

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8348



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

Livestock production constitutes a very important component of the agricultural economy of developing countries, a contribution that goes beyond direct food production to include multipurpose uses, such as skins, fibre, fertilizer and fuel, as well as capital accumulation. Furthermore, livestock are closely linked to the social and cultural lives of several million resource-poor farmers for whom animal ownership ensures varying degrees of sustainable farming and economic stability.

Despite this importance, however, roughly 22% of our beef/ carabeef, 9% of pork, and 11% of poultry are still supplied by other countries. Moreover, about 95% of milk and dairy products in the country are sourced from abroad. In total, the country imports approximately \$3-4 billion dollars of livestock commodities annually.

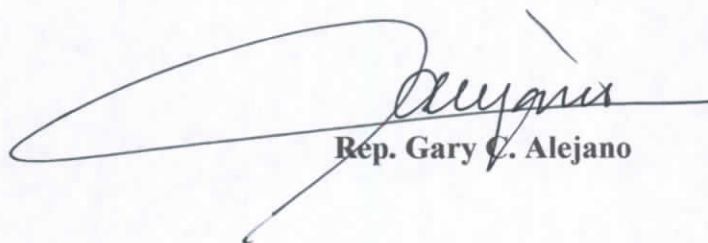
The Philippine livestock sector is in dire need of a boost from the national government. Since throughout the years, rice and corn has been the primary focus of the Department of Agriculture, the occasional and severely limited livestock dispersal and development programs have not been sustained.

Furthermore, the Bureau of Animal Industry has not been focused on its developmental support functions. Created in 1930, its first-line prerogative is to "investigate, study, and report the cause of dangerous communicable diseases and the means of prevention, and in general, promote the development of livestock industries...by improvement of breeds... and collection and compilation of statistics on domestic animals;... dissemination of useful information on all essential matters regarding domestic animals, but its achievements, at best, are meager.

Because of these deficiencies, there must be established a primary agency mandated to support the development of our livestock industry.

The BAI, with the approval of this Act, shall be expected to provide stronger focus on livestock industry development, which will help upgrade the industry's forward and backward linkages, and boosting conditions of players in the value chain in terms of farm technologies, logistics, financing, processing, and overall capacity-building.

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


Rep. Gary C. Alejano

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AN ACT
TO RESTRUCTURE AND RATIONALIZE THE LIVESTOCK INDUSTRY IN ORDER TO
STRENGTHEN ITS DEVELOPMENT, PROTECTION, AND REGULATORY
FUNCTIONS, INCLUDING THE PROMOTION OF DAIRY AND NATIVE ANIMALS
AND 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,

1 **SECTION 1. Short Title.**—This Act shall be known as the “**Livestock Industry**
2 **Development Act.**”

3 **SEC. 2. Declaration of Policy.**—It is hereby declared the policy of the State to promote the
4 development and competitiveness of the livestock industry particularly the backyard raisers in order
5 to increase the supply of meat, poultry, dairy, eggs, and other livestock products, improve the
6 domestic supply of breeders and attain greater self-sufficiency in food and other livestock
7 commodities. It is likewise the policy of the State to improve the incomes of farmers and workers,
8 through improved productivity, product diversification, job generation, and increased efficiency of
9 the livestock industry.

10 Towards this end, the State aims to provide for enabling environment for the development of
11 more responsive government policies, support programs, and the agencies charged with the
12 development of livestock sub-sectors, by separating the regulatory functions from the development
13 missions, rationalizing the roles and right-sized structures. The State shall provide: (a) productivity
14 improvement programs; (b) infrastructure and common service facility support; (c) research and
15 development for animal food, disease prevention and animal health, propagation and genetic
16 resource development and enterprise development, among others; (d) technical and extension
17 services; and (e) financial assistance to small farmers.

1 The State recognizes the primary role of the private sector as partners in the various facets of
2 the livestock industry and shall provide incentives and the needed support to encourage these
3 activities.

4 **SEC. 3. *Philippine Livestock Development Goals.***—This Act seeks to (1) ensure the
5 adequate supply of meat, poultry and eggs, milk, breeders, other livestock products at affordable
6 prices; (2) provide production support to backyard farmers to increase farm productivity and
7 competitiveness; and (3) to establish livestock-based enterprises; (4) poverty alleviation and
8 increase farmer's income and (5) the promotion of livestock farmers organization.

9 **SEC. 4. *Definition of Terms.***—As used in this Act, the following terms and phrases shall
10 mean as follows:

11 a. **Department** shall refer to the Department of Agriculture.

12 b. **Livestock** refers to any domestic or domesticated animal that is grown, kept, or raised in
13 captivity for food or in the production of food or other by-products, regardless of age, location, or
14 purpose of breeding. This includes all domestic animals that are slaughtered for human
15 consumption, maintained for draft animal power, and for recreational purposes, such as but not
16 limited to cattle, carabaos, buffaloes, horses, sheep, hogs, deer, rabbits, ostrich, and poultry,
17 among others. Products of hunting or fishing of wild animals shall not be considered part of this
18 definition.

19 c. **Native animals** refer to domesticated animals which contribute to food production found
20 in one geographical location that have developed unique physical characteristics, behavior, product
21 attributes, adapted to the local environment and are products of selection with no infusion of exotic
22 breed or at least five (5) generations, including, but not limited to native chicken, goats, pigs,
23 ducks, cattle, and horses.

24 d. **Stock farms** refers to the network of stock and breeding farms and facilities owned and
25 operated by the Bureau of Animal Industry for the purpose of demonstration of livestock farming
26 technologies.

27 e. **Philippine Native Animal Development Centers** refers to a network of stock and
28 breeding farms and laboratories dedicated to the nurturing, maintenance, and development of the
29 country's native animals for food production purposes.

1 f. **Smallholder Farmer** refers to a farmer owning or cultivating five (5) hectares or less of
2 farmland.

3 **SEC. 5. Philippine Livestock Development Framework.**—The Bureau of Animal Industry in
4 coordination with the Department of Agriculture (DA), Department of Science and Technology
5 (DOST), Department of Environment and Natural Resources (DENR), livestock growers'
6 cooperatives and backyard raisers' organizations, animal healthcare practitioners, and the Local
7 Government Leagues, shall formulate a ten-year Framework for Livestock Development to be
8 validated and updated annually. Such framework shall serve as guide to the formulation and
9 implementation of plans, programs, and projects for the propagation, utilization, and development
10 of the livestock industry, including Philippine native animals, as envisioned in this Act. The
11 Framework shall likewise provide for the following:

12 a. **Investment Promotion and Credit Access.**—The DA shall develop programs
13 establishing links between stakeholders in the livestock industry and Government Financial
14 Institutions (GFIs) and other financial cooperatives. The DA, through the BAI, shall likewise
15 develop and implement programs that would establish reasonable and innovative investment
16 incentives to attract more players in the native animal industry;

17 b. **Production Support, Training, and Extension.**—The DA, through the BAI, in
18 consultation with DOST, state universities, and colleges, the Agricultural Training Institute (ATI),
19 TESDA Accredited Farm Schools and other relevant government agencies shall establish programs
20 which shall promote and provide adequate trainings on adapting technologies to the farmers or
21 individuals engaged in the propagation, utilization, marketing, processing and distribution of
22 livestock, dairy and native animals; and afford opportunities for participation in international
23 conventions and workshops. The DA shall likewise make good quality breeders readily available
24 to farmers and farmers' cooperatives to ensure high yield and high profit;

25 c. **Research and Development.**—The DA, through the BAI, and the Bureau of Agricultural
26 Research (BAR) shall strengthen research collaborations among state universities and other
27 research institutions for technical support in the areas of genetic resource improvement programs,
28 pasture seeds, and crops for animal food and other fields that promote the development and
29 competitiveness of the livestock industry, especially native animals.

30 d. **Market Promotion Programs.**—The DA shall strive to strengthen its livestock program
31 and other similar programs in the promotion and development of backyard livestock and dairy
32 enterprise including that of native animals through the DA-Agribusiness and Marketing Assistance

1 Service (AMAS) including the provision for livestock auction markets and price monitoring of
2 supply and demand. The DA shall also coordinate with the Department of Trade and Industry
3 (DTI), link-up agribusiness cooperatives and organizations directly with consumers' cooperatives
4 and organizations including export.

5 **e. Food Safety and Quality Assurance.**—To ensure public health and proper handling of
6 livestock products, the DA, together with the National Meat Inspection Service (NMIS) and the
7 Food and Drug Administration (FDA), shall establish and enforce standards of hygiene in
8 propagating, processing, grading, sampling, tests and analysis, specifications, nomenclature,
9 inspection, processing, conservation, utilization, and transportation of Philippine livestock, dairy
10 products and for native animals including environmental management program for disposal and
11 utilization of animal waste;

12 **f. Infrastructure Development.**—The DA shall facilitate the provision and/or instalment of
13 needed provision for slaughter houses and abattoirs including community hatcheries facilities, and
14 other facilities in the propagation, processing, utilization, and development of native animals.

15 **g. Animal Health and Welfare.**—To promote animal health, welfare, and preservation, the
16 DA-BAI shall facilitate the availability of biotechnology techniques at a commercial scale to
17 farmers and livestock raisers. This shall include artificial insemination service (AI) and the
18 implementation of veterinary health services, livestock feeds development centers, and biologics.
19 Included in this shall be the provision for surveillance, vaccination, animal movement control and
20 management and public awareness campaign.

21 **h. Enterprise Development**—The increase in income of livestock farmers can be achieved
22 through their engagement in livestock-based livelihood enterprises. The DA-BAI shall provide
23 animal dispersal, breeder loan program, and dairy enterprise development program with technical
24 support. The ATI shall make sure that the beneficiaries shall undergo training in Farm Business
25 School.

26 **SEC. 6. Merging of Service Groups in the Bureau of Animal Industry.**—The following six
27 Services are hereby established by way of merging and consolidating twenty-one (21) existing
28 divisions in the Bureau of Animal Industry and absorbing rationalizing three other agencies, to wit:

29 **a. Livestock and Meat Regulatory Service.**—The following divisions of the BAI shall be
30 merged with the National Meat Inspection Service, which in turn is placed under the supervision
31 and authority of the BAI, to become the Livestock Regulatory Service, together with the powers,

1 responsibilities, organization, and personnel assets, and functions of their offices, units, and
2 services.

3 1. Animal Feeds, Veterinary Drugs, and Biologics Control Division
4 (AFVDBD)

5 2. Animal Health and Welfare Division (AHWD)

6 3. Livestock Research and Development (LSD)

7 Livestock Regulatory Service shall provide regulatory, monitoring, and enforcement
8 services as mandated under prior laws, including Act 3101 (1923), Act 3639 (1930), R.A. 1071,
9 R.A. 1556. P.D. 34 section 105 (r), Administrative Code of 1987, RA 8485, and RA 9482.

10 The new service shall continue to serve as the controlling authority on all policies,
11 regulations, guidelines, and standards pertaining to meat and meat products, meat handling, safety,
12 quality, hygiene, and sanitation, including: establishing safety and quality standards for meat and
13 meat products; inspection, in coordination with local government units, of meat establishments
14 engaged in slaughter, processing, and domestic and international meat trade; registration and
15 licensing of meat inspectors; meat handlers and meat brokers; meat products processing
16 establishments; and accreditation of facilities, conveyances, and service providers for Hazard
17 Analysis Critical Control Point Program (HACCP) audit as well as compliance to hygiene and
18 sanitation standards.

19 **b. Livestock Industry Development Service.**—The Livestock Research and Development
20 Division, Marketing Development Division, and Research Development Division, National Swine
21 and Poultry Research and Development Center, International Training Center for Pig Husbandry
22 (ITCPH) of the Agriculture Training Institute, National Beef Cattle Research and Development
23 Center, National Feeds Resources Research and Development Center, National Feeds Resources
24 Research And Development Center shall be merged to become the Livestock Industry Development
25 Service, together with the powers, responsibilities, organization and personnel, assets, and functions
26 of their offices, units, and services, subject to further rationalization.

27 The Livestock Industry Development Service shall coordinate the formulation and
28 implementation of policies, programs, and roadmaps that will hasten and sustain the development
29 of the livestock and native animal sub-sectors.

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

7 To promote the propagation, processing, utilization, and development of Philippine native
8 animals, there shall be created in each of the three major island groups at least one native animal
9 development center, to be known as the Philippine Native Animal Development Center for Luzon,
10 Visayas, and Mindanao, respectively, to ensure the distributed implementation of native animal
11 policies and development programs.

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

18 The National Dairy Authority, created under R.A. 7884, is hereby abolished and its on-
19 going programs, and assets transferred to the National Dairy Development Service (NDDS).

20 **e. Philippine Livestock Protection Service.**—The following units of the BAI are hereby
21 merged and consolidated to become the Philippine Livestock Protection Service, together with the
22 powers, responsibilities, organization and personnel, assets, and functions of their offices, units, and
23 services, subject to further rationalization, to wit:

- 24 1. National Veterinary Quarantine Services (NVQS)
- 25 2. Philippine Animal Health Center (PAHC)
- 26 3. Animal Health Division (AHD)

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

1 1. *Livestock Protection Surveillance*, including regular surveillance inspections in
2 partnership with industry players and LGUs, coordination with counterpart offices in other
3 countries as well as UN food agencies, and organizing the Livestock Protection Surveillance
4 Network at the provincial levels in partnership with LGUs, livestock producers, and other
5 industry stakeholders;

6 2. *Conducting Research and Development Programs* through partnering with SUCs,
7 ATI for capability building programs, partnering with private sector laboratories, barangay-
8 based farmer/stakeholder livestock protection networks, and Provincial Agriculturists
9 Emergency Communications Network;

10 3. *Pest and Disease Emergency Response*, by way of developing protocols and
11 responses on the Declaration of livestock infestation, regulation of movement of persons,
12 conveyances, and plant materiel in affected areas, powers to deputize police and military to
13 control pest outbreaks, and disposal of affected livestock resources and assets.

14 **SEC. 7. Authority in Livestock Pest-Related Emergencies.**—With the PLPS as its
15 implementing arm, the Bureau of Animal Industry is hereby designated as the overall coordinating
16 government body in the event of any livestock infestation or epidemic. The PLPS shall have the
17 authority to call for the creation of an animal and livestock emergency response task force
18 (ALERT-TF) to be composed of key officials at the regional level from the following agencies:

- 19 a. Department of Agriculture – Regional Office
- 20 b. Department of Interior and Local Government – Regional Office
- 21 c. Philippine National Police – Regional Command
- 22 d. Provincial Governor and/or Provincial Agriculturist
- 23 e. Congressional representative of the affected district
- 24 f. Mayors of the affected municipalities/cities
- 25 g. Science experts on the case

26 **SEC. 8. Transfer of Supervision and Functions.**—All on-going programs and functions of
27 the merged and re-grouped divisions and centers, including the NDA and PCC are hereby
28 transferred to the BAI Service offices above created, but shall continue to be operational until such

1 time as the Bureau head is able to implement a rationalization and reengineering program to align
2 their functions, programs, and activities to the objectives of this Act. The affected personnel who
3 may opt for early separation shall be entitled to receive separation benefits equivalent to two
4 months of salaries for every year of service in the government.

5 The BAI stock farms and research centers in Gen. Tinio, Nueva Ecija; Tiaong, Quezon;
6 Lipa, Batangas; Busuanga and Coron in Palawan; Dumarao, Capiz; Milagros, Masbate;
7 Malaybalay, Bukidnon; and the two separate forage centers/stations in Labangan, Zamboanga del
8 Sur shall be transferred under the care and administrative supervision of the relevant divisions of
9 the Livestock Industry Development Service to primarily serve the needs of small-hold farmers as
10 the base locations for purposes of human resource development in the livestock sector, livestock
11 breeding, extension work, demonstration activities, and trade and promotion activities.

12 **SEC. 9. *Exemption from Taxes and Duties.***—The BAI shall be the focal office on the
13 upgrading of breeders and may, in behalf of livestock, poultry, and dairy producer enterprises and
14 cooperatives, import and shall be exempt from the payment of customs, duties, and taxes on the
15 importation of livestock and dairy animals, veterinary and other supplies, other farm inputs, dairy
16 equipment and machineries, research equipment, including its spare parts, provided that these are
17 certified and monitored, and accounted for in terms of augmenting and upgrading local stocks and
18 breeders of small farmers, subject to the following conditions:

19 a. That the breeders are certified to upgrade and improve existing stocks;

20 b. That it shall be actually, directly, and exclusively used by the producer enterprises
21 and cooperatives in the production of livestock and/or manufacture of livestock by-products;
22 and

23 c. That a quarterly monitoring report shall be made over a two-year period on the
24 status of the imported livestock and materials.

25 **SEC. 10. *Appropriations.***—On top of the existing budgets of the relevant agencies and units
26 of the BAI, the amount of P500 million shall be appropriated as funds for the reorganization and
27 restructuring, initial operations and programs of the agencies, to be set aside from the current
28 agriculture development funds under the Office of the Secretary. The appropriations of agencies,
29 divisions that have been merged, abolished or transferred pursuant to this Act shall be turned over
30 to the BAI. Thereafter, such sums as may be necessary for its continued operation and maintenance
31 shall be included in the annual General Appropriations Act, provided that, henceforth, the budget

1 share of the livestock sector shall not be lower than fifteen percent (15%) of the total appropriations
2 for the Department.

3 In addition, the Department of Budget and management is hereby mandated to include
4 annually, starting the year 2019, an initial aggregate amount of Two billion pesos
5 (P2,000,000,000.00) in the President's program of expenditures for submission to Congress and
6 allocated, as follows:

7 a. Fifteen percent (15%) for grants to Livestock Common Service facilities that shall serve
8 livestock growers within each province;

9 b. Fifteen percent (15%) for socialized credit under the Small Livestock Farm Support and
10 Modernization Programs;

11 c. Fifteen percent (15%) for research and development, capability building, and technology
12 transfer activities under Research and Development and Farm Support Programs;

13 d. Five percent (5%) for marketing and trade fair support and assistance for organized
14 groups of small farmers at the provincial and regional levels;

15 e. Five percent (5%) for scholarship grants and Human Resource Development;

16 f. Regulatory Services (15%); and

17 g. Thirty percent (30%) for infrastructure support programs

18 **SEC. 11. *Implementing Rules and Regulations.***—Within thirty days (30) from the date of
19 approval of this Act, the Secretary of the Department of Agriculture shall convene the members of
20 the Livestock Development Advisory Board to formulate the rules and regulations for the proper
21 implementation of this Act. Such implementing rules shall, among others, provide for the
22 following:

23 a. Plans, programs, and policy recommendations and proposed measures necessary to carry
24 out the objectives and functions of the Bureau and the Service offices;

25 b. Submit, an annual budget and proposed supplemental budget as may be needed in its
26 initial operations, and as a consultative process for stakeholders in the formulation of Bureau's
27 annual budget in line with the national budget cycle; and

1 c. Proposed rationalization program to update the organizational structure and plantilla of
2 personnel of the service office, in accordance with existing laws, rules and regulations, including
3 the early separation benefits for those whose positions may have to be abolished.

4 **SEC. 12. *Repealing Clause.***—All laws, decrees, executive orders or parts thereof
5 inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

6 **SEC. 13. *Separability Clause.***—If any part or provision of this Act is declared invalid or
7 unconstitutional, the other parts not otherwise affected shall remain in full effect and force.

8 **SEC. 14. *Effectivity.***—This Act shall take effect fifteen days after its complete publication
9 in at least two newspapers of general publication.

Approved,