAFTER.

SECTION 70 – Implementing Rules and Regulations – Within sixty (60) days from the effectivity of this Act, the Department of Agriculture, together with all concerned instrumentalities of the Government, in consultation with farmers, fisherfolk, and agrarian reform beneficiaries, shall promulgate the necessary rules and regulations to implement this Act.

The Secretary shall submit to the House Committees on Rural Development and Agriculture and Food and the Senate Committees on Social Justice, Welfare and Rural Development and Agriculture and Food copies of the implementing rules and regulations within thirty (30) days after their promulgation.

Any violation of this section shall render the official/s concerned liable under Republic Act. No. 6713 otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees" and other existing administrative and/or criminal laws.

SECTION 71. Transitory Provisions - Upon approval of this Act, the officers and employees of the National Food Authority shall be transferred to the Grains Stabilization Authority and shall continue to perform their respective functions, duties and responsibilities and receive the corresponding salaries and benefits until a new structure and plantilla shall have been submitted to and approved by the Department of Budget and Management within thirty (30) days upon signing of this Act.

Upon effectivity of this Act, all revenues of NFA shall be transferred to the GSA.

The appropriation for AFMA shall be transferred to the appropriation of the Farm Security and Agriculture Competitiveness Act. The difference shall be appropriated by Congress. When the funding of AFMA has elapsed, the appropriation of this Act, as stated in Section 65 shall remain.

SECTION 72 – Repealing Clause – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly. The provisions of this Act shall not be repealed, amended, or modified, unless expressly provided in subsequent general or special laws.

SECTION 73. Separability Clause - The provisions of this Act are declared to be separable and if any provision or the application thereof is held invalid or unconstitutional, the validity of the other provision shall not be affected.

SECTION 74. Effectivity - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,