

House Bill No. 8388

EXPLANATORY NOTE

Magdalo Para sa Pilipino Party-List

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. **8388**

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

AN ACT
INSTITUTING THE FARMERS AND FISHERFOLK ENTERPRISE
DEVELOPMENT PROGRAM OF THE DEPARTMENT OF AGRICULTURE AND
FOR OTHER PURPOSES

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

1 **SEC.1. Short Title.-** This Act shall be known as the “Sagip Saka Act of 2018”.

2
3 **SEC.2. Declaration of Policy.-** It is the declared policy of the State to achieve
4 sustainable modern agriculture and food security by transforming agricultural and fishing
5 communities to reach their full potential, improving farmers and fisherfolk incomes and
6 quality of life, and bridging gaps through public-private partnerships.

7
8 Towards these ends, the State recognizes the essential role of the private sector in
9 promoting and supporting enterprise development in the agriculture and fisheries sectors,
10 opening up of opportunities and markets for agricultural and fishery products in the domestic
11 and world markets, and developing entrepreneurship among our farmers and fisherfolk.

12
13 In pursuance of this policy, the State shall strengthen the farmers and fisherfolk
14 enterprise development program of government by establishing a comprehensive and holistic
15 approach in the formulation, coordination and implementation of enterprise development
16 initiatives, consolidate the roles of different government agencies involved in farmers and
17 fisherfolk enterprise development, intensify the building of entrepreneurship culture among
18 farmers and fisherfolk, and provide incentives to private entities that support the farmers and
19 fisherfolk enterprise development initiatives of the government.

20
21 **SEC.3. The Farmers and Fisherfolk Enterprise Development Program.-** There is
22 hereby established the Farmers and Fisherfolk Enterprise Development Program, herein
23 referred to as the Program, which shall refer to the comprehensive set of objectives, targets,
24 and holistic approach and assistance in promoting the establishment of enterprises involving
25 agricultural fishery products. It shall be integrated and be made consistent with the
26 Agriculture and Fisheries Modernization Plan, and the Micro, Small and Medium Enterprises
27 Development Plan.

28

1 **SEC.5. Beneficiaries of the Program.-** The possible proponent groups or
2 beneficiaries of the Program are the following:

- 3
- 4 a) Existing producer groups with members producing commodities which are
5 included in the priority commodity value chains and have potential to increase
6 their marketable surplus;
- 7
- 8 b) Farmers and fisherfolk groups which have potential to produce marketable surplus
9 and demonstrate willingness to voluntarily adopt clustering with other groups and
10 forge contracts or formal marketing agreements with buyers or private
11 intermediaries;
- 12
- 13 c) Producer groups or cluster of growers that are we either operational and/or show a
14 willingness to undergo capacity building on enterprise development and
15 management; and
- 16
- 17 d) Micro, small and medium scale processors, consolidators, exporters, and other
18 enterprises, who are willing to assist producers groups in vertical clustering or
19 joint business planning, and forge contracts or formal marketing agreements with
20 such producer groups. Joint business planning and investments of the producer
21 groups and agro-processors will be supported if it will result in increased
22 engagement of the producer groups in value adding activities.
- 23

24 Farmers and Fisherfolk who are not members of any organization operating in the
25 priority commodity value chain must join the proponent groups for them to be eligible either
26 as a member of the proponent group or as supplier to the enterprise.

27

28 **SEC.6. Implementing Agency and Partner Agencies.-** The DA shall be the
29 implementing agency of the Program. It shall tap the assistance, expertise and resources of
30 the following agencies, such as, but not limited to, the Philippine Coconut Authority, the
31 National Dairy Authority, the Bureau of Soils and Water Management, the Philippine Center
32 for Post-Harvest Development and Mechanization, the Bureau of Fisheries and Aquatic
33 Resources, the Agricultural Training Institute, the Agricultural Credit and Policy Council,
34 and the Bureau of Agricultural Research.

35

36 The DA shall likewise collaborate and secure the technical support and assistance of
37 other departments and their attached agencies and corporations to support enterprise
38 development in the priority commodity value chain, such as: the Department of Agrarian
39 Reform, the Department of Environment and Natural Resources, the Department of Science
40 and Technology, the Department of Trade and Industry (DTI) and the Department of Interior
41 and Local Government.

42

43 **SEC.7. Private Sector Partnership.-** Partnerships or alliances between farmer and
44 fisherfolk groups and the private sector may be formed to improve market access of producer
45 groups.

46

47 The following criteria shall be considered in the selection of private sector partners:

48

- 49 a) Committed to enter into marketing contract or buy-back agreement with the
50 producers group;

- 1
2 b) Will undertake technology transfer on the provided goods and/or services;
3
4 c) Financial and organizational capability to undertake the proposed enterprise; and
5
6 d) Established actual experience in undertaking or implementing the proposed
7 enterprise.
8

9 Private sector partners may also provide or donate equipment, machineries, and other
10 forms of assistance to farmers and fisherfolk engaging in enterprise development.
11

12 The DA shall issue the guidelines and impose the qualification requirements in
13 recognizing private sector partners of the Program.
14

15 **SEC.8. Farmers and Fisherfolk Enterprise Development Information System.-** The
16 DA, through the Agribusiness and Marketing Assistance Service, shall maintain a Farmers
17 and Fisherfolk Enterprise Development Information System to assist government in
18 formulating plans and programs on enterprise development, and to enable producer groups,
19 the private sector, local government units, and potential donors to respond to the needs of the
20 local and world markets and in generating resources for further enterprise development. The
21 information system shall contain a list of possible and implemented programs and projects; a
22 registry of agricultural and fisheries enterprises, and private companies engaging these
23 enterprises or have expressed interest in participating in the Program, and other information
24 that may be identified by the DA.
25

26 **SEC.9. Direct Purchase by National and Local Government Agencies. –** To
27 promote and support farmers and fisherfolk enterprise development, national and local
28 government agencies are hereby mandated to directly purchase agricultural and fishery
29 products from accredited farmers and fisherfolk cooperatives and enterprises: *Provided, That,*
30 said agricultural and fishery products are necessary in the performance of their respective
31 mandates such as, but not limited to, government feeding programs, calamity and relief
32 operations and health and nutrition programs among others.
33

34 For purpose of this Act, the procurement by national and local government agencies
35 of said agricultural and fishery products shall be exempt from the application of the bidding
36 process prescribed under relevant government procurements laws: *Provided, That,* said
37 agencies shall undergo a negotiated procurement under the applicable guidelines of the
38 Government Procurement Policy Board.
39

40 **SEC.10. Tax Incentives and Exemptions. –** The provisions of any general or special
41 law to the contrary notwithstanding:
42

- 43 a) Gifts and donations of real and personal properties shall be exempt from donor's
44 tax.
45
46 b) The Land Bank of the Philippines shall provide preferential rates and special
47 window to accredited farmers and fisherfolk enterprises; and
48
49 c) Exemptions from income tax may be provided for income arising from the
50 operations of the enterprise: *Provided, That* the farmer and the fisherfolk

1 In the identification and prioritization of agricultural and fishery products that will be
2 supported, the Program shall make use of science-based methodologies, such as the value
3 chain analysis.

4
5 The forms of assistance to be provided under the Program shall include:

- 6
7 a) Improvement of production and productivity including agricultural
8 extension services, skills development, provision of production inputs,
9 equipment and facilities/infrastructure for production and post-production
10 activities;
11 b) Improvement of producers' and enterprises' access to financing in the
12 form of credit grants as well as crop insurance;
13
14 c) Provision of access to improved technologies through research and
15 development; and
16
17 d) Provision of business support and development services, particularly in the
18 areas of access to markets, marketing, and networking.

19
20 **SEC.4. Coverage of the Program.-** The Program shall cover the following areas:

- 21
22 a) Agricultural and fisheries production, including processing of fisheries and
23 agri-based products and farm inputs;
24
25 b) Acquisition of work animals, farm and fishery equipment and machinery;
26
27 c) Acquisition of seeds, fertilizer, poultry, livestock, feeds and other similar
28 items;
29
30 d) Procurement of agricultural and fisheries products for storage, trading,
31 processing and distribution;
32
33 e) Construction, acquisition and repair of facilities for production,
34 processing, storage, transportation, communication marketing and such
35 other facilities in support of agricultural and fisheries;
36
37 f) Working capital for agriculture and fisheries graduates to enable them to
38 engage in agriculture and fisheries related economic activities;
39
40 g) Agribusiness activities which support soil and water conservation and
41 ecology-enhancing activities;
42
43 h) Working capital for long gestating projects; and
44
45 i) Credit guarantees on uncollateralized loans to farmers and fisherfolk.

46
47 The Department of Agriculture (DA) may include other areas of intervention in order
48 to expand and support enterprise development in the agriculture and fisheries sector.
49

1 cooperatives and enterprises shall register as barangay microbusiness enterprises
2 pursuant to Republic Act No. 9178, otherwise known as the "Barangay Micro-
3 Business Enterprise (BMBEs) Act of 2002".
4

5 **SEC.11. *Implementing Rules and Regulations.*** – Within sixty (60) days from the
6 date of effectivity of this Act, the DA, in consultation with the DTI, and the Department of
7 Finance shall formulate the rules and regulations for the proper implementation of this Act.
8

9 **SEC.12. *Separability Clause.***– If any provision of this Act is declared invalid or
10 unconstitutional, the other provision not affected by such declaration shall remain in full
11 force and effect.
12

13 **SEC.13. *Repealing Clause.***– All laws, executive and administrative orders, rules and
14 regulations inconsistent with the foregoing provisions are hereby repealed or modified
15 accordingly.
16

17 **SEC.14. *Effectivity.***– This Act shall take effect after fifteen (15) days following the
18 completion of its publication either in the Official Gazette or in newspaper of general
19 circulation in the Philippines.

Approved,