

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **7699**



Introduced by **Representative Maria Lourdes O. Acosta-Alba**

EXPLANATORY NOTE

The major focus of Department of Agriculture (DA) has always been on rice and corn, as both are the most in demand staple food in the Philippines. Being the principal source of income for majority of small farmers in the country, they continue to dominate the agricultural labor force. The Philippine Statistics Authority¹ reported that the agriculture sector employed 11.29 million persons and this comprised 29 percent of the national employment.

In view of the foregoing, other agricultural commodities are receiving limited attention and developmental assistance from the government. For decades now, the budget support for the livestock sector has been averaging at only 2% of the yearly appropriations of DA. The report of the Philippine Statistics Authority (PSA) showed that from 2010-2015, the Philippines imported between US 3-4 billion dollars of livestock commodities annually.

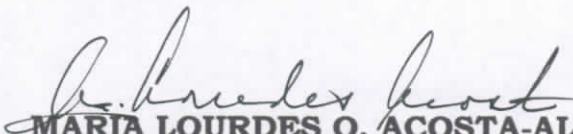
The livestock, poultry and dairy industries collectively produce 33 percent of the food Filipinos eat. Despite this contribution, these sectors do not get enough funds.

Except for a few large corporate livestock ventures, the DA has not created an organized and competitive livestock industry. In particular, the Bureau of Animal Industry (BAI) has not been focused on its developmental support functions. Since its institutionalization in 1930 by virtue of Act No. 3639, it centers primarily on research and development and on regulation.

The proposed Livestock Industry Development Act aims to enhance the BAI's developmental support for the livestock sector and to further strengthen its mandate on industry development to boost the condition of livestock as one of growth drivers in the economy. This important piece of legislation will help the aforementioned sectors improve their income and livelihood.

¹ Philippine Statistics Authority (PSA), *Selected Statistics on Agriculture 2016* pp. 2

This House Bill is a counterpart of Senate Bill No. 1758 filed by Senator Cynthia A. Villar on March 20, 2018. Hence, its immediate approval is earnestly sought.


MARIA LOURDES O. ACOSTA-ALBA

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AN ACT RATIONALIZING THE LIVESTOCK INDUSTRY IN ORDER TO STRENGTHEN ITS DEVELOPMENT, PROTECTION AND REGULATORY FUNCTIONS, TO PROVIDE FOR A LIVESTOCK DEVELOPMENT FUND, AND FOR OTHER PURPOSES.

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

Section 1. Short Title. This Act shall be known as the “*Livestock Industry Development Act of 2018.*”

Section 2. Policy Statement. It shall be the policy of the State to promote the development and competitiveness of the livestock industry particularly the backyard raisers in order to increase the supply of livestock products, improve the domestic supply of breeders and achieve greater self-sufficiency in food and other livestock commodities. It is also the policy of the State to improve the income of our labor force in the agriculture sector through improved productivity and product diversification in the market.

Towards this end, the State aims to provide an enabling environment for the development of government policies that are responsive to the needs of its people, support programs of the agencies mandated with the development of livestock sub-sectors. The State shall provide:

- a. Productivity improvement programs;
- b. Infrastructure and common service facility support;
- c. Research and development for animal food and disease prevention;
- d. Technical and extension services; and,
- e. Financial assistance to farmers

The State gives primacy on the role of private sector as significant partners in the various facets of the livestock industry and shall provide incentives and the needed support to encourage these activities.

Section 3. Philippine Livestock Development Goals. This Act seeks to:

- (1) To ensure the adequate supply of meat, poultry and eggs, milk, breeders, other livestock at affordable prices;
- (2) To provide production support to backyard farmers to increase farm productivity and competitiveness;
- (3) To establish livestock-based enterprises; and,
- (4) To increase farmer's income and promote livestock farmers organization.

Section 4. Definition of Terms. As used in this Act:

- a. **Framework for Livestock Development (FLD)** refers to the guide on the formulation and implementation of plans, programs, and projects for the propagation, utilization and development of the livestock industry, including Philippine native animals.
- b. **Livestock** refers to any domestic or domesticated product that is grown, kept or raised in captivity for food or in the production of food or other by-products, regardless of age, location, or purpose of breeding. This includes all domestic animals that are slaughtered for human consumption, maintained for draft animal power, and for recreational purposes, such as but not limited to cattle, carabaos, buffaloes, horses, sheep, goats, hogs, deer, rabbits, ostrich and poultry, among others. Those products of hunting or fishing of wild animals shall be excluded in this definition.
- c. **Native Animals** refer to domesticated animals which contribute to food production found in one geographical location that have developed unique physical characteristics, behaviour, product attributes, adapted to the local environment and are products of selection with no infusion of exotic breed for at least five (5) generations, including but not limited to native chicken, goats, pigs, ducks, cattle and horses.
- d. **Philippine Native Animal Development Centers (PNADC)** refers to a network of stock and breeding farms and laboratories dedicated to the nurturing, maintenance, and development of the country's native animals for food production purposes.
- e. **Stock Farms** refers to the network of stock and breeding farms and facilities owned and operated by the Bureau of Animal Industry (BAI) for the purpose of demonstration of livestock farming technologies.
- f. **Smallholder Farmer** refers to a farmer owning or cultivating three (3) hectares or less of a farmland.

Section 5. Philippine Livestock Development Framework. BAI, in coordination with the Department of Agriculture (DA), Department of Environment and Natural Resources (DENR), Department of Science and Technology (DOST), Livestock Growers' Cooperatives and Backyard Raisers Organizations, together with the Local Government Leagues, shall formulate a ten (10)-year FLD. The same shall likewise provide for the following:

- a. Investment Promotion and Credit Access – The DA shall develop programs establishing links between stakeholders in the livestock industry and Government Financial Institutions (GFIs) and other financial cooperatives. The DA, through the BAI, shall likewise develop and implement programs that would establish reasonable and innovative investment incentives to attract more players in the native animal industry;
- b. Product Support, Training, and Extension – The DA, through the BAI, in consultation with DOST, State Universities and Colleges (SUCs), Agricultural Training Institute (ATI), TESDA Accredited Farm Schools and other relevant government agencies shall establish programs which shall promote and provide adequate trainings on adapting technologies to the farmers and individuals engaged in the propagation, utilization, marketing, processing and distribution of livestock, dairy and native animals. It shall also afford opportunities for participation in international conventions and workshops. The DA shall likewise make good quality breeders readily available to farmers and farmers' cooperatives to ensure high yield and high profit;
- c. Research and Development – The DA, through the BAI, and the Bureau of Agricultural Research (BAR) shall strengthen research collaborations among SUCs and other research institutions for technical support in the areas of genetic resource improvement programs, pasture seeds and crops for animal food and other fields that promote the development and competitiveness of the livestock industry, especially native animals.
- d. Market Promotion Programs – The DA shall strive to strengthen its Livestock Program and other similar programs in the promotion and development of backyard livestock and dairy enterprise including that of native animals through the DA – Agribusiness and Marketing Assistance Service (AMAS) including provision for livestock auction markets and price monitoring of supply and demand. The DA shall coordinate with the Department of Trade and Industry (DTI), link-up agri-business cooperatives and organizations directly with consumer organizations including export.

- e. Food Safety and Quality Assurance – To ensure public health and proper handling of livestock products, the DA, together with the National Meat Inspection Service (NMIS) and the Bureau of Food and Drugs (BFAD), shall establish and enforce standards of hygiene in propagating, processing, grading, sampling, tests and analysis, specifications, nomenclature, inspection, processing, conservation, utilization and transportation of Philippine livestock, dairy products and for native animals including environmental management program for disposal and utilization of animal waste; Infrastructure Development – The DA shall facilitate the provision and/or instalment of needed provision for slaughter houses and abattoirs including community hatcheries facilities, and other facilities in the propagation, processing, utilization and development of native animals.
- f. Animal Health and Welfare – The DA shall facilitate the availability of biotechnology techniques at a commercial scale to farmers and livestock raisers. This shall include artificial insemination service and the implementation of veterinary health services, livestock feeds development centers, and biologics. Included in this shall be the provision for surveillance, vaccination, animal movement control and management and public awareness campaign.
- g. Enterprise Development – the increase in income of livestock farmers can be achieved through their engagement in livestock-based livelihood enterprises. The BAI shall provide animal dispersal, breeder loan program and dairy enterprise development program with technical support. ATI shall make sure that the beneficiaries shall undergo training in Farm Business School.

Section 6. Merging of Service Groups in the Bureau of Animal Industry.

The following six (6) services are hereby established way of merging and consolidating the 21 existing divisions in BAI and absorbing rationalizing three other agencies, to wit:

- a. Livestock and Meat Regulatory Service – The following divisions of the BAI shall be merged with NMIS, which in turn is placed under the supervision and authority of the BAI, to become the Livestock Regulatory Service (LRS), together with the powers, responsibilities, organization and personnel, assets, and functions of their offices, units, and services.
 - Animal Feeds, Veterinary Drugs and Biologics Control Division (AFVDBD);
 - Animal Health and Welfare Division (AHWD);
 - Livestock Research and Development Division (LSD)

LRS shall provide regulatory, monitoring and enforcement services as mandated under prior laws, including Act 3101 (1923), Act

3639 (1930), RA 1071, RA 1556, PD 34 Section 105 (r), Administrative Code of 1987, RA 8485, and RA 9482.

The new Service shall continue to serve as the controlling authority on all policies, regulations, guidelines and standards pertains to meat and meat products, meat handling, safety, quality, hygiene, and sanitation, including:

- Establishing safety and quality standards for meat and meat products;
 - Inspection, in coordination with local government units (LGUs), of meat establishments engaged in slaughter, processing, and domestic and international meat trade;
 - Registration and licensing of meat inspectors, meat handlers, meat brokers, meat products processing establishments; and,
 - Accreditation of facilities, conveyances, and service providers for Hazard Analysis Critical Control Point Program (HACCP) audit as well as compliance to hygiene and sanitation standards.
- b. Livestock Industry Development Service (LIDS) – The Livestock Research and Development Division, Marketing Development Division, Research Development Division, National Swine and Poultry Research and Development Center, International Training Center for Pig Husbandry (ITCPH) of the ATI, National Beef Cattle Research and Development Center, National Feeds Resources Research and Development Center, National Small Ruminants Research and Development Center shall be merged to become the Livestock Industry Development Service, together with the powers, responsibilities, organization and personnel, assets, and functions of their offices, units, and services, subject to further rationalization.

The LIDS shall coordinate the formulation and implementation of policies, programs, and roadmaps that will expedite and sustain the development of the livestock and native animal sub-sectors.

- c. Philippine Native Animal Development Service (PNADS) – The Philippine Native Animal Development Center is hereby upgraded to become the PNADS, which shall be responsible for the conservation, propagation, and promotion of Philippine native animals, including native pigs, poultry, ducks, deers, and horses through the use of appropriate technology as sources of meat, eggs, and other by-products, and help increase incomes and available food for farmers.

To promote the propagation, processing, utilization and development of Philippine native animals, there shall be created in each of the three major island groups at least one native animal development center, to be known as the Philippine Native Animal

Development Center for Luzon, Visayas, and for Mindanao respectively, to ensure the distributed implementation of native animal policies and development programs.

- d. National Dairy Development Service (NDDS) – There is hereby created the NDDS which shall assume the functions, mandates, personnel and assets of the Philippine Carabao Center (PCC), created under RA 7307. The PCC shall cease to be a government-owned and controlled corporation and transformed as the NDDS. The NDDS shall expand its mandate of formulating, implementing and managing carabaos to include cows and small ruminants, with the end view of increasing milk production in the Philippines.

The National Dairy Authority, created under RA 7884, is hereby abolished and its on-going programs and assets transferred to NDDS.

- e. Philippine Livestock Protection Service (PLPS) – The following units of the BAI are hereby merged and consolidated to become the PLPS, together with the powers, responsibilities, organization and personnel, assets, functions of their offices, units, and services, subject to further rationalization, to wit:

- National Veterinary Quarantine Services (NVQS);
- Philippine Animal Health Center (PAHC); and,
- Animal Health Division (AHD)

The PLPS shall be responsible for programs, policies, surveillance and emergency action to protect the livestock industry from diseases and outbreak of infestation and shall have the following powers and functions:

1. *Livestock Protection Surveillance*, including regular Surveillance Inspections in partnership with industry players and LGUs, coordination with counterpart offices in other countries as well as UN food agencies, and organizing the Livestock Protection Surveillance network at the provincial levels in partnership with LGUs, livestock producers, and other industry stakeholders;
2. *Conducting Research and Development Programs* through partnering with SUCs, ATI for capability building programs, partnering with private sector laboratories, barangay-based farmer/stakeholder livestock protection networks, and Provincial Agriculturists Emergency Communications Network;
3. *Pest and Disease Emergency Response*, by the way of developing protocols and responses on the Declaration of livestock infestation, regulation of movement of persons, conveyances and plant material in affected areas, powers to deputize police and

military to control pest outbreaks, and disposal of affected livestock resources and assets.

Section 7. Authority in Livestock Pest-related Emergencies. With the PLPS as its implementing arm, the BAI is hereby designated as the overall coordinating government body in the event of any livestock infestation or epidemic. The PLPS shall have the authority to call for the creation of an Animal and Livestock Emergency Response Task-Force (ALERT-TF) to be composed of key officials at the regional level from the following agencies:

- DA – Regional Office;
- Department of the Interior and Local Government (DILG) – Regional Office;
- Philippine National Police – Regional Command;
- Provincial Governor and/or Provincial Agriculturist
- Congressional Representative of the affected district;
- Mayors of the affected municipalities/cities; and,
- Science Experts on the case.

Section 8. Transfer of Supervision and Functions. All on-going programs and functions of the merged and re-grouped divisions and centers, including the NDA and PCC are hereby transferred to the BAI Services Offices above created, but shall continue to be operational until such time as the Head of the Bureau is able to implement a rationalization and reengineering program to align their functions, programs, and activities to the objectives of this Act. The affected personnel who may opt for early separation shall be entitled to receive separation benefits equivalent to two months of salaries for every year of service in government.

The BAI stock farms and research centers in:

- General Tinio, Nueva Ecija;
- Tiaong, Quezon;
- Lipa, Batangas;
- Busuanga and Coron in Palawan;
- Dumarao, Capiz;
- Milagros in Masbate;
- Malaybalay, Bukidnon; and the two separate stations in
- Labangan, Zamboanga Del Sur

Shall be transferred under the administrative supervision of the relevant divisions of the LIDS to primarily serve the needs of small-hold farmers as the base locations for purposes of human resource development I the livestock sector, livestock breeding, extension work, demonstration activities as well as trade and promotion activities.

Section 9. Exemption from Taxes and Duties. The BAI shall be the focal office on the upgrading of breeders and may, in behalf of the livestock, poultry and dairy producer enterprises and cooperatives, import and shall be exempt from the payment of customs duties and taxes on the importation

of livestock and dairy animals, veterinary and other supplies, other farm inputs, dairy equipment and machineries, research equipment, including its spare parts, provided that these are certified and monitored, and accounted for in terms of augmenting and upgrading local stocks and breeders of small farmers, subject to the following conditions:

- a. That the breeders are certified to upgrade and improve existing stocks;
- b. That it shall be actually, directly and exclusively used by the producer enterprises and cooperatives in the production of livestock and/or manufacture of livestock by-products; and,
- c. That a quarterly monitoring report shall be made over a two-year period on the status of the imported livestock and materials.

Section 10. Appropriations. On top of the existing budgets of the relevant agencies and units of the BAI, the amount of Php 500,000,000.00 shall be appropriated as funds for the reorganization and restructuring, initial operations and programs of the agency, to be set aside from the current agriculture development funds under the Office of the Secretary. The appropriations of agencies, divisions that have been merged, abolished or transferred pursuant to this Act shall be turned over to BAI. Thereafter, such sums as may be necessary for its continued operation and maintenance shall be include in the Annual General Appropriations Act, provided that, the budget share of the livestock sector shall not be lower than fifteen percent (15%) of the total appropriations for the Department.

In addition, the Department of Budget and Management (DBM) is hereby mandated to include annually, starting the year 2019, an initial aggregate amount of Five Billion Pesos (Php 5,000,000,000.00) in the President's program of expenditures for submission to Congress and allocated, as follows:

- a. 15% for grants to Livestock Common Service facilities that shall serve livestock growers within each province;
- b. 15% for socialized credit under the Small Livestock Farm Support and Modernization Programs;
- c. 10% for Research and Development, Capability Building and technology transfer activities under Research and Development, Extension Services, Human Resources Development, and Farm Support Programs
- d. 5% for marketing and trade fair support and assistance for organized groups of small farmers at the provincial and regional levels;
- e. 5% for scholarship grants and Human Resource Development;
- f. 30% for Regulatory Services; and,

g. 20% for infrastructure support programs.

Section 11. Implementing Rules and Regulations. Within thirty days (30) from the date of Approval of this Act, the DA shall formulate the rules and regulations for the proper implementation of this Act.

Section 12. Repealing Clause. All other laws, presidential decrees, executive orders, ordinances, rules and regulations, and issuances or parts thereof which are inconsistent with this Act, are hereby repealed or modified accordingly.

Section 13. Separability Clause. If any provision of this Act is declared unconstitutional, other provisions thereof which are not affected thereby shall take effect in full force.

Section 14. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,