

Republic of the Philippines
HOUSE OF REPRESENTATIVES
SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2007**



Introduced by: **HON. HADJIMAN S. HATAMAN-SALLIMAN**, Representative, Lone
District of Basilan

EXPLANATORY NOTE

This bill seeks to provide for the creation of the Philippine Seaweed Industry Development Authority (PSIDA). The creation of a government agency specifically focused on the development of the seaweed industry in the country is long overdue and a necessity in order to make the industry competitive in the world market at the same time making it a prime mover in the country's overall economic development.

The need for the creation of the PSIDA is reasonable and necessary given the potential of the seaweed industry for growth and impact to the economy. Our country is home to various kinds of seaweeds of which three hundred ninety (390) species have been identified as having economic value as food, animal feeds, fertilizers, diet supplement, medicines, and raw materials for industrial products.

Currently, there are more than 150,000 hectares of seaweed farms throughout the country. Most of them are found in coastal barangays in Western Mindanao, particularly in Basilan Province, Central and Eastern Visayas, and the Southern Tagalog region. These regions account for sixty percent (60%) of the country's total production.

Data from the BFAR also revealed that the Philippines is home to various kinds of seaweeds, of which 390 have economic value as food, animal feed, fertilizer, diet supplement, medicine, and raw material for industrial products. In fact, according to reports, scientists at an aquatic technology school in Davao del Sur are determining whether seaweed-based carrageenan powder as a blending agent in processed foods and in medicines. Seaweeds are reportedly effective as preventive cure to illnesses such as goiter, glandular trouble, stomach disorder, intestinal and bladder problems, high blood pressure, and high cholesterol levels.

Currently, the country is the world's top producer of semi-refined food-grade carrageenan, alkali-treated chips, and raw dried seaweed, and fourth biggest producer of refined carrageenan, exported to United States of America, Europe, China, France, Hong Kong and Thailand.

According to BFAR, the Department of Agriculture has allotted P265 million this year to develop the sector. The Autonomous Region in Muslim Mindanao (ARMM) is the largest producer, with a capacity of 686,450 metric tons as of 2011. Some 200,000 families, or 1.2 million individuals, are engaged in seaweed farming.

Seaweed is exported in either raw form (fresh or dried seaweeds) or processed form (carrageenan and kelp powder).

The Philippines is also one of the top producers of seaweeds in the world, specifically the red seaweeds - next to China and Japan. Seaweeds are exported either in raw forms (fresh or dried seaweeds) or processed forms (semi-refined chips/carrageenan and refined carrageenan). The major importing countries of seaweeds and its natural products are France, Korea, China, USA and Hong Kong.

Over the years, the economic contribution of seaweed resources to the country's economy has been recognized and interest in their development has been growing particularly with increasing demand in the foreign trade for these resources as raw materials for many industries. As an industry, seaweed farming or the gathering is a viable venture. Based on the report of the Department of Agriculture, it revealed that seaweed production is still the biggest aquaculture producer of the country providing livelihood to more than 100,000 to 120,000 poor coastal families.

But like many agribusiness ventures, the seaweed industry has its own shares of problems. One of these is the erratic fluctuation in production caused by inefficient marketing and unstable buying and pricing policy of traders. The Philippines also stands to lose a significant share of the world market as buyers complain of poor quality seaweeds produced in the country.

Production of seaweed is also beset with problems. Productivity of farmed seaweeds has been declining due to predator grazing, the so called ice-ice phenomenon, aging effect and negative growth rates as well as crop losses due to typhoons. Lack of quality seedlings or planting materials also hampers the expansion of seaweed farm sites. Another reason for lower seaweed production in the country is climate change. The ideal temperature for seaweed is below 26 degrees celsius. As such, seaweed production has declined by as much as fifty (50%) percent in some areas in the country.

The creation of a special government agency such as the PSIDA to focus on seaweed development will help address the problems which the industry is presently facing. The Authority is aimed at increasing the productivity of the seaweeds and improving further the quality of the seaweeds produced in the country. It will establish and maintain such trading and marketing schemes that will ensure stabilized prices at a level reasonably profitable to seaweed farmers and traders. It is also hoped that in the process, cultivation, production and utilization of the seaweed resources will be maximized but likewise regulated. The approval of this bill will not only improve the country's seaweed industry and enhance the quality of life of seaweed farmers and workers but will also promote national development and accelerate progress in the Philippines.

In view of the foregoing considerations, immediate approval of this bill is earnestly sought.


HADJIMAN S. HATAMAN-SALLIMAN

Republic of the Philippines
HOUSE OF REPRESENTATIVES
SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2007**

Introduced by: **HON. HADJIMAN S. HATAMAN-SALLIMAN**, Representative, Lone
District of Basilan

**AN ACT ESTABLISHING THE PHILIPPINE SEAWEED INDUSTRY DEVELOPMENT
AUTHORITY (PSIDA), DEFINING ITS POWERS AND FUNCTIONS AND
APPROPRIATING FUNDS THEREFOR.**

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

Section 1. **Short Title.** This Act shall be known as the "Philippine Seaweed Industry
Development Act of 2013."

Sec. 2. **Declaration of Policy.** It is the declared policy of the state to increase
aquaculture productivity, to expand aqua-based exports, to strengthen aquaculture
research, and to enhance the development of the abundant and profitable seaweeds
resources for exports and for local consumption so that the seaweed resources can
contribute its share in the development of the national economy.

Sec. 3. **Definition of Terms.** – As used in this Act, the following terms shall mean:

- a) Seaweeds refers to all marine algae used as food or producing derivatives such
as agar, agrums, algin, carrageenin, or other extracts of economic or commercial
value such as but not limited to gulaman dagat (Tagalog), lat (Visayan), gozo
(Visayan), and gamet (Ilocano);
- b) Seaweed farming or culturing refers to the cultivation of any seaweed in
authorized specified areas by any method with appropriate intensive care for
production in commercial quantities;
- c) Seaweed farm lot refers to any person, natural or juridical, engaged in the
farming or culture seaweeds;
- d) Seaweed actual gatherer refers to any person taking or gathering seaweeds from
the natural or wild growth in areas other seaweed from lots;
- e) Seaweed actual gatherer refers to any person taking or gathering seaweeds from
the natural or wild growth in areas other than seaweed farm lots;
- f) Actual seaweed gathering refers to the taking or removing of any seaweed from
the natural or wild growth in areas other than seaweed farm lots; and
- g) Seaweed restricted area refers to a seaweed resource area so designated by
PSIDA where free gathering of seaweeds is prohibited.

Sec. 4. **The Philippine Seaweed Industry Authority (PSIDA).** The PSIDA is hereby
created to serve as the country's seaweed development authority. The PSIDA shall be
an attached agency of the Department of Agriculture (DA).

Sec. 5. **Powers and Functions.** – The PSIDA shall exercise the following powers and
functions:

- a) Promulgate and enforce laws, rules and regulations to govern seaweed farming,
culturing, production, distribution, pricing and marketing;
- b) Support and enhance efforts of seaweed farmers, seaweed actual gatherers, and
other seaweed workers in organizing themselves into associations or
cooperatives and assist them in the marketing of their produce;

- c) Conduct regular consultations with the seaweed farmers, seaweed actual gatherers and other seaweed workers, producers, processors, traders and all other sectors involved in the seaweed industry and design and implement the industry's monitoring and information system;
- d) Design and administer a package of incentives to enhance linkages with other government agencies and promote private sector investments for the development and promotion of the seaweed industry;
- e) Establish, operate and maintain research testing and experimental stations in the areas of seaweed farming and culturing, actual seaweed gathering, harvesting, production, processing and marketing, and disseminate recommended production technologies to ensure strong and effective linkage between research and extension;
- f) Improve the quality of life of seaweed farmers, seaweed actual gatherers and other seaweed workers through seaweed-growing in coastal areas suitable for seaweed farming;
- g) Regulate the exportation, importation, manufacture, processing, handling, distribution, pricing, and other activities relating to seaweeds;
- h) Institute an orderly system for a stable, sufficient and balanced production of seaweeds for local consumption and strategic reserves;
- i) Establish and maintain such trading and marketing schemes that will ensure stabilized prices at a level reasonably profitable to seaweed farmers and traders;
- j) Undertake scientific researches as may be needed in the formulation of policies pertaining to agricultural, industrial, marketing and socio-economic aspect of the seaweed industry;
- k) Coordinate and integrate all efforts of various agencies of government and provide general direction for the steady and orderly development of the industry; and
- l) Exercise all powers and functions as may be necessary or incidental to attain the policy and objectives under this Act.

Sec. 6. Board of Directors. The PSIDA shall be governed by a Board of Directors which shall be composed of the following:

- a) Secretary of Agriculture, as ex-officio chairman;
- b) Under-secretary of Agriculture;
- c) Executive Director of the Bureau of Agriculture and Research;
- d) Executive Director of the Bureau of Fisheries and Aquatic Resources
- e) Administrator of the PSIDA;
- f) One (1) representative from the seaweed farmers and workers
- g) One (1) representative from seaweed traders and manufacturers

The representative from the seaweed farmers and workers and the representative from seaweed traders and manufacturers shall serve for a term of three (3) years and shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Agriculture.

The Board of Directors shall act as the policy-making body of PSIDA to formulate policies, promulgate regulations and prescribe rules to attain PSIDA's purposes and objectives.

Sec. 7. Term of Office. Unless sooner removed for cause, appointed members of the Board of Directors shall hold office for a period of two (2) years from the date of their appointments.

Sec. 8. Administrator. There shall be an Administrator who shall function as the Chief Executive Officer of the PSIDA. The Administrator shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Agriculture. He shall be assisted by two (2) Deputy Administrators who shall be appointed by the Board of Directors upon the recommendation of the Secretary of Agriculture.

The Board of Directors shall determine and create the organizational structure of PRIDA to achieve its objectives.

Sec. 9. Prohibited Acts. For purposes of this Act, the following are expressly prohibited:

- a) Importation of seaweeds during the harvest season or in any other period of the year without the resolution of approval by the Board of Directors;
- b) Gathering, taking, or removing seaweed from any farm lot area covered by an existing license to farm and culture except the licensee thereof;
- c) Gathering, taking, or removing seaweed from any seaweed restricted area without a permit to gather or gratuitous permit issued by the PSIDA; and
- d) Hoarding of seaweed and its by-products to deliberately control its commercial price.

Sec. 10. Penalties. Any person who violates the provisions of the preceding section shall, upon conviction, be punished with a fine of not less than Ten Thousand Pesos (Php 10,000.00) but not more than Thirty Thousand pesos (Php 30,000.00) or an imprisonment of not less than six (6) months but not more than two (2) years, or both such fine and imprisonment at the discretion of the court.

If the offender is a corporation, partnership or association or any other juridical person, the penalty shall be imposed on the president, treasurer, or any officer responsible for the violation. If the offender is an alien, he shall, in addition to the penalties herein prescribed, be deported immediately without further proceedings in the Bureau of Immigration.

Sec. 11. Transitory Provision. Upon the approval of this Act, all initiatives and operational matters relative to seaweed research, production, processing, marketing and trade regulation by the Department of Agriculture and its attached agencies shall be transferred to PSIDA with the necessary funding requirements.

The new position structure and staffing pattern of PSIDA shall be approved and implemented by the Board of Directors within one hundred twenty (120) days from the approval of this Act, and the authorized positions created shall be filled by the Administrator.

Sec. 12. Appropriations. For the effective implementation of this Act, the sum of Twenty Million Pesos (Php20,000,000.00) is hereby appropriated from the funds of the National Treasury. Thereafter, such amount as may be necessary for the continuous implementation of this Act shall be included in the annual General Appropriations Act.

Sec. 13. Other Sources of Funds. The following are other sources of funds for the operations of PSIDA:

- a) Collections from tariff fees on imported seaweeds and substitutes from other countries;
- b) A fixed percentage of at least 10% generated out of the taxes paid by seaweed farmers, traders, producers and manufacturers in the Philippines;
- c) A fixed percentage of at least 15% of the VAT collections on finished products of which seaweed is the main ingredient; and
- d) Other funds appropriated thereof by the Government of the Philippines.

Sec. 13. Implementing Rules and Regulations. – Within ninety (90) days after the effectivity of this Act, the Secretary of the Department of Agriculture shall promulgate rules and regulations for the full implementation of this Act.

Sec. 14. Separability Clause. If for any reason, any section or provision of this Act shall be held unconstitutional, other provisions hereof not affected thereby shall remain in full force and effect.

Sec. 15. Repealing Clause. All laws, decrees, rules and regulations, and other issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Sec. 16. **Effectivity.** This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved.