

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS

First Regular Session

House Bill No. **5336**



Introduced by Hon. Delphine Gan Lee and Hon. Orestes T. Salon

EXPLANATORY NOTE

Small-scale farming in general is rapidly becoming a dying profession. Citing recent studies, "The average age of the Filipino farmer is 57. Assuming an average life span of 70, we might reach a critical shortage of farmers in just 15 years," said Asterio Saliot, director of the Department of Agriculture - Agricultural Training Institute. This raises alarm over the possible future gap in human resource requirements for agriculture and poses a threat to food security and sustainability. For STI Chairman Eusebio Tanco, persuading young Filipinos and their parents to consider the agriculture track is a tough sell, thinking there is no viable career in the industry. STI said the condition of farmers in agricultural areas also dissuades the youth from pursuing higher education in related courses. "Even a typical farmer would not encourage his children to get into agriculture as a career," the institution said.

"The average level of education of a farmer is grade five only," he added. According to Saliot, farmers' age and limited education make them less receptive to new farming technologies that can boost yields in the face of growing losses from volatile weather. Weak government policies and programs, an excessive reliance on agricultural imports, and corruption, have taken their toll on the agricultural sector, say experts. According to the 2012 Bureau of Agricultural Statistics, the agricultural sector employs an estimated 12 million people, making up 33 percent of the country's labor force. About 70 percent of the rural poor are farmers and fishermen.

Compounding the problem is a younger generation that is, largely, leaving rural areas nationwide, depleting the pool of potential agricultural workers. "The problem with farming is that it is associated with poverty. So no farmer would want their children to become farmers," said Jocelyn Alma Badiola, former executive director of COCAFM and deputy executive director for Department of Agriculture's Agricultural Credit Policy Council (DA-ACPC). Most rural families instead want their children to pursue more lucrative jobs in commercial centers near Manila. "It is too late to do something about our current farmers. We must now change the mind-set of the younger generation and make farming appealing for them," said Jose Rene Gayo, president of local NGO Foundation for People Development. The foundation is working with the government to offer scholarship programs that combine classroom lectures

and field training in farming to young people with the right skills and motivation who have dropped out of school.

Working with small-scale farmers is also a means to build community goodwill, contributing to a company's license to operate. Buying locally from smallholders may be part of a company's socially responsible strategy and become an advertising slogan in the highly competitive environment in which it operates. Customers are aware of and may value local procurement from small-scale farmers in the community as long as the product is of a good quality.

It is a given that demand is there with the constant rise of population in general, small-scale farmers need only be given the opportunity. This bill gives them a chance to dream and reach for a better life. As legislators, a helping hand is all that is required since they have the requirements needed to lift themselves up from poverty already. We are after all here to serve the people and if through this bill we can be in no small part be of service to them to achieve that, it is our obligation as legislators to support and act for the betterment of the Filipino people.

The urgent passing of this bill is thus earnestly sought.



ORESTES T. SALON
Sectoral Representative
AGRI Party-List



DELPHINE GAN-LEE
Sectoral Representative
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AN ACT
PROVIDING INCENTIVES AND BENEFITS TO PRIVATE COMPANIES FOR THE
PURCHASE OF PRODUCE OF SMALL-SCALE AGRICULTURAL FARMERS, AND FOR
OTHER PURPOSES

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

Section 1. Title. - This Act shall be known as the "Small-Scale Agricultural Farming Incentives and Benefits Act"

Section 2. Declaration Policy. – It is the policy of the State to liberate the people from poverty by providing a guaranteed market for the products of the farmers, thereby promoting full employment in the agricultural sector, presently the sector with the highest poverty incidence.

Section 3. Guaranteed Market for Farmers. - Private Companies are hereby encouraged to buy directly from small-scale agricultural farms identified by the Department of Agriculture (DA) and the Department of Social Welfare and Development (DSWD) with the goal of reducing poverty in our country. The private companies who will buy and who can issue guaranty letter for the purchase of the produce of small-scale agricultural farmers shall be entitled to incentives as defined under Section 4 hereof.

Section 4. Incentives. – Incentives shall be given to the private companies who will buy and who are willing to issue a letter guaranty for the purchase of the produce of the small-scale local farmers:

All expenses incurred in the acquisition of local produce from the small-scale agricultural farmers identified in pursuance with this Act as endorsed by the DA and the DSWD shall constitute an allowable deduction from the income of the buyer for income tax purposes, in accordance with the provisions of National Internal Revenue Code of 1997, as amended.

Section 5. Price Ceiling. - The DA and the Department of Trade and Industry (DTI) are hereby mandated to place a price ceiling on the agricultural produce to ensure that the net income of the small-scale agricultural farmers shall not fall below the poverty threshold of their respective localities/regions.

Section 6. Implementing Rules and Regulations. - Within ninety (60) days from the approval of this Act, the Secretary of the Department of Agriculture and the Secretary of the Department of Social Welfare and Development and other appropriate government agencies, shall promulgate the rules and regulations to implement the provisions of this Act. Such rules and regulations shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Section 7. Separability Clause. - Should any provision of this Act be subsequently declared as unconstitutional, the same shall not affect the validity or the legality of the other provisions.

Section 8. Repealing Clause. - All laws, decrees, orders, rules and regulations, other issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Section 9. Effectivity. - This Act shall take effect fifteen (15) days after publication in the Official Gazette or two (2) newspapers of general circulation.

Approved,