



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

NINETEENTH CONGRESS
First Regular Session

House Bill No. 535



Introduced by Representative **GERALDINE B. ROMAN**

EXPLANATORY NOTE

Rice is staple food in the Philippines, and farming is a major source of employment in the rural sector. This is especially so in Bataan where, as of 2017, 30,075 hectares, or over 20% of its land area, are harvested for *palay* and 136,269 metric tons of *palay* are produced.¹ Bataan also produces high-value crops in limited quantities, suggesting room for propagation.

Notwithstanding the Philippine Rice Research Institute's²(PRRI) efforts to improve rice production, rice production and the farmgate price of *palay* have fallen.³ Hence, there is a need to diversity income-generating activities of rice farmers to ease economic dependence on the sale of rice and promote the sale of rice-based products to supplement their income. Enabling farmers to produce high-value crops and derivative products would also augment their income and promote self-sufficiency which has proven itself important during the Covid-19 pandemic. Specifically, the State should proactively teach farmers how to develop quality rice-based products, such as but not limited to rice noodles, egg roll wrappers,

¹See Philippine Statistics Authority, Bataan Quickstat – June 2018.

²See Executive Order No. 1061, November 5, 1985, entitled "Establishing the Philippine Rice Research Institute (PRRI)," as amended by Executive Order No. 60, November 7, 1986.

³See Louise Maureen Simeon, "Palay production down 5% on Q2," The Philippine Star, 2019, <https://www.philstar.com/business/2019/08/17/1943999/palay-production-down-5-q2> (last visited August 19, 2019).

edible rice paper, rice-flour cakes and dumplings, rice bran oil, rice-alcoholic beverages, rice vinegar, rice milk, rice syrup (an alternative sweetener), puffed rice, and rice crackers. The State should also encourage farmers to venture into producing high-value crops, such as vegetables, fruits, flowers, ornamentals, condiments and spice, and derivative products. It should develop the entrepreneurial skills of farmers to enable them to effectively market rice-based products and high-value crops and derivative products, and facilitate access to microloans to finance their business. In the last couple of years, the PRRI has been promoting the production of rice-based products, but only as a sideline to its principal mandate (to improve rice production) and on a limited scale, *i.e.*, only on demand, on select municipalities, and for a few rice-based products.

This bill seeks to establish the Bataan Crop Research & Development Center on the Abucay campus of the Bataan Peninsula State University, a widely recognized institution in the field of agriculture, to help farmers augment their income by proactively promoting and assisting them in the manufacture and marketing of rice-based products and high-value crops and derivative products. Immediate passage of this bill is sought.



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AN ACT ESTABLISHING THE BATAAN CROP RESEARCH & DEVELOPMENT CENTER ON THE CAMPUS OF THE BATAAN PENINSULA STATE UNIVERSITY IN THE MUNICIPALITY OF ABUCAY, PROVINCE OF BATAAN, AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Short Title. – This Act shall be known as the “BataanCrop Research & Development Center Act.”

Sec. 2. Declaration of Policy. –It is hereby declared the policy of the State to promote industrialization, rural development, full employment, a rising standard of living, and an improved quality of life for allfarmers by encouraging entrepreneurship and activities that add value to agricultural products and provide additionalresources of income.

Sec. 3. Definition of Terms. –As used in this Act, “**rice-based products**” refer to products made or derived from rice, such as but not limited to the following: rice noodles, egg roll wrappers, edible rice paper, rice-flour cakes and dumplings, rice bran oil, rice-alcoholic beverages, rice vinegar, rice milk, rice syrup (an alternative sweetener), puffed rice, and rice crackers.

“**High-value crops**” shall generally refer to non-staple agricultural crops such as vegetables, fruits, flowers, ornamentals, condiments and spices. Products derived from high-value crops include vegetable chips, vegetable oil, dried fruits, fruit-based cakes and desserts, etc.

Sec. 4. *BataanCrop Research & Development Center.* – The BataanCrop Research &Development Center (“Center”) is hereby established on the campus of the Bataan Peninsula State University (BPSU) in the Municipality of Abucay, Province of Bataan. The Center shall be under the Commission on Higher Education (CHED) and Department of Agriculture (DA).

Sec. 5. *Purposes and Objectives.* – The Center shall collaborate and coordinate with theDepartment of Trade and Industry (DTI),Department of Science and Technology (DOST), and BPSU to develop and implement a course or program that would teach and train students and farmers how to develop rice-based products, produce high-value crops and derivative products, and manage all aspects of business relating to the marketing of such products, including obtaining necessary financing, technology, and equipment.

Sec. 6. *Powers and Functions.* – The Center shall exercise the following powers and functions:

- a) Integrate, collate, and support research, programs, and studies on rice-based product development and marketing;
- b) Conduct continuing research on rice-based product development and marketing;
- c) Undertake research and generate relevant, efficient, cost-effective and scientifically viable approaches to achieve greater sustainability in rice-based product development and marketing;
- d) Impart technical knowledge and train students and rice farmers on rice-based product development and marketing;
- e) Upgrade the entrepreneurial skills of rice farmers through training courses, seminars, and workshops;
- f) Collaborate with national, regional, and international research institutions with knowledge and expertise on rice-based product development and marketing;
- g) Coordinate with local government units, non-governmental organizations, and private sector groups and interests involved in rice-based product research, development, and marketing;
- h) Facilitate access to loans to establish and operate a business relating to the development and marketing of rice-based products;
- i) Encourage the creation of farmer cooperatives to achieve efficiencies in rice-based product development, business financing, and marketing;
- j) Develop an income-generating business model to help defray expenses and sustain its programs; and

- k) Receive and manage grants, aid, donations, or any kind of assistance or gratuity from donors, foreign or domestic, to better achieve the Center's objectives.

Sec. 7. *Executive Director.* – The Center shall be headed by an Executive Director who shall be appointed by the President of the Philippines upon the joint recommendation of the CHED Chairperson and Secretary of Agriculture. The Executive Director shall be a recognized agriculturalist with extensive experience in rice-based product research and development or a highly regarded entrepreneur in the field. Preference shall be given to BPSU faculty members.

All other officers and employees of the Center shall be jointly appointed by the CHED Chairperson and Secretary of Agriculture upon the recommendation of the Executive Director and in accordance with existing Civil Service laws, rules, and regulations. A representative from the DTI, a representative from the DOST, and a BPSU faculty member with relevant expertise shall form part of the Center's staff.

Sec. 8. *Duties and Responsibilities of the Executive Director.* – The Executive Director shall exercise the following duties and responsibilities:

- a) Exercise over-all supervision and direction over the implementation of all research and development and training programs of the Center and, in general, to supervise and direct its management, operation, and administration;
- b) Execute contracts, incur obligations, acquire and dispose of assets, and deliver documents on behalf of the Center;
- c) Approve the organizational structure, operational and staffing pattern, operating and capital expenditure of the Center;
- d) Recommend the appointment of the officers and employees of the Center on the basis of the highest standards of merit, probity, and fitness for public servants, subject to Civil Service laws, rules, and regulations;
- e) Implement policies, decisions, orders, rules, and regulations issued by the CHED and DA; and
- f) Exercise such other powers, functions, duties, or tasks as may be authorized, delegated, or assigned by law and competent authority.

Sec. 9. *Annual Report.* – The Executive Director shall submit to the President of the Philippines, through the CHED Chairperson and Secretary of Agriculture, an annual report dealing generally with the activities and operations of the Center, accompanied by an audit report of the relevant accounts.

Sec. 10. *Donations and Solicitations.* – The Center may solicit and receive donations or endowments of money, property, or services which shall be exempt from income taxes,

taxes on gifts or gratuities, and all other taxes, charges, or fees imposed by the government or any political subdivision or instrumentality thereof.

Government and public corporations are hereby authorized to give grants to the Center from the unimpaired surplus of funds at their discretion.

Sec. 11. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the appropriations for the CHED and DA. Thereafter, the required budget for continued implementation of this Act shall be submitted to the Department of Budget and Management for inclusion in the General Appropriations Act.

Sec. 12. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the CHED Chairperson and Secretary of Agriculture shall jointly issue the necessary rules and regulations for the effective implementation of this Act.

Sec. 13. *Repealing Clause.* – All laws, presidential decrees or issuances, executive orders, letters of instruction, administrative orders, rules or regulation inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 14. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in full force and effect.

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

Approved,