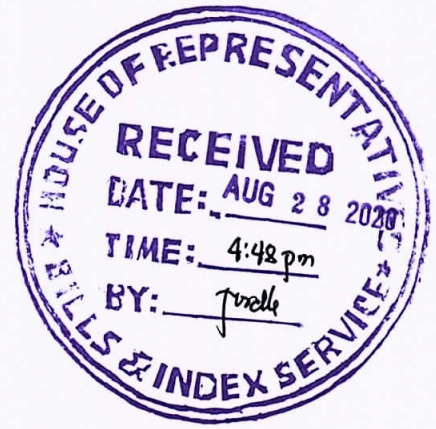


Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila

**EIGHTEENTH CONGRESS**  
Second Regular Session

House Bill No. 7542



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**INTRODUCED BY**  
**REP. ALFRED VARGAS**

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**AN ACT**  
**TO DEVELOP AND STRENGTHEN THE AGRICULTURAL EDUCATION AND**  
**TRAINING IN THE COUNTRY THROUGH THE INSTITUTIONALIZATION**  
**OF MANPOWER DEVELOPMENT FOR AGRICULTURAL**  
**ENTREPREURSHIP IN THE POST-SECONDARY LEVEL**

**EXPLANATORY NOTE**

The Food and Agriculture Organization of the United Nations (FAO) reported in 2017 that agriculture remains to have the potential to be the key to food security in many parts of the world. Agricultural development is strongly linked to food security and nutrition. It can lead to increase in incomes among families and reduce poverty in the least developed and developing countries.<sup>1</sup>

In the Philippines, the agriculture sector is among the primary sources of livelihood as it directly employs an average of 11.4 million<sup>2</sup> Filipinos since 2008, or the equivalent of nearly one-third of overall employment. However, it has only contributed 11.2 percent on average to the country's Gross Domestic Product (GDP), with gross-value added (GVA) averaging 1.38 percent.<sup>3</sup>

With the great potential of the agriculture sector to address the growing concerns of food security, poverty, and unemployment especially during the COVID-19 crisis, the government must ensure that programs of capacity building and human capital development, particularly on entrepreneurship, in this sector are upheld and supported.

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<sup>1</sup> Food and Agriculture Organization of the United Nations. 2017. "The future of food and agriculture". <http://www.fao.org/3/a-i6583e.pdf>

<sup>2</sup> Philippine Statistics Authority, 2019. *Selected Statistics on Agriculture 2010-2019*.

<sup>3</sup> *Ibid.*

While various laws such as Republic Act No. 10618 or the Rural Farm Schools Act have already been enacted to increase the interest of young Filipinos in this endeavor by providing an alternative delivery mode of secondary education, we must expand education and capacity building initiatives to include agricultural entrepreneurship in the post-secondary level.

With the existing health risks brought about by the COVID-19 pandemic, this bill seeks to complement current agricultural entrepreneurship training initiatives under different modalities of learning, such as in-school, on the job, and online. Interested and qualified trainees will undergo agriculture entrepreneurship trainings that will be consistent with the ladderized system of agricultural education and training in the post-secondary level. This legislation is also in line with a counterpart measure in the Senate, Senate Bill No. 1676 filed by Sen. Sonny Angara.

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



**ALFRED VARGAS**

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*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 "*Agricultural Entrepreneurial Education Act*"

**SECTION 2. Declaration of Policy.** – It is hereby declared the policy of the State to promote the sustained development of a reservoir of national talents consisting of Filipino scientist, entrepreneurs; professionals, managers, high-level technical manpower and skilled workers and craftsmen in all fields. Towards this end, manpower education and training in the agricultural sector must be developed and strengthened in order to provide the country with a pool of educated and skilled agricultural manpower equipped with appropriate skills in agriculture and business, and desirable work habits and attitudes.

**SECTION 3. Definition of Terms.** – For purposes of this Act, the following terms shall mean:

- a) *Agricultural Entrepreneurship* refers to the process of identifying, starting and managing a farm business or enterprise, sourcing and organizing the required resources and taking both the risks and rewards associated with the venture;
- b) *Manpower education and training* refers to the instructional delivery system of agricultural, technical and vocational education and

training that combines hands-on and in-school training based on a training plan designed and implemented by an accredited manpower education and training institution for agricultural entrepreneurship and accredited dual system agricultural, industrial and business establishments with prior notice and advice to the local government unit concerned;

- c) *Trainee* refers to a person qualified to undergo the manpower education and training for agriculture entrepreneurship;
- d) *Farm Business Schools* are post-secondary schools where students, who are graduates of the Rural Farm Schools or any qualified secondary institution specializing in agriculture, shall be trained on agricultural entrepreneurship;
- e) *Accredited dual training system educational institution or training center* refers to a public or private institution duly recognized and authorized by the TESDA in coordination with the agricultural sector, business and industry, to participate in the manpower education and training for agricultural entrepreneurship;
- f) *Accredited dual training system agricultural, industrial and business establishment* refers to a juridical entity duly recognized and authorized by the TESDA to participate in the dual system for manpower education and training for agricultural entrepreneurship; and,
- g) *Establishments* refer to enterprises or services, or both, of agricultural, industrial, or business establishments.

**SECTION 4. Objectives.** – This Act primarily aims to develop and strengthen the agricultural education and training in the country through the institutionalization of manpower development for agricultural entrepreneurship in the post-secondary level. It shall have the following specific objectives:

- a) Encourage the application of manpower development for agricultural entrepreneurship in agricultural, technical and vocational education and training by both public and private schools within the context of existing agricultural training and educational system;
- b) Promote investment in manpower education and training for agriculture entrepreneurship by both public and private sectors especially in rural areas;
- c) Enhance the managerial skills and technical competence of students of agriculture by equipping them with analytical and creative thinking and problem-solving abilities; manipulative

competencies suitable for occupational standards and requirements; values and attitudes with emphasis on work ethics, quality orientation, discipline, honesty, self-reliance and patriotism; and,

- d) Strengthen training cooperation between agricultural, industrial and business establishments and educational institutions by designing and implementing relevant training programs in close coordination with local government units.

**SECTION 5. *Agricultural Manpower Education and Entrepreneurship System.*** – The State hereby establishes the Agricultural Manpower Education and Entrepreneurship System (AMEES) that will assume a leadership role in the post-secondary, vocational or tertiary level of agricultural and entrepreneurship education, following the completion of the rural farm school's curriculum in the secondary level.

**SECTION 6. *Institutionalization of the Manpower Education and Training for Agricultural Entrepreneurship.*** – The manpower education and training for agriculture entrepreneurship, hereafter the System, shall be institutionalized in the Philippines. It shall form as part of the post-secondary education curriculum as provided in this Act.

**SECTION 7. *Coverage.*** – This Act shall apply to all public and private educational institutions or training centers, and agricultural, industrial and business establishments duly accredited to participate in the manpower education and training for agricultural entrepreneurship.

**SECTION 8. *Components of the Manpower Education and Training for Agricultural Entrepreneurship.*** – The manpower education and training for agricultural entrepreneurship shall have the following components:

- a) There shall be a ladderized system of agriculture entrepreneurship education that begins in the post-secondary level following the completion of the Rural Farm School curriculum as provided in Republic Act No. 10618 (Rural Farm Schools Act of 2013), or upon graduation in any qualified secondary institution, and culminates in applicable collegiate courses. The post-secondary program shall involve the conferment of a Diploma in Agricultural Entrepreneurship upon graduation of the trainee from the Farm Business Schools who shall have the option to continue his or her studies in partner universities for a degree in Bachelor of Science in Entrepreneurial Management, major in Farm Business;
- b) There shall be created for each administrative region (excluding the National Capital Region) an AMEES Development School or Farm Business School, and such other schools as may be established by law;

- c) There shall be an instructional delivery system of agricultural, technical and vocational education and training in each Farm Business School that implements blended learning consisting of hands on, in-school and online modules based on a training plan designed and implemented by an accredited manpower education and training institution for agricultural entrepreneurship and accredited dual system agricultural, industrial and business establishments with prior notice and advice to the local government unit concerned. Under this dual system, said establishments and the educational institution share the responsibility of providing the trainee with the best possible competencies and experience, the former essentially through practical training, and, when possible, remote training, and the latter, by providing an adequate level of specific, general and theoretical instruction on agriculture and entrepreneurial management;
- d) The AMEES shall include instruction on vital values on citizenship, governance, entrepreneurship, work ethics, quality orientation, discipline, honesty, and self-reliance;
- e) The partnership between the public, private and voluntary sectors shall be a crucial component of the AMEES in both academic content and in on-the-job, hands-on, or remote training; and,
- f) The AMEES shall also be promoted among poor farming families and out-of-school youth in the rural areas and in agrarian reform communities. The AMEES shall ensure that poor and deserving youths receive the necessary grants and scholarships.

**SECTION 9. Board of Trustees.** – There shall be a Board of Trustees, herein referred to as the Board, composed of the Secretary of the Department of Agriculture (DA) as ex-officio Chairman, the Chairman of the Commission on Higher Education (CHED) as ex-officio Vice Chairman, and the following members:

- a) The Chairman of the Technical Education and Skills Development Authority (TESDA);
- b) The Director of the Bureau of Micro, Small and Medium Enterprise and Development (BMSMED);
- c) The Director of the DA-Agricultural Training Institute (ATI);
- d) Two (2) Representatives from the private sector representing higher education, industry, agriculture, and new and emerging agricultural technologies; and,
- e) Representative from a non-governmental organization.

The representatives from the private sector and non-government organizations shall be appointed by the Chairman, subject to the confirmation of the Board of Trustees.

The members of the Board shall serve for four years.

**SECTION 10. Powers and Functions of the Board.** – The Board shall exercise the following powers and functions:

- a) Formulate policies and guidelines for the administration and operation of the AMEES;
- b) Formulate policies on the appointment, promotion, retention, removal, renewal, rewards and incentives for administrators, faculty and staff;
- c) Craft and approve the AMEES curricula;
- d) Approve the criteria for the selection and admission of students;
- e) Approve the grant of scholarship, stipend and such allowances for students;
- f) Approve the graduation of successful candidates from the various AMEES campuses or farm business schools;
- g) Formulate policies and rules of discipline for students, faculty and staff;
- h) Approve the AMEES budget and appropriate to the ends specified by law such sums as may be provided by law for the support of the System;
- i) Receive grants whether cash, land, buildings and improvements thereof; donations, contributions, bequest, gifts, and to formulate policies for the administration thereof;
- j) Develop policies for the expansion of enrollment in the campuses under the AMEES;
- k) Set policies and criteria to rationalize the establishment of AMEES schools under the System, for its evaluation and approval thereof;
- l) Prepare strategic plans to enhance the capability of the AMEES in developing human resources with focus on youth with special aptitudes and inclination to agriculture and entrepreneurship;
- m) Identify training centers /institutions that will provide manpower training and education; and,

- n) Perform such other functions as may be necessary to implement the provisions of this Act.

**SECTION 11. Career Management Development Division.** – The Career Management Development Division (CMDD) of the Agricultural Training Institute (ATI) of the Department of Agriculture (DA) shall plan, set standards, coordinate, monitor and allocate resources in the implementation of the provisions of this Act and in support of the in plant, on-the-job, or remote training components of the AMEES: *Provided*, That the agricultural and agro-industrial establishment shall be required to furnish the AMEES with the necessary information for the purpose of supervision.

The CMDD shall be headed by a Division Chief (DC). The DC shall be assisted by such other personnel as may be necessary for the effective discharge of the functions of the office.

**SECTION 12. Duties and Functions of the Division Chief.** – The DC shall perform the following duties and functions:

- a) Coordinate curriculum planning activities for the AMEES;
- b) Coordinate publication of farm business outputs of the teachers, administrators and students from the AMEES;
- c) Provide legal and technical support to the members of the System;
- d) Coordinate exchange programs with other educational institutions both local and foreign, including youth development and empowerment organizations such as the 4-H Club;
- e) Develop and coordinate linkages and networking among the campuses of the AMEES with other institutions;
- f) Coordinate the implementation of the program for the identification and selection of scholars for the AMEES;
- g) Provide for the secretariat services of the Board of Trustees; and,
- h) Perform such other functions as may be deemed necessary for the effective discharge of the DC's duties.

**SECTION 13. Status of Trainee.** – Any student who is a *bona fide* graduate of a Rural Farm School or any qualified secondary educational institution shall be eligible to enroll in a farm business school. For the duration of the post-secondary manpower training under the System, the trainee is to be considered not an employee of the business/industrial establishment but rather a trainee of both the accredited dual training system educational institution and the agricultural, industrial and business establishments:

*Provided,* That the union or the workers of the latter have been duly informed in advance of such an agreement.

A trainee who has successfully completed a training program in a particular agricultural, industrial or business establishment shall be given priority of employment in that agricultural, industrial or business establishment. The CHED shall keep a roll of these successful trainees for purposes of identifying them for employment.

**SECTION 14. *Obligations of the Accredited Educational Institutions or Training Centers.*** – The educational institutions or training centers that have entered into a memorandum of agreement with agricultural, industrial or business establishments to undertake training shall:

- a) Ensure that the necessary skills and knowledge are imparted to the trainee during his or her in-school trainings in accordance with an approved training plan;
- b) Design, implement and evaluate jointly the training plan with the accredited agricultural, industrial and business establishments;
- c) Provide the training instructors;
- d) Provide specific, general and occupation-related theoretical instructions;
- e) Appoint industrial coordinators to supervise the in-plant or farm training;
- f) Pay the trainee his or her daily allowance;
- g) Provide tools and equipment necessary for blended learning; and,
- h) Perform such other tasks and activities as may be necessary in furtherance of the objectives of the training.

**SECTION 15. *Obligations of Accredited Agricultural, Industrial and Business Establishments.*** – The agricultural, industrial and business establishments shall have the following duties and responsibilities:

- a) Ensure that the necessary skills and knowledge are imparted to the trainee during his or her hands-on trainings in accordance with an approved systematic training plan;
- b) Appoint the training officer/s to implement the training plan;
- c) Make available, free of charge, the, consumable materials and basic hand tools and equipment necessary for the training;

- d) Allow the trainee to attend training and to take examinations, whether in-school or online;
- e) Require the trainee to keep his or her report book up to date and inspect such books;
- f) Ensure that the trainee is encouraged to develop his or her personality and that he or she is protected from physical or moral danger;
- g) Entrust to the trainee such jobs as are related to the purpose of his or her training and are commensurate with his or her capabilities;
- h) Pay to the accredited educational institution/training centre the daily allowance of the trainee;
- i) Allow the trainee the necessary time off for his or her in-school training; and,
- j) Perform such other obligations in accordance with the provisions of this Act and other prevailing laws of the Philippines.

**SECTION 16. *Obligations of the Trainee.*** – A trainee shall exert every effort to acquire the skills and knowledge necessary for him or her to achieve the purpose of his or her training. Towards this end, the trainee shall:

- a) Carefully perform the jobs entrusted to him or her as part of his or her training;
- b) Take part in training programs for which he or she has been granted time off under this Act;
- c) Follow the instruction given to him or her as part of his or her training by the training officer or any other person entitled to give him or her such instructions;
- d) Observe rules of behavior in the training premises;
- e) Use tools, instruments, machines and other equipment with due care;
- f) Not reveal any business or trade secrets that have come to his or her knowledge in the course of his or her training;
- g) Keep his or her record books up to date; and,
- h) Perform such other obligations in the attainment of the objectives of this Act.

**SECTION 17. Memorandum of Agreements.** – Prior to the commencement of any manpower training, a memorandum of agreement (MOA) shall be signed by all parties which shall stipulate the following, among others:

- a) the training plan;
- b) the nature and objective of the training;
- c) the commencement and duration of the training period, including the total number of in-plant/farm training hours;
- d) the normal daily training hours;
- e) the trainee's allowance and the rate to be applied, which shall not be less than seventy-five (75) per cent of the applicable minimum daily wage;
- f) the rights and obligations of the parties concerned in addition to those provided in Sections 14, 15 and 16;
- g) the definition of the status of the trainee according to Section 13 of this Act;
- h) the conditions for the termination of the training agreement;
- i) the performance, monitoring and evaluation system; and,
- j) such other essential particulars as would mutually benefit all parties concerned.

**SECTION 18. Loan Programs for the Purchase of Blended Learning Tools and Equipment.** – To achieve the objectives under Sec. 14 of this Act, concessional loan programs shall be developed by appropriate Government Financial Institutions (GFIs) for the purchase of blended learning tools and equipment by Accredited Educational Institutions or Training Centers, such as computers, laptops, tablets, and other ICT devices and equipment necessary to conduct and access related trainings and learning materials.

**SECTION 19. Incentives for the Trainees.** –

a) Every agricultural, industrial and business establishment undertaking training, in accordance with the provisions of this Act, shall sign a life and/or accident insurance policy on the life of the trainee with the insured and the spouse, children or parents of the trainee as the beneficiaries thereof: *Provided*, That the agricultural, industrial and business establishments shall pay for the premiums of said insurance policy.

b) Upon graduation, the students will be provided funding as start-up capital for their farm business. Financial services and programs shall be made available to them as stipulated in Republic Act No. 10000 or the "The Agri-Agra Reform Credit Act of 2009". Students should be able to avail of loans without the need for collateral. A government guarantee fund shall be set aside for this purpose in case of a default or failure to pay the debt: *Provided*, That a proof is presented that the student suffers from financial hardships and is no longer able to pay his or her loan.

c) The government shall also extend incentives to students for the production and propagation of organic farm inputs by maximizing their use in all government and government-supported agricultural production, research and demonstration programs, as embodied in Republic Act No. 10068 or the "Organic Agriculture Act of 2010".

**SECTION 20. *Incentives for Participating Establishments.*** – To encourage agricultural, industrial and business establishments to participate in the system, they shall be allowed to deduct from their taxable income the amount of one hundred and fifty per cent (150%) of the system expenses paid to the accredited dual training system educational institution for the establishment's trainees: *Provided*, That such expenses shall not exceed five per cent (5%) of their total direct labor expenses but in no case to exceed twenty-five million pesos (P25,000,000.00) a year.

Donations for the operation of the system shall be deductible from the taxable income of the donors. Donations to government-run educational institutions shall be awarded incentives under Republic Act No. 8525 or the "Adopt-a-School Act of 1998".

The Department of Finance shall issue the necessary rules and regulations to implement the provisions of this Section.

**SECTION 21. *Non-diminution of Incentives.*** – Nothing in this Act shall be construed to diminish or reduce any privilege already enjoyed by the parties concerned under existing laws, decrees or executive orders.

**SECTION 22. *Other Exemption from Taxes and Duties.*** – Any donation, contribution, bequest, subsidy or financial aid which may be made for the operation of the system shall constitute an allowable deduction from the income of the donors for income tax purposes and shall be exempt from donor's tax, subject to such conditions as provided under the National Internal Revenue Code, as amended. Essential equipment apparatus and materials imported by accredited dual training private educational institutions shall be exempt from taxes and duties: *Provided*, That the importation of these items shall be subject to the following qualifications that:

a) the importation shall be certified by the appropriate authority;

- b) they should be actually, directly and exclusively used in connection with the dual training system and any unauthorized use shall subject the accredited dual training' private educational institutions to payment of taxes and duties thereon; and,
- c) they are not available locally in sufficient quantity of comparable quality, and at 35 reasonable prices.

*Provided, however,* That taxes and duties pertaining to the importations of accredited government and dual training educational institutions are deemed automatically appropriated.

The Department of Finance (DOF) shall accumulate the necessary rules and regulations to implement the provisions of this section.

**SECTION 23. *Revolving Fund.*** – Any law, rule or regulation to the contrary notwithstanding, the accredited dual training system educational institution/training center is hereby authorized to retain as a revolving fund the amount paid to it by the agricultural, industrial and business establishments representing the actual dual training expenses. The fund shall be used to improve the operation of the dual training system.

**SECTION 24. *Implementing Rules and Regulations.*** – The CHED, DA, TESDA and DOF, in coordination with other industries concerned, shall issue the necessary rules and regulations for the effective implementation of this Act within a period of ninety (90) days after its effectivity.

**SECTION 25. *Non-Impairment Clause.*** – Nothing in this Act shall be construed as to diminish, impair, or repeal rights recognized, granted, or made available to disadvantaged, marginalized, or specific sectors under existing laws.

**SECTION 26. *Separability Clause.*** – If any part or provision of this Act is declared unconstitutional or invalid, other parts or provisions thereof which are not affected thereby shall continue to be in full force and effect.

**SECTION 27. *Repealing Clause.*** – All laws, decrees, executive orders, rules and regulations or other issuances or parts thereof, inconsistent with this Act, are hereby repealed, amended or modified accordingly.

**SECTION 28. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

*Approved,*