



15th CONGRESS
2nd Regular Session

5593

Introduced by: **HON. AGAPITO H. GUANLAO**

EXPLANATORY NOTE

According to its 2010 annual report, *"the Land Bank of the Philippines continued to post higher profits with net income reaching P7.2 billion for the first nine months of the year, 12 percent or P735 million higher than the P6.4 billion registered for the same period last year."*

Much is left to be desired despite this reported "growth".

By their own account, LANDBANK's total assets grew 12 percent to P591 billion from P527 billion in September 2010 with a 15 percent expansion of deposits to P460 billion from P399 billion of the same period last year. Capital increased to P66 billion from P60 billion in September 2010.

Despite these, their own records show that the bank's credit facility reached only about 661,000 small farmers and fisher folk nationwide. This is a far-cry from the total number of small farmers and fisher folk in the country estimated at about 5.69 million in 2003 alone (ACPC Monitor June 2003). Moreover, the bank's latest report reveals that loans were channeled roughly to only about 4.435% of the country's more than 20,000 cooperatives.

The upward movement however of the bank's assets is indicative of its viability and capability to expand and deepen support to the small farming and fishing sectors to enable them to rise above poverty.

This measure is deemed as a more sustainable solution to the perennial problems of inadequacies, and inaccessibility of financial support by redirecting the Bank's focus towards an institutionalized and strengthened credit, guarantee and insurance support to where it is needed most.

Congress' moves at extending the Bank's life as it expires on August 2013 offers a great opportunity to revisit and re-direct its focus towards more strengthened support to agrarian reform beneficiaries, small farmers and fisher folk which requires the amendment of the Bank's mandate.

Thus, the passage of this piece of legislation is earnestly sought.


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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

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AN ACT STRENGTHENING AND INSTITUTIONALIZING CREDIT, GUARANTEE AND INSURANCE SUPPORT OF THE LAND BANK OF THE PHILIPPINES TO AGRARIAN REFORM BENEFICIARIES, SMALL FARMERS AND FISHERFOLK, AMENDING FOR THE PURPOSE, CHAPTER IV OF REPUBLIC ACT 3844 ALSO KNOWN AS THE AGRICULTURAL LAND REFORM CODE.

Be it enacted in Congress assembled, the following amendments to Chapter IV of Republic Act 3844 also known as the Agricultural Land Reform Code;

SECTION 1. Chapter IV, Section 74 to read as follows:

Section 74. *Creation - To finance the acquisition by the Government of landed estates for division and resale to small landholders, as well as the purchase of the landholding by the agricultural lessee from the landowner, there is hereby established a body corporate to be known as the "Land Bank of the Philippines", hereinafter called the "Bank", which shall have its principal place of business in Manila. The legal existence of the Bank shall be for a period of fifty years counting from the date of the approval hereof. The Bank shall be subject to such rules and regulations as the Central Bank may from time to time promulgate [AND, TO ALLOCATE, 50 PERCENT (50%) OF ITS NET EARNINGS FOR CREDIT, GUARANTEE AND INSURANCE SUPPORT TO AGRARIAN REFORM BENEFICIARIES, SMALL FARMERS, FISHER FOLK AND FARM WORKERS THROUGH THEIR ORGANIZATIONS AND COOPERATIVES.]*

- (a) **[PURSUANT TO THIS, THE LAND BANK OF THE PHILIPPINES SHALL CREATE A WINDOW SOLELY FOR AGRARIAN REFORM BENEFICIARIES, SMALL FARMERS, AND FISHERFOLK TO CATER TO THE NEEDS OF THE SAME.]**

SECTION 2. Chapter IV, Section 75, entitled, Powers in General, add...

- (7) **[TO OFFER AND ISSUE COMMON AND PREFERRED SHARES OF STOCKS TO AGRARIAN REFORM BENEFICIARIES, SMALL FARMERS AND FISHER FOLK THROUGH THEIR ORGANIZATIONS, COOPERATIVES AND COOPERATIVE BANKS IN QUANTITIES TO BE DETERMINED BY THE BOARD OF TRUSTEES AND UNDERTAKEN CONSISTENT WITH THE LAWS OF THE BANGKO SENTRAL NG PILIPINAS.]**

SECTION 3. This Act shall take effect fifteen (15) days after publication in at least two (2) newspapers of general circulation.

Approved: