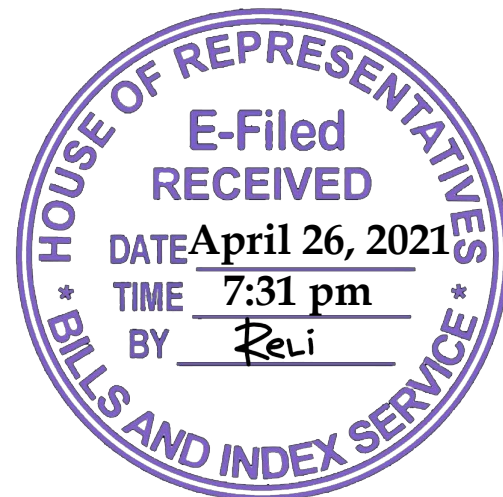


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9256



Introduced by Representative Stella Luz A. Quimbo

AN ACT
CREATING THE PORK COMPETITIVENESS ENHANCEMENT FUND,
THEREBY AMENDING REPUBLIC ACT NO. 8178 OTHERWISE KNOWN AS
“AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON
AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING
THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AND
FOR OTHER PURPOSES”, AS AMENDED, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The African swine fever (ASF) outbreak that began in 2019 and the successive typhoons that battered the island of Luzon in the last quarter of 2020 have adversely affected the local supply of pork in the country. This has resulted in a sharp rise in the retail prices of pork meat, which reached as high as P400/kg and P380/kg for pork belly (*liempo*) and pork ham (*kasim*), respectively, in January 2021, almost doubling from the previous year. The inflation in the prices of food, including pork, has been the main driver of the overall high inflation in the country, which has averaged 4.47 percent from January to March 2021.

As a result of these events, the Department of Agriculture (DA) said in January 2021 that the Philippines is under a state of calamity because of the rising costs of basic goods such as pork.¹ In March 2021, the DA formally recommended to the President to declare a state of national emergency due to the continued disruption in pork supply caused by the ASF.² The following month, the agency told Congress that they estimate a shortage in pork supply for 2021 amounting to 388,000 metric tons.

In response to these developments, President Rodrigo Duterte issued Executive Order No. 128, s. 2021, to lower rates of import duty on fresh, chilled or frozen pork meat

¹ Philippine Daily Inquirer. January 2021.

² CNN Philippines. March 2021.

for one year. Under EO 128, the previous rates for in-quota (30%) and out-quota (40%) pork imports shall be lowered to 5% and 15%, respectively, for the first three months, and subsequently increased to 10% and 20%, respectively.

With a substantial inflow of imported pork meat, the local hog raisers and some public officials have expressed concerns that the local industry may be unable to survive market competition against the imports. Hence, there is also a need to ramp up the productivity and competitiveness of the local hog industry. In order to aid those impacted by the recent calamities and to facilitate the development of the local hog industry, this measure provides that all tariff revenues from pork imports for the next six years shall be earmarked towards a pork competitiveness enhancement fund. Government interventions that can be funded by such revenues include subsidies for transportation and freight costs involved in the logistical demands within the industry and, financial assistance, and credit assistance, protection against ASF, among others.

Given the ongoing impact of ASF in the country, and in order to effectively and immediately address any such crisis situations which disrupt the supply of pork, this measure also proposes to grant the President of the Philippines the power to procure pork directly by either importing or purchasing from local suppliers of pork meat in times of emergency or calamity. Allowing government to directly procure meat ensures that any tariff reduction will translate to lower pork prices in the market as government becomes the source of competition for importers. Similarly, this allows local producers to be insulated from threats of competition while it transitions to more efficient production methods and better protection against ASF.

Furthermore, for the Philippine Competition Commission to effectively perform their mandate to investigate and prosecute anti-competitive practices in the market, complete and accurate data pertaining to prices, market share, supply chain, and other relevant information must be shared to the Commission by the Department of Agriculture and Bureau of Customs.

Finally, to facilitate expedient emergency procurement of imported pork meat, the failure to issue necessary import permits would deem the application for the same approved. Such failure ought to be construed as violation of the Ease of Doing Business Act and subject concerned officers to appropriate administrative penalties.

In view of the urgent need to address the situation in the pork industry, the swift passage of this bill is earnestly sought.



STELLA LUZ A. QUIMBO
Representative
Second District, Marikina City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **9256**

Introduced by Representative Stella Luz A. Quimbo

AN ACT
CREATING THE LOCAL PORK PRODUCERS' COMPETITIVENESS
ENHANCEMENT FUND, THEREBY AMENDING REPUBLIC ACT NO. 8178
OTHERWISE KNOWN AS "AN ACT REPLACING QUANTITATIVE IMPORT
RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH
TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS
ENHANCEMENT FUND, AND FOR OTHER PURPOSES", AS AMENDED, AND
FOR OTHER PURPOSES

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

SEC. 1. *Short Title.* – This Act shall be known as the “Affordable Pork Act of 2021.”

SEC. 2. *Pork Competitiveness Enhancement Fund.* – A new section 17 is hereby inserted in Republic Act No. 8178 to read as follows:

“Sec. 17. There is hereby created a Swine Competitiveness Enhancement Fund, herein referred to as the SCEF. The SCEF shall consist of all tariff revenues relating to pork meat and shall be automatically credited to a Special Account in the General Fund of the National Treasury which shall be in place within ninety (90) days upon the effectivity of this Act.

"The Secretary of Agriculture shall be accountable and responsible for the SCEF in coordination with other government agencies concerned. The Department of Agriculture (DA) and other pertinent agencies shall submit an annual report containing, inter alia, the status of the SCEF and an impact assessment of the programs implemented under this Act, to the Congressional Oversight Committee on Agricultural and Fisheries Modernization

(COCAFAM). The COCAFAM shall conduct a periodic review of the use of the SCEF as necessary.

"At the end of the sixth (6th) year, a mandatory review shall be conducted by the COCAFAM to determine whether the SCEF and its use as provided for under this Act shall be amended, terminated, or extended for at most five (5) years. Once the SCEF is terminated, the setting aside of collected duties for the purpose shall terminate. However, any remaining balance(s) at the date of expiration of collection of duties for the SCEF shall remain in the Special Account and shall continue to be used for the purpose for which it was collected and set aside. The COCAFAM shall utilize the increase or decrease in hog raisers' incomes as a primary benchmark in determining the effectiveness of the interventions under the program and its possible extension.

"Subject to the usual accounting and auditing rules and regulations, the SCEF shall be allocated and disbursed to pork producing areas, as follows:

"(a) ASF prevention programs, including vaccination and the Bantay ASF sa Barangay program;

(b) Subsidies for transportation and freight cost of pork meat;

"(c) Pork Meat Development, Propagation and Promotion, including the Integrated National Swine Production Initiatives for Recovery and Expansion (INSPIRE);

"(d) Pork Credit Assistance which shall be made available in the form of credit facility with minimal interest rates and with minimum collateral requirements to hog raisers and cooperatives, to be managed equally by Agricultural Credit Policy Council, the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP);

"(e) Insurance Program for culled hogs to be administered by the Philippine Crop Insurance Corporation."

SEC. 3. *Power to Procure Pork Meat in Times of Emergency.* - A new section 18 is inserted to Republic Act No. 8178, as amended, to read as follows:

"Sec. 18. In the case of a State of Emergency or State of Calamity, when the public interest so requires, and until the State of Emergency or Calamity is lifted, the President shall have the power to import supply of pork meat or procure from local producers for the purpose of stabilizing its prices in the market. Such power may be delegated by the President to such responsible agency or agencies that can immediately carry-out the importation of the required supply.

“Any person who shall engage in the manipulation of the supply of pork products or engage in smuggling thereof with a minimum amount of one million pesos (P1,000,000.00) as valued by the Bureau of Customs (BOC) by committing any of the acts enumerated under Section 3 of Republic Act. No 10845 or the Anti-Agricultural Smuggling Act of 2016, shall suffer the penalty of life imprisonment and shall pay a fine of thrice the fair value of smuggled pork products and the aggregate amount of the taxes, duties and other charges avoided.”

SEC. 4. DA-PCC-BOC Data Sharing Regime. - In order to facilitate the investigation and prosecution of cases of anti-competitive conduct within the supply chain of pork meat, the DA and the BOC are hereby directed to provide the Philippine Competition Commission (PCC) open and timely access to relevant data on prices, market shares, supply chain, and other information necessary to evaluate the pork meat industry. Failure by any staff or officer of the DA to provide such pertinent information to the PCC shall be deemed a neglect of his lawful duties and shall be subject to appropriate disciplinary actions as provided under R.A. No. 2260.

SEC. 5. Grant of Necessary Permits. - Pursuant to the policy under Republic Act. No. 11032, otherwise known as the Ease of Doing Business Act of 2018, and its Implementing Rules and Regulations, failure to issue the necessary permits and licenses to facilitate the trade as well as the importation of pork products pursuant to the prescribed reglementary periods shall deem such applications for licenses or permits as automatically approved without need of further action from the agency or other government office. Furthermore, failure to issue such permits and licenses within the reglementary period shall subject the concerned government officer in charge of issuing such permits and licenses to the administrative penalties provided under R.A. No. 11032.

SEC. 6. Separability Clause. - If any provisions or part of this Act is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 7. Repealing Clause. - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

SEC. 8. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in at least (2) newspapers of general circulation.

Approved,