

Republic of the Philippines
House of Representatives
Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 2840



Introduced by Rep. Dante Sotelo Garcia

EXPLANATORY NOTE

Despite being a largely agricultural country, the Philippines continues to face challenges in elevating the agricultural sector; its people remain without available measures and resources to address problems relating to its growth.

According to the Bureau of Labor and Employment Statistics, farmers and fisherfolk are among the least paid workers in the country resulting in a large poverty incidence seen in the agricultural sector¹. In 2014, about 11 million people were employed in the said sector but they only earn a daily nominal wage of about P287.52 and P230.36². Consequently, farming has become less attractive to the younger generation as the average age of farmers is, alarmingly, 57 years old³.

The bill seeks to enhance and aid this sector by guaranteeing direct credit support and allocating ten percent (10%) of the Land Bank of the Philippines' loan portfolio to qualified small farmers, fisherfolk and agrarian beneficiaries. This further helps the people in the agricultural sector get back on their feet by extending loans allowed through a special socialized credit window, created solely, as this bill offers for the benefit of the agricultural stakeholders and help finance agricultural projects.

While the government has continually sought to improve the lives of our farmers and fisher folk through agricultural reforms, loans and registry systems for agriculture, there remains a need to improve credit and to tackle the shortage of supply of formal credit for the agricultural sector.

¹ <http://www.bls.gov/news.release/archives/wh0000000.htm> (Wage rate according to rates received by palay and corn farmers, respectively)

² Ibid.

³ http://ap.iftc.agnet.org/ap_do.php?id=448 "Farmland policy and financing program for the young generation in the Philippines"

The agricultural sector makes up about 30% of the total employed workforce, according to the Labor Force Survey of the National Statistics Office. It is imperative that we will sustain the needs of this workforce with substantive state subsidies and improved government support.

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



DANTE SOTELO GARCIA
Representative, 2ND District La Union

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HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

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**AN ACT FURTHER
STRENGTHENING ASSISTANCE TO FARMERS, FISHERFOLKS AND AGRARIAN
REFORM BENEFICIARIES BY INCREASING DIRECT CREDIT SUPPORT TO SAID
SECTORS, AMENDING REPUBLIC ACT NO. 3844 OR THE AGRICULTURAL
LAND REFORM CODE", AS AMENDED**

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

SECTION 1. Section 74 of Republic Act No. 3844, as amended by Republic Act No. 10374, otherwise known as the "*Agricultural Land Reform Code*" and Republic Act No.10878 is further amended to read as follows:

"Sec.74 Creation – To finance the acquisition by the Government of landed estates for division and resale to small landholders, as well as the purchase of the landholding by the agricultural lessee from the landowner, there is hereby established a body corporate to be known as the "Land Bank of the Philippines", hereinafter called the "Bank" which shall have its principal place of business in Manila. The legal existence of the Bank is extended for a period of fifty (50) years from the expiration of its original term on 08 August 2013, renewable for another fifty (50) years. The Bank shall be subject to such rules and regulations as the Bangko Sentral ng Pilipinas may from time to time promulgate.

The Bank shall allocate [five percent (5%)] **TEN PERCENT (10%)** of its regular loan portfolio (net of loans to the Bangko Sentral ng Pilipinas, interbank loans and availments from domestic bills purchase line), for socialized credit to qualified small farmers, fisherfolk and agrarian reform beneficiaries (ARBs). This facility shall solely finance agricultural projects pursuant to the provisions of Section 4 of Republic Act No. 10000, otherwise known as Agri-Agra Reform Credit Act No,10000 of 2009.

SECTION 2. *Implementing Rules and Regulations.* The Bangko Sentral ng Pilipinas, in consultation with the Land Bank of the Philippines, shall formulate the rules and regulations necessary for the implementation of this Act.

SECTION 3. *Repealing Clause.* All laws, executive orders, rules and regulations or parts thereof inconsistent with any provision hereof are hereby repealed or modified accordingly.

SECTION 4. *Separability Clause.* If any provision or part hereof is held invalid, the other provisions not affected thereby shall remain and continue to be in full force and effect.

SECTION 5. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation.

Approved,