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REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
Third Regular Session

House Bill No. **6426**

Introduced by Rep. V. Dennis M. Socrates

EXPLANATORY NOTE

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

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

There have been initiatives to address the need for agricultural entrepreneurship training programs. Family Farm Schools (in some cases they are known as Rural Development Schools) have been established in various parts of the country since 1988 based on the original French model. Such schools provide boys and girls with vital actual experience in agricultural operations and farm management during the formative high school years. As a proof of the effectiveness of the system, about 2,000 schools around the world have copied the French model. The experience has been the same: farms operate as business enterprises with significant results in profits for farming families and increases in food production.

The concept of Family Farm Schools may be extended to the post-secondary and collegiate level. In 1994, Congress enacted Republic Act No. 7686 (The Dual Training System Act of 1994), which institutionalized the dual training system, fusing technical and vocational education with actual training. This dual training system has since

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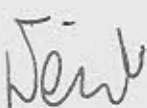
1 produced thousands of graduates who have given technical and vocational education an
2 impetus into the industrial, manufacturing, and service sectors.
3

4 The new approach to education in agriculture espoused in this bill takes
5 inspiration from RA No. 7686. Through the measures proposed in this bill, the country
6 will train men and women as agriculture entrepreneurs, with actual or "hands on"
7 experience in farming business, who would consider agriculture as an entrepreneurial
8 activity. This can be accomplished through a *ladderized* system of agricultural education
9 and training that begins from secondary education especially in the proposed Senior High
10 Schools under the K+12 program. Further, this new approach aims to alleviate poverty
11 among farmers.
12

13 The bill does not seek to create new government agencies at a time when there is
14 renewed thrust to streamline the bureaucracy. It also will not entail large appropriations.
15 Instead, it empowers the Department of Agriculture, through the Agricultural Training
16 Institute, to pursue the plans, goals and objectives of the bill, in partnership with the
17 private sector and non-governmental organizations (NGOs). Thus, this is a Private Public
18 Partnership for manpower development for the agriculture sector.
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20 In view thereof, approval of this bill is earnestly sought.
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REP. V. DENNIS M. SOCRATES
Representative
2nd District Palawan

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

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

7 **6426**
8 House Bill No. _____
9

10 Introduced by Rep. V. Dennis M. Socrates

11
12 **AN ACT TO STRENGTHEN**
13 **AGRICULTURAL EDUCATION AND TRAINING IN THE PHILIPPINES**
14 **BY INSTITUTIONALIZING**
15 **THE PHILIPPINE MANPOWER DEVELOPMENT PLAN**
16 **FOR AGRICULTURE ENTREPRENEURSHIP,**
17 **PROVIDING FOR ITS MECHANISM, APPROPRIATING FUNDS**
18 **THEREFOR AND FOR OTHER PURPOSES.**
19
20

21 **Section 1. Title.** – This Act shall be known as *The Agriculture*
22 *Entrepreneurship Act of 2011.*
23

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

37 To achieve this, the State hereby establishes the Agricultural
38 Manpower Education and Entrepreneurship System (AMEES) that will
39 assume a leadership role in secondary and tertiary level agricultural and
40 entrepreneurship education.
41

42 **Section 3. Objectives.** – This Act shall have the following
43 objectives:
44

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

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

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

1 parties providing instruction; *system* does not connote
2 independent action of the two parties but connotes coordinated
3 efforts;
4

5
6 (c) *Trainee* refers to a person qualified to undergo the manpower
7 education and training for agriculture entrepreneurship;
8

9 (d) *Accredited dual training system educational institution or*
10 *training center* refers to a public or private institution duly
11 recognized and authorized by the appropriate authority in
12 coordination with the agricultural sector, business and
13 industry, to participate in the manpower education and training
14 for agricultural entrepreneurship;
15

16 (e) *Establishments* refers to enterprises or services, or both, of
17 agricultural, industrial, or business establishments;
18

19 (f) *Accredited dual training system agricultural, industrial and*
20 *business establishments* refers to a juridical entity duly
21 recognized and authorized by the appropriate authority to
22 participate in the dual system for manpower education and
23 training for agriculture entrepreneurship.
24

25 **Section 5.** *Institutionalization of the manpower education and*
26 *training for agriculture entrepreneurship.* - The manpower education and
27 training for agriculture entrepreneurship (hereafter the *System*) shall be
28 institutionalized in the Philippines in accordance with the provisions of
29 this Act.
30

31 **Section 6.** *Coverage.* - This Act shall apply to all public and
32 private educational institutions or training centers, and agricultural,
33 industrial and business establishments duly accredited to participate in
34 the manpower education and training for agriculture entrepreneurship.
35

36 **Section 7.** *Components of the Manpower Education and Training*
37 *for Agriculture Entrepreneurship.* - The manpower education and training
38 for agricultural entrepreneurship shall have the following components:
39

40 1. There shall be a ladderized system of agriculture
41 entrepreneurship education that begins in the secondary level and
42 culminates in applicable collegiate courses. The secondary level
43 education shall follow the system of education of the Family Farm
44 Schools and/or Rural Development Schools. The post-secondary
45 program shall involve the conferment of a Diploma in Agriculture

1 Entrepreneurship upon graduation of the trainee from the Farm
2 Business Schools who shall have the option to continue his studies
3 in partner universities for a degree in Bachelor of Science in
4 Entrepreneurial Management, major in Farm Business;
5
6
7

8 2. There shall be created for each administrative region
9 (excluding the National Capital Region) an AMEE Development
10 School and such other schools as may be established by law;
11

12 3. There shall be an instructional delivery system of
13 agricultural, technical and vocational education and training
14 beyond the secondary level called the Farm Business Schools that
15 combines hands-on training and in-school training based on a
16 training plan designed and implemented by an accredited
17 manpower education and training for agriculture entrepreneurship
18 institution/training centre and accredited dual system
19 agricultural, industrial and business establishments with prior
20 notice and advice to the local government unit concerned. Under
21 this dual system, said establishments and the educational
22 institution share the responsibility of providing the trainee with the
23 best possible competencies and experience, the former essentially
24 through practical training and the latter, by providing an adequate
25 level of specific, general and theoretical instruction on agriculture
26 and entrepreneurial management;
27

28 4. The AMEE System shall include instruction on vital values
29 on citizenship, governance, entrepreneurship, work ethics, quality
30 orientation, discipline, honesty, and self-reliance;
31

32 5. The partnership between the public, private and voluntary
33 sectors shall be a crucial component of the AMEE System in both
34 academic content and in on-the-job or hands-on training;
35

36 6. The AMEE System shall be promoted among poor farming
37 families and out-of-school youth in the rural areas and in agrarian
38 reform communities; the State shall ensure that poor and
39 deserving youths receive the necessary grants and scholarships.
40

41 **Section 8. Board of Trustees.** – There shall be a Board of Trustees
42 composed of the Secretary of the Department of Agriculture as ex-officio
43 Chairman, the Secretary of Department of Education (DepEd) as ex-
44 officio Vice Chairman, and the following members:
45

1. The Chairman of the Commission on Higher Education (CHED);
2. The Chairman of the Technical Education and Skills Development, Authority (TESDA);
3. The Director of the Bureau of Micro, Small and Medium Enterprise and Development (BMSMED);
4. The Chairman of the National Anti-Poverty Commission (NAPC);
5. The Chairman of the National Youth Commission (NYC);
6. One representative each from the private sector representing higher education, industry, agriculture, and new and emerging agricultural technologies, and the voluntary sector or non-governmental organizations. The private sector representatives shall be appointed by the Chairman subject to the confirmation of the Board of Trustees. For the first set of appointments, three (3) of them shall serve for four (4) years, while the other two (2) for two (2) years, thereafter, succeeding appointments shall have a fixed term of four (4) years.

The Board shall exercise the following powers:

- (a) Formulate policies and guidelines for the administration and operation of the AMEE System;
- (b) Formulate policies on the appointment, promotion, retention, removal, renewal, rewards and incentives for administrators, faculty and staff;
- (c) Approve the curricula submitted by the Executive Director;
- (d) Approve the criteria for the selection and admission of students;
- (e) Approve the grant of scholarship, stipend and such allowances for students;
- (f) Approve the graduation of successful candidates from the various AMEES campuses;
- (g) Formulate policies and rules of discipline for students, faculty and staff;

1 (h) Approve the AMEE System budget and appropriate to the ends
2 specified by law such sums as may be provided by law for the
3 support of the System;

4
5 (i) Receive grants whether cash, land, buildings and improvements
6 thereof; donations, contributions, bequest, gifts, and to formulate
7 policies for the administration thereof;

8
9 (j) Develop policies for the expansion of enrollment in the
10 campuses under the AMEE System;

11
12 (k) Set policies and criteria to rationalize the establishment of
13 AMEE schools under the System, for its evaluation and approval
14 thereof; and

15
16 (l) Prepare strategic plans to enhance the capability of the System
17 in developing human resources with focus on youth with special
18 aptitudes and inclination to agriculture and entrepreneurship.

19
20 **Section 9. Planning and Coordination for In-plant Training.** - The
21 Agricultural Coordinating Office of the Agricultural Training Institute
22 (ATI) of the Department of Agriculture shall plan, set standards,
23 coordinate, monitor and allocate resources in the implementation of the
24 provisions of this Act and in support of the in-plant training or on-the-
25 job training component of the AMEE System: *provided that* the
26 agricultural and or agro-industrial establishment shall be required to
27 furnish the educational institution with the necessary information for the
28 purpose of supervision.

29
30 The Agricultural Coordinating Office shall be headed by an
31 Agricultural Coordinator (AC) with at least an officer-level rank. The
32 agricultural coordinator may be assisted by such other personnel as may
33 be necessary for the effective discharge of the functions of the office.

34
35 The AC shall perform the following roles and functions:

36
37 1. Coordinate curriculum planning activities for the AMEE System;

38
39 2. Coordinate publication of research outputs of the teachers,
40 administrators and students from the AMEE System;

41
42 3. Provide legal and technical support to the members of the
43 System;

44
45 4. Coordinate exchange programs with other educational
46 institutions both local and foreign;

1
2 5. Develop and coordinate linkages and networking among the
3 campuses of the AMEE System with other institutions;
4

5 7. Coordinate the implementation of the program for the
6 identification and selection of scholars for the AMEE System;
7

8 8. Provide for the secretariat services of the Board of Trustees;
9

10 9. Perform other functions as may be deemed necessary.
11

12 For the efficient and effective implementation of the foregoing
13 functions, the AC shall be provided with a staff.
14

15 **Section 10.** *Status of trainee.* For the duration of the senior high
16 school and post-secondary training under the system, the trainee is to be
17 considered not an employee of the business/industrial establishment but
18 rather a trainee of both the accredited dual training system educational
19 institution and the agricultural, industrial and business establishments:
20 *provided that* the union or the workers of the latter have been duly
21 informed in advance of such an agreement.
22

23 A trainee who has successfully completed a training program in a
24 particular agricultural, industrial or business establishment shall be
25 given priority of employment in that agricultural, industrial or business
26 establishment. The appropriate authority shall keep a roll of these
27 successful trainees for purposes of identifying them for employment.
28

29 **Section 11.** *Incentives for participating establishments.* To
30 encourage agricultural, industrial and business establishments to
31 participate in the system, they shall be allowed to deduct from their
32 taxable income the amount of one hundred and fifty (150) per cent of the
33 system expenses paid to the accredited dual training system educational
34 institution for the establishment's trainees: *provided that* such expenses
35 shall not exceed five (5) per cent of their total direct labor expenses but in
36 no case to exceed twenty-five million pesos (P25,000,000) a year.
37

38 Donations for the operation of the system shall be deductible from
39 the taxable income of the donors. Donations to government-run
40 educational institutions shall be awarded incentives under the "Adopt A
41 School Program."
42

43 The Department of Finance shall issue the necessary rules and
44 regulations for the purpose of tax incentives provided herein.
45

1 **Section 12.** *Obligations of accredited agricultural, industrial and*
2 *business establishments.* The agricultural, industrial and business
3 establishments shall:

4
5 (a) ensure that the necessary abilities and knowledge for the
6 trainee to achieve the purpose of his training are imparted to him
7 and shall provide such training systematically in accordance with
8 an approved training plan;

9
10 (b) appoint the training officer to implement the training plan;

11
12 (c) make available, free of charge, the consumable materials and
13 basic hand tools and equipment necessary for his training;

14
15 (d) allow the trainee to attend his in-school training and to sit for
16 his examinations;

17
18 (e) require the trainee to keep his report book up to date and
19 inspect such books;

20
21 (f) ensure that the trainee is encouraged to develop his personality
22 and that he is protected from physical or moral danger;

23
24 (g) entrust to the trainee such jobs as are related to the purpose of
25 his training and are commensurate with his capabilities;

26
27 (h) pay to the accredited educational institution/training centre the
28 daily allowance of the trainee; and

29
30 (i) allow the trainee the necessary time off for his in-school
31 training.

32
33 **Section 13.** *Obligations of the trainee.* A trainee shall exert every
34 effort to acquire the abilities and knowledge necessary for him to achieve
35 the purpose of his training. Towards this end, he shall:

36
37 (a) carefully perform the jobs entrusted to him as part of his
38 training;

39
40 (b) take part in training programs for which he has been granted
41 time off under this Act;

42
43 (c) follow the instruction given to him as part of his training by the
44 training officer or any other person entitled to give him such
45 instructions;

46

- 1 (d) observe rules of behavior in the training premises;
2
3 (e) use tools, instruments, machines and other equipment with due
4 care;
5
6 (f) not reveal any business or trade secrets that have come to his
7 knowledge in the course of his training; and
8
9 (g) keep his record books up to date.

10
11 **Section 14.** *Obligations of the accredited educational*
12 *institutions/training centers.* The educational institutions/training
13 centers that have entered into a memorandum of agreement with
14 agricultural, industrial or business establishments to undertake training
15 shall:

- 16
17 (a) design, implement and evaluate jointly the training plan with
18 the accredited establishments;
19
20 (b) provide specific, general and occupation-related theoretical
21 instruction;
22
23 (c) appoint industrial coordinators to supervise the in-plant/farm
24 training;
25
26 (d) pay the trainee his daily allowance; and
27
28 (e) perform such other tasks and activities as may be necessary
29 and in furtherance of the objectives of the training.
30

31 **Section 15.** *Non-diminution of incentives.* Nothing in this Act shall
32 be construed to diminish or reduce any privilege already enjoyed by the
33 parties concerned under existing laws, decrees or executive orders.
34

35 **Section 16.** *Signing of memorandum of agreements by the*
36 *accredited dual training system agricultural, industrial and business*
37 *establishments, the accredited dual training system, educational*
38 *institution/training centre and the trainee.* Before an individual
39 establishment begins with an accredited education institution/training
40 centre and the trainee or his representative, the individual establishment
41 shall provide the accredited educational institution/training centre and
42 the trainee with a copy of the signed agreement.
43

44 The memorandum of agreement shall set forth, among others, the
45 following:

- 1
- 2 (a) the training plan;
- 3
- 4 (b) the nature and objective of the training;
- 5
- 6 (c) the commencement and duration of the training period,
- 7 including the total number of in-school and in-plant/farm training
- 8 hours;
- 9
- 10 (d) the normal daily training hours;
- 11
- 12 (e) the trainee's allowance and the rate to be applied, which in no
- 13 case shall start below seventy-five (75) per cent of the applicable
- 14 minimum daily wage for days spent in the establishments;
- 15
- 16 (f) the rights and obligations of the parties concerned in addition to
- 17 those provided in Sections 12, 13 and 14;
- 18
- 19 (g) the definition of the status of the trainee according to Section
- 20 10 of this Act;
- 21
- 22 (h) the conditions for the termination of the training agreement;
- 23
- 24 (i) the performance, monitoring and evaluation system; and
- 25
- 26 (j) such other essential particulars as would mutually benefit all
- 27 parties concerned.
- 28

29 **Section 17.** *Insurance coverage of the trainee.* Every agricultural,
30 industrial and business establishment undertaking training, in
31 accordance with the provisions of this Act, shall sign a life and/or
32 accident insurance policy on the life of the trainee with the insured and
33 the spouse, children or parents of the trainee as the beneficiaries thereof:
34 *provided that* the agricultural, industrial and business establishments
35 shall pay for the premiums of said insurance policy.
36

37 **Section 18.** *Revolving fund.* Any law, rule or regulation to the
38 contrary notwithstanding, the accredited dual training system
39 educational institution/training centre is hereby authorized to retain as
40 a revolving fund the amount paid to it by the agricultural, industrial and
41 business establishments representing the actual dual training expenses.
42 The fund shall be used to improve the operation of the dual training
43 system.
44

45 **Section 19.** *Implementing rules.* The appropriate authority and
46 the Department of Finance, upon prior consultation with the business

1 and industry concerned, shall issue the necessary rules and regulations
2 for the effective implementation of this Act within a period of ninety (90)
3 days after its effectivity. Any violation of this section shall render the
4 concerned officials liable under R.A. No. 6713, otherwise known as the
5 "*Code of Conduct and Ethical Standards for Public Officials and*
6 *Employees*" and other existing administrative and/or criminal laws.

7
8 **Section 20.** *Other exemption from taxes and duties.* Any donation,
9 contribution, bequest, subsidy or financial aid which may be made for
10 the operation of the system shall constitute an allowable deduction from
11 the income of the donors for income tax purposes and shall be exempt
12 from donor's tax, subject to such conditions as provided under the
13 National Internal Revenue Code, as amended. Essential equipment,
14 apparatus and materials imported by accredited dual training private
15 educational institutions shall be exempt from taxes and duties: *provided*
16 *that* the importation of these items shall be subject to the following
17 qualifications:

18
19 (a) that the importation shall be certified by the appropriate
20 authority;

21
22 (b) that they should be actually, directly and exclusively used in
23 connection with the dual training system and any unauthorized
24 use shall subject the accredited dual training private educational
25 institutions to payment of taxes and duties thereon; and
26

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

29
30 *Provided, however, that* taxes and duties pertaining to the
31 importations of accredited government and dual training educational
32 institutions are deemed automatically appropriated.

33
34 The Department of Finance shall accumulate the necessary rules
35 and regulations to implement the provisions of this section.

36
37 **Section 19.** *Appropriations.* For the initial implementation of this
38 Act, an amount of fifty million pesos (P50,000,000) shall be charged
39 against the current year's appropriation of the contingency fund.
40 Thereafter, such sums as may be necessary for its continued
41 implementation shall be included in the annual General Appropriations
42 Act.
43

1 **Section 20.** *Separability clause.* If for any reason any provision of
2 this Act is declared invalid or unconstitutional, the rest shall not be
3 affected thereby.
4

5 **Section 21.** *Repealing clause.* All laws, decrees, orders, rules and
6 regulations or parts thereof inconsistent with this Act are hereby
7 repealed or modified accordingly.
8

9 **Section 22.** *Effectivity.* This Act shall take effect after completion
10 of its publication in the *Official Gazette* or in two (2) newspapers of
11 general circulation.
12

13
14 Approved,
15