

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **4591**



Introduced by Honorable Michael L. Romero and Enrico A. Pineda

EXPLANATORY NOTE

Agriculture in the Philippines employs 30% of the Filipino workforce as of 2013, according to World Bank statistics. Agriculture accounts for 12% of Filipino GDP as of 2013, according to the World Bank.

Agricultural Products:

Rice:

Rice production in the Philippines

The Philippines is the 8th largest rice producer in the world, accounting for 2.8% of global rice production. The Philippines was also the world's largest rice importer in 2010. In 2010, nearly 15.7 million metric tons of palay (pre-husked rice) were produced. In 2010, palay accounted for 21.86% percent of gross value added in agriculture and 2.37% of GNP. Self-sufficiency in rice reached 88.93% in 2015.

Rice production in the Philippines has grown significantly since the 1950s. Improved varieties of rice developed during the *Green Revolution*, including at the *International Rice Research Institute* based in the Philippines have improved crop yields. Crop yields have also improved due to increased use of fertilizers. Average productivity increased from 1.23 metric tons per hectare in 1961 to 3.59 metric tons per hectare in 2009.

Harvest Yields have increased significantly by using foliar fertilizer (Rc62 -> 27% increase, Rc80 -> 40% increase, Rc64 -> 86% increase) based on PhilRice National Averages.

Sugar:*Sugar industry of the Philippines*

Raw Sugar produced in a mill in the country.

There are at least 19 provinces and 11 regions that produce sugarcane in the Philippines. A range from 360,000 to 390,000 hectares are devoted to sugarcane production. The largest sugarcane areas are found in Negros which accounts for 51% of sugarcane areas planted. This is followed by Mindanao which accounts for 20%; Luzon, 17%; Panay islands, 7% and Eastern Visayas, 4%. It is estimated that as of 2012, the industry provides direct employment to 700,000 sugarcane workers spread across 19 sugar producing provinces.

Sugar growing in the Philippines pre-dates Spanish contact. Sugar became the most important agricultural export of the Philippines between the late eighteenth century and the mid-1970s. During the 1950s and 60s, more than 20 percent income of Philippine exports came from the sugar industry. Between 1913 and 1974, the Philippines sugar industry enjoyed favoured terms of trade with the US, with special access to the protected and subsidized U.S. sugar market.

Coconuts:*Coconut production in the Philippines*

Coconuts play an important role in the national economy of the Philippines. According to figures published in December 2009 by the Food and Agriculture Organization of the United Nations, it is the world's largest producer of coconuts, producing 19,500,000 tonnes in 2009. Production in the Philippines is generally concentrated in medium-sized farms. There are 3.5 million hectares dedicated to coconut production in the Philippines, which accounts for 25% of total agricultural land in the country. In 1989, it was estimated that between 25% and 33% of the population was at least partly dependent on coconuts for their livelihood. Historically, the Southern Tagalog and Bicol regions of Luzon and the Eastern Visayas were the centers of coconut production. In the 1980s, Western Mindanao and Southern Mindanao also became important coconut-growing regions.

Abaca:

According to the Philippine Fiber Industry Development Authority, the Philippines provided 87.4% of the world's abaca in 2014, earning the Philippines US\$111.33 million. The demand is still greater than the supply. The remainder came from Ecuador (12.5%) and Costa Rica (0.1%). The Bicol region in the Philippines produced 27,885 metric tons of abaca in 2014, the largest of any Philippine region. The Philippine Rural Development Program (PRDP) and the Department

of Agriculture reported that in 2009-2013, Bicol Region had 39% share of Philippine abaca production while the overwhelming 92% comes from the Catanduanes Island. Eastern Visayas, the second largest producer had 24% and the Davao Region, the third largest producer had 11% of the total production. Around 42 percent of the total abaca fiber shipments from the Philippines went to the United Kingdom in 2014, making it the top importer. Germany imported 37.1 percent abaca pulp from the Philippines, importing around 7,755 metric tons (MT). Sales of abaca cordage surged 20 percent in 2014 to a total of 5,093 MT from 4,240 MT, with the United States holding around 68 percent of the market.

Fruit:

The Philippines is the world's third largest producer of pineapples, producing more than 2.4 million of tonnes in 2013. The Philippines was in the top three banana producing countries in 2010, including India and China. Davao and Mindanao contribute heavily to the total national banana crop. Mangoes are the third most important fruit crop of the country based on export volume and value next to bananas and pineapples.

Corn:

Corn is the second most important crop in the Philippines. 600,000 farm households are employed in different businesses in the corn value chain. As of 2012, around 2.594 Million ha of land is under corn cultivation and the total production is 7.408 million metric ton (MMT).

Rubber:

There are an estimated 38,000 families dependent upon the cultivation of rubber trees. Rubber is mainly planted in Mindanao, with some plantings in Luzon and the Visayas. As of 2013, the total rubber production is 111,204 tons.

This House Bill seeks to provide the Department of Agriculture (DA) with additional funding and allotments to further improve and perform its mandate.

Earnest approval of this bill is hereby requested.



MICHAEL L. ROMERO Ph.D



ENRICO A. PINEDA

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AN ACT

**PROVIDING THE DEPARTMENT OF AGRICULTURE (DA) WITH ADDITIONAL
FUNDING, INCREASING ITS YEARLY ALLOTMENT IN THE GENERAL
APPROPRIATIONS ACT (GAA), AND FOR OTHER PURPOSES**

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

SECTION 1. Declaration of Policy – The Department of Agriculture (DA) shall hereby be provided an additional Twenty billion pesos (**₱20,000,000,000.00**) to promote all related measures to modernize and improve the agriculture and fisheries sector.

The Department is hereby authorized to re-align its appropriations, in the current year of the date of the effectivity of this Act to conform with its mandate.

SECTION 2. Continuing Appropriation. - The Department of Budget and Management (DBM) is hereby mandated to include annually in the next six (**6**) **years**, in the President's Program of expenditures for submission to Congress, and release, an additional amount of Twenty billion pesos (**₱20,000,000,000.00**) for the implementation of this Act.

SECTION 3. Periodic Reports - The Oversight Committee shall submit periodic reports on its findings and make recommendations on actions to be taken by Congress and Senate and the appropriate department, and in order to carry out the objectives and mandates of this Act, an additional amount of Twenty billion pesos (**₱20,000,000,000.00**) is hereby appropriated.

SECTION 4. Automatic Review - Every three **(3) years** after the effectivity of this Act, an independent review committee composed of Subject Matter Experts (SMEs) to be appointed by the President shall review the policies and programs of the Department of Agriculture (DA) and shall hereinafter make recommendations, based on its findings, to the President and to both Houses of Congress.

SECTION 5. Repealing Clause. All laws, executive orders, issuances, rules and regulations inconsistent with this Act are hereby amended, repealed or modified accordingly.

SECTION 6. Separability Clause. If, for any reason or reasons, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 7. Effectivity Clause. This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,