

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
Third Regular Session

**HOUSE BILL NO. 8592**



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Introduced by Representative Jose T. Panganiban Jr.

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**EXPLANATORY NOTE**

Agriculture plays a critical role in the Philippine economy. Ten percent (10%) of the population is engaged in agriculture and related activities, and the sector contributes nine percent (9%) to the country's Gross Value Added (Source: PSA).

Given the importance of the agriculture sector, we need to take vital steps for its sustainable development and promotion. We need to focus on supporting and strengthening the areas identified as factors contributing to the competitiveness of the agriculture industry.

It is in this light that this measure is filed. The bill seeks to capacitate our agricultural and fisherfolk communities through an enterprise development program that will help them establish their own business. It also grants incentives to entities and corporations that support the farmers and fisherfolk enterprise development initiatives of the government.

In view of the foregoing, the passage of the bill is earnestly sought.

A large, stylized handwritten signature in black ink, likely belonging to Representative Jose T. Panganiban Jr., is written below the explanatory note.

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**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       **SECTION 1. *Short Title.*** This Act shall be known as the ‘Sagip Saka Act of 2018.’

2  
3       **SECTION 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 fishermen’s incomes and  
6 quality of life, and bridging gaps through public-private partnerships.  
7

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

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

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

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

- 6 1. Improvements of production and productivity, including agricultural extension  
7 services, skills development, provision of production inputs, equipment, and facilities,  
8 infrastructure for production and post-production activities;
- 9 2. Improvement of producers' and enterprises' access to financing in the form of credit  
10 grants as well as crop insurance;
- 11 3. Provision of access to improved technologies through research and development; and
- 12 4. Provision of business support and development services, particularly in the areas of  
13 access to markets, marketing, and networking.

14  
15 **SECTION 4. Coverage of the Program.** The Program shall cover the following  
16 areas:

- 17  
18 a. Agricultural and fisheries production, including processing of fisheries and agri-based  
19 products and farm inputs;
- 20 b. Acquisition of work animals, farm and fishery equipment and machinery;
- 21 c. Acquisition of seeds, fertilizer, poultry, livestock, feeds, and other similar items;
- 22 d. Procurement of agricultural and fisheries products for storage, trading, processing,  
23 and distribution;
- 24 e. Construction, acquisition, and repair of facilities for production, processing, storage,  
25 transportation, communication, marketing, and such other facilities in support of  
26 agriculture and fisheries;
- 27 f. Working capital for agriculture and fisheries graduates to enable them to engage in  
28 agriculture and fisheries related economic activities;
- 29 g. Agribusiness activities which support soil and water conservation and ecology  
30 enhancing activities;
- 31 h. Working capital for long gestating projects; and
- 32 i. Credit guarantees on uncollateralized loans to farmers and fisherfolk.

33  
34 **SECTION 5. Beneficiaries of the Program.** The possible proponent groups or  
35 beneficiaries of the Program are the following:

- 36  
37 a. Existing producer groups with members producing commodities which are included  
38 in the priority commodity value chains and have potential to increase their marketable  
39 surplus;
- 40 b. Farmer and fisher groups which have potential to produce marketable surplus and  
41 demonstrate willingness to voluntarily adopt clustering with other groups and forge  
42 contracts or formal marketing agreements with buyers or private intermediaries;
- 43 c. Producer groups or cluster of growers that are either operational and/or show a  
44 willingness to undergo capacity building on enterprise development and management;

- 1 d. Micro, small, and medium scale processors, consolidators, exporters, and other  
2 enterprises, who are willing to assist producer groups in vertical clustering or joint  
3 business planning, and forge contracts or formal marketing agreements with such  
4 producer groups. Joint business planning and investments of the producer groups and  
5 agro-processors will be supported if it will result in increased engagement of the  
6 producer groups in value-adding activities.  
7

8 Farmers and fishers who are not members of any organization operating in the priority  
9 commodity value chain must join the proponent groups for them to be eligible either as a  
10 member of the proponent group or as supplier to the enterprise.  
11

12 **SECTION 6. *Implementing Agencies and Partner Agencies.*** The Department of  
13 Agriculture (DA) shall be the implementing agency of the Program. It shall tap the assistance,  
14 expertise and resources of the following agencies, such as, but not limited to, the Philippines  
15 Coconut Authority, the National Dairy Authority, the Bureau of Soils and Water  
16 Management, the Philippine Center for Post-Harvest Development and Mechanization,  
17 Bureau of Fisheries and Aquatic Resources, Agricultural Training Institute, Agricultural  
18 Credit and Policy Council, and the Bureau of Agricultural Research.  
19

20 The DA shall likewise collaborate and secure the technical support and assistance of  
21 other departments and their attached agencies and corporations to support enterprise  
22 development in the priority commodity value chain, such as: the Department of Agrarian  
23 Reform, the Department of Environment and Natural Resources, the Department of Science  
24 and Technology, the Department of Trade and Industry, the Department of the Interior and  
25 Local Government.  
26

27 **SECTION 7. *Private Sector Partnership.*** Partnerships or alliances between farmer  
28 and fishers groups and the private sector may be formed to improve market access of  
29 producer groups.  
30

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

- 32 a) Committed to enter into marketing contract or a buy-back agreement with the  
33 producers group;  
34 b) Will undertake technology transfer on the provided goods and/or services;  
35 c) Financial and organizational capability to undertake the proposed enterprise; and  
36 d) Established and actual experience in undertaking or implementing the proposed  
37 enterprise.  
38

39 Private sector partners may also provide or donate equipment, machineries, and other  
40 forms of assistance to farmers and fisherfolk engaging in enterprise development.  
41

42 The DA shall issue the guidelines and impose the qualification requirements in  
43 recognizing private sector partners of the program.  
44

1           **SECTION 8. *Creation of the Farmers and Fisherfolk Enterprise Development***  
2   **Council.** To oversee the proper implementation of the Program, the Farmers and Fisherfolk  
3   Enterprise Development Council is hereby created. It shall be composed of: (1) the Secretary  
4   of DA or his duly authorized representative who is at least an Undersecretary, who shall be  
5   the Chair, (2) a representative of the Department of Trade and Industry (DTI), who shall  
6   likewise at least be an Undersecretary; (3) a representative of the Department of Interior and  
7   Local Government (DILG), (4) a representative of the Department of Finance (DOF); (5)  
8   Cooperative Development Authority (CDA); (6) a representative of a national organization of  
9   fisherfolk cooperatives or associations; and (8) two (2) representatives from the agriculture,  
10   food, restaurant and business sectors.

11

12           **SECTION 9. *Local Councils for Farmers and Fisherfolk Enterprise Development.***  
13   The Agriculture and Fishery Councils (AFCs) of the Philippine Council for Agriculture and  
14   Fisheries shall provide the mechanisms for private sector participation in the development  
15   processes at the regional, provincial, city/municipal levels.

16

17           **SECTION 10. *Creation of the Farmers and Fisherfolk Enterprise Development***  
18   **Council.** To support the implementation of the Program, there is hereby created a Farmer  
19   and Fisherfolk Enterprise Development Fund, to be funded through annual general  
20   appropriations, grants from multilateral and bilateral agencies, and donations from the  
21   private sector.

22

23           The Development fund shall be used to promote business opportunities available in  
24   the agriculture and fisheries sector, and to fund projects in areas identified in Section 4 of this  
25   Act.

26

27           In order to ensure a holistic approach in supporting projects in identified priority  
28   value cash, the Department shall, in addition to the Development fund, tap resources under  
29   the management of its attached agencies and commodity development programs and require  
30   counterpart funding from partner and local government units and farmers and fisherfolk  
31   organizations and enterprises in the form of cash, land, building, labor, or machineries and  
32   equipment. Releases from the Development Fund shall be considered as a project grant.

33

34           **SECTION 11. *Farmers and Fisherfolk enterprise Development Information***  
35   **System.** The DA, through the Agribusiness and Marketing Assistance Service, shall maintain  
36   a Farmers and Fisherfolk Enterprise Development Information System to assist government  
37   in formulating plans and programs on enterprise development, and to enable producer groups,  
38   the private sector, local government units, and potential donors to respond to the needs of the  
39   local and world markets and in generating resources for further enterprise development. The  
40   information system shall contain a list of possible and implemented programs and projects a  
41   registry of agricultural and fisheries enterprises, and private companies engaging these  
42   enterprises or have expressed interest in participating in the Program, and other information  
43   that may be identified by the Department or by the Council.

1       **SECTION 12. *Direct Purchase by National and Local Government Agencies.*** To  
2 promote and support farmers and fisherfolk enterprise development, national and local  
3 government agencies are hereby mandated to directly purchase agricultural and fishery  
4 products from accredited farmers and fisherfolk cooperatives and enterprises: Provided, That,  
5 said agricultural and fishery products and necessary in the performance of their respective  
6 mandates.

7  
8       For purposes of this Act, the procurement by national and local government agencies  
9 of said agricultural and fishery products shall be exempt from the application of the bidding  
10 process prescribed under relevant government procurement laws: Provided, That, said  
11 agencies shall undergo a negotiated procurement under the applicable guidelines of the  
12 Government Procurement Policy Board.

13  
14       **SECTION 13. *Tax Incentives and Exemptions.*** The provisions of any general or  
15 special law to the contrary notwithstanding:

- 16       a. Gifts and donations of real and personal properties shall be exempt from donor's tax  
17 and the same shall be considered as allowable deductions from the gross income of  
18 the donor, in accordance with the provisions of the National Internal Revenue Code of  
19 1997, as amended: Provided, That the allowable deduction shall be equivalent to One  
20 Hundred Fifty Percent (150%) of the value of such donation.

21  
22       The valuation of a donation other than money shall be based on the acquisition cost of  
23 the property and shall take into consideration its depreciated value, if applicable.

- 24  
25       b. LGUs shall identify local taxes that may be waived or reduced and offer them as  
26 incentives to organic input production and utilization;  
27  
28       c. The Land Bank of the Philippines shall provide preferential rates and special window  
29 to accredited and fisherfolk enterprises; and  
30  
31       d. Exemptions from income tax may be provided for income arising from the operations  
32 of the enterprise, as provided under Republic Act No. 9178, otherwise known as the  
33 "Barangay Micro-Business Enterprises."

34  
35       **SECTION 14. *Implementing Rules and Regulations.*** Within sixty (60) days from  
36 the date of effectivity of this Act, the Department of Agriculture (DA), in consultation with  
37 the Department of Trade and Industry (DTI), and the Department of Finance, shall formulate  
38 the rules and regulations for the proper implementation of this Act.

39  
40       **SECTION 15. *Separability Clause.*** Any provision of this Act if declared invalid or  
41 unconstitutional, and the other provisions not affected by such declaration shall remain in full  
42 force and effect.

1           **SECTION 16. *Repealing Clause.*** All laws, executive and administrative orders,  
2 rules and regulations inconsistent with the foregoing provisions are hereby repealed or  
3 modified accordingly.

4  
5           **SECTION 17. *Effectivity Clause.*** This Act shall take effect after fifteen (15) days from its  
6 publication in the Official Gazette or in two (2) newspapers of general circulation.

7  
8       *Approved,*