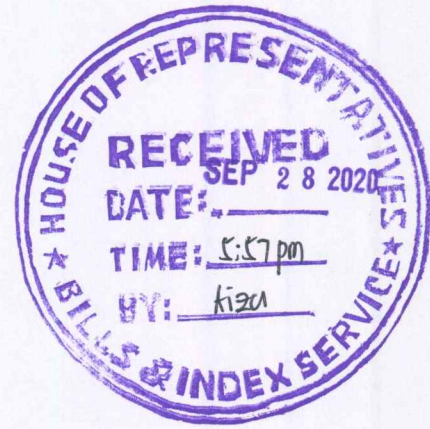


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
Second Regular Session

HOUSE BILL NO. 7788



Introduced by Honorable Deogracias Victor "DV" B. Savellano

EXPLANATORY NOTE

Tobacco farming has been the biggest contributor to the economic growth and social development of more than 40,000 Filipino farmer co-operators and some 200,000 people involved in the production, manufacturing and marketing. The tobacco products have also generated stable revenues from excise tax as stipulated under the Sin Tax Reform Law (R.A. No. 10351) that provide the government with high revenues for its education, infrastructure, economic, health and welfare programs all over the country.

The agricultural potential for self-reliance among the tobacco growers, however has not been realized for a number of reasons, including limited area for expansion, low productivity, limited cropping diversification, lack of financial facility for agribusiness ventures, excessive dependence on dole-outs and assistance from the government, and highly individualized farming strategy.

A roadmap is being offered for a framework and pro-active direction towards intensifying quality production and providing higher income and employment opportunities for the tobacco growers.

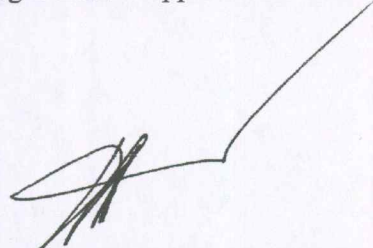
The National Tobacco Administration (NTA) continues to take the lead in serving the interest of the tobacco growers, by engaging partnership with other industry stakeholders to implement its various programs and projects and adapt to the challenges of tobacco production and marketing in the country. While the industry focus is quality tobacco production, the overreaching goals of NTA and its partners are thriving local economies and progressive tobacco growers and self-sufficient and food secure communities.

The banner strategy of the **Sustainable Tobacco Enhancement Program (STEP)** is Block Farming to meet the dual targets of Masaganang Ani and Mataas na Kita by the Department of Agriculture. Block farming espouses the operational clustering or consolidation of small and diversified tobacco farms to attain economies of scale, thus reducing cost of operations, attain bountiful harvests, and earn bigger incomes. Farm clustering, one of the key strategies to level up the Philippine agriculture sector, can help the government facilitate the provisions of appropriate training and technologies, including farm inputs, farm equipment and machinery and other interventions and assistance for farmers' productivity.

Concurrently, the efficient use of the funds derived from the collection of tobacco excise taxes, specifically R.A. no.'s 7171 and 8240, as well as NTA's entitlement to R.A. no. 4155 of the Tobacco Fund

is critical for the development of the tobacco industry and to realize the objectives of the STEP's 5 year, 25 Billion Peso program.

Given the significant purposes stated, it is respectfully sought that the approval of this measure be made.

A handwritten signature in black ink, consisting of a stylized 'D' followed by a series of loops and a long horizontal stroke extending to the right.

HON. DEOGRACIAS VICTOR 'DV' B. SAVELLANO

Representative, 1st District Ilocos Sur

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

Eighteenth Congress
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HOUSE BILL NO. 7788

Introduced by Honorable Deogracias Victor “DV” B. Savellano

AN ACT

APPROPRIATING TWENTY FIVE BILLION (25,000,000,000) PESOS FOR THE NATIONAL TOBACCO ADMINISTRATION’S (NTA’s) SUSTAINABLE TOBACCO ENHANCEMENT PROGRAM (STEP) OVER A PERIOD OF (5) FIVE YEARS

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

SECTION 1. **Title.** This Act shall be known as the “NTA Sustainable Tobacco Enhancement Program (STEP) Appropriations Act of 2020.”

SECTION 2. **Statement of Policy.** Article XII Section 1, 2nd paragraph of the Constitution states that, “The State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets.”

SECTION 3. **Appropriations.** The Department of Budget and Management shall appropriate 25 Billion Pesos in a span of 5 years for the funding of NTA’s STEP.

SECTION 4. **Implementation.** The NTA Administrator and the Secretary of the Department of Agriculture shall include in their programs the implementation of this Act, the funding of which shall be included in the General Appropriations Act.

SECTION 5. **STEP.** The STEP project as proposed by the NTA shall be attached to this Act and shall be considered as part of this law, its plan and manner of implementation.

SECTION 6. ***Inconsistencies.*** All laws, rules, regulations, proclamations, executive orders or parts thereof inconsistent with this Act are hereby amended accordingly.

SECTION 7. ***Constitutionality.*** If any section or part of this is held unconstitutional, no other section or provision shall be affected.

SECTION 8. ***Effectivity.*** This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,