

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
18th Congress
Third Regular Session

HOUSE BILL NO. 10680



Introduced by Hon. Michael B. Gorriceta

EXPLANATORY NOTE

The production of rice, corn and sugar in the Philippines has been a constant mainstay in the agricultural configuration of our country. However, the increasing cost of fertilizers to sustain it has become a cause of alarm to our farmers. It was revealed by Fertilizer and Pesticide Authority (FPA) monitoring that fertilizer prices breached the Php 2,000.00 mark for a 50-kilo bag in November 2021. This persistent rise of fertilizer prices amounts to an added cost of Php 7,378.00 per hectare of the production which needs three to seven bags of fertilizer.¹

Furthermore, the updated estimate of corn production in 2021 has declined to -2.1%², and although we see a steady increase in the prices of sugar from the years 2021 to 2022³, it is foreseen that the rice, corn and sugar farmers will be greatly affected by the fertilizer inflation.

In order to maintain the local supply of our staple crops and to encourage our home grown farmers to continue their production, it is essential that we introduce a beneficial approach to address this particular concern.

The passage of this bill will not only alleviate the plight of our farmers but will also contribute to their increased income and added subsidies.

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

A handwritten signature in black ink, appearing to read "M. Gorriceta".

HON. MICHAEL B. GORRICETA
Representative, 2nd District, Iloilo

¹Miraflor, M.B. (2021). *Palay prices dip below production cost, many farmers no longer make money.*
<https://www.da.gov.ph/wp-content/uploads/2021/11/CLIPPINGS-FOR-NOVEMBER-23-2021.pdf>

² Philippine Statistics Authority. (2021). *Updates on July- September 2021 Palay and Corn Estimates.*
<https://psa.gov.ph/sites/default/files/Updates%20on%20July-September%202021%20Palay%20and%20Corn%20Estimates.pdf>

³ Sugar Regulatory Administration (2022). *Sugar supply and demand situation.*
<http://www.sra.gov.ph/wp-content/uploads/2022/01/Sugar-Supply-Demand-January-2-2022.pdf>

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
18th Congress
Third Regular Session

HOUSE BILL NO. 10680

Introduced by Hon. Michael B. Gorriceta

AN ACT
EXEMPTING FROM TAXES THE FERTILIZERS AND PESTICIDES USED IN
RICE, CORN AND SUGAR PRODUCTION

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

SECTION 1. *Short Title.* - This Act shall be known as the “Farm Fertilizer & Pesticide Tax Exemption Act” of the Philippines.

SECTION 2. *Declaration of Policy.* - It is hereby declared as the policy and principles of the State to recognize the indispensable role of the agricultural sector for national growth and development. As such, the State shall foster an enabling environment for rice farms, corn fields and sugar plantations, and provide effective assistance to enable them to a reasonable profit and increase and encourage local rice production.

SECTION 3. *Tax Exemption.* - All fertilizers and pesticides used in rice, corn and sugar production are hereby exempt from all taxes.

SECTION 4. *Separability Clause.* - If any of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of other provisions thereof.

SECTION 5. *Repealing Clause.* - All laws, decrees, executive order, and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 6. *Effectivity.* – This act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,