

NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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HOUSE OF REPRESENTATIVES

H. B. No. 3178



Introduced by Representative Ralph G. Recto

**AN ACT
AUTHORIZING THE GRANT OF A FULL CROP INSURANCE COVERAGE TO
QUALIFIED BENEFICIARIES OF THE COMPREHENSIVE AGRARIAN REFORM
PROGRAM, AMENDING FOR THE PURPOSE SECTION 37 OF REPUBLIC ACT
NO. 6657, AS AMENDED BY REPUBLIC ACT NO 9700**

EXPLANATORY NOTE

Over the past years, the Philippines suffered extreme weather events such as heavy rains, typhoons and droughts that were more intense than what had been normally experienced. Typhoon Odette brought about P17.75 billion worth of damage to agriculture when it struck the country in December 2021. This just a few months after Typhoon Maring in May 2021, which caused P4.18 billion worth of damages to the agricultural areas in Regions I, II and CAR, among others. These disasters take a great toll on Filipinos for they can disrupt livelihood and affect food production. The poor, particularly those engaged in agriculture, suffers the most because their household and livelihood are usually located in areas most vulnerable to natural hazards and calamities.

Crop insurance is one of the government's instruments in mitigating agricultural risks and addressing the consequence of calamities on the agricultural sector. As a risk management tool, crop insurance provides two advantages. One, it makes losses more bearable by providing immediate financial support so affected farmers would have better options than waiting for the next planting season or resorting to borrowing money at usurious rates. With the proceeds from crop insurance claims, the farmers will be able to immediately replant as soon as the weather and soil condition permits. Two, it provides a mechanism to mitigate the effects of calamities on crop production, sustaining not only the farmer's family income, but the country's food security as well.

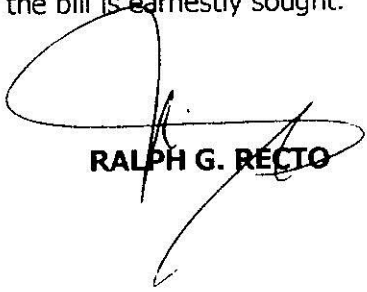
In the Philippines, the Philippine Crop Insurance Corporation (PCIC) implements and manages the government program on agricultural insurance. However, the participation of agricultural workers in the government agricultural insurance program

remains low. In 2020, PCIC only insured some 1.91 million hectares of rice and corn land and 3.09 million farmers, and paid claims worth only P3.50 billion to 611,998 farmers. These figures reveal that in 2020, PCIC was only able to insure about 26.27% of rice and corn harvested areas and about 33.14% of agricultural workers.

One of the reasons for the low farmer participation in crop insurance is the premium required to participate in the program. Although government extends assistance through insurance premium subsidies, the balance of premium payments is still a burden to many of our poor farmers and land tenants who could barely make both ends meet, let alone take insurance policies for their crops and livestock.

This bill seeks to address this predicament by providing the qualified beneficiaries of the Comprehensive Agrarian Reform Program a full crop insurance coverage. It sustains the policy enshrined in the Comprehensive Agrarian Reform Program which states that the welfare of the landless farmers and farm workers will receive the highest consideration to promote social justice and to move the nation toward sound rural development and industrialization. Ultimately, this bill seeks to contribute in helping every Filipino farmer rise out of poverty.

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



RALPH G. RECTO

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

1 Section 1. Section 14 of Republic Act No. 9700, otherwise known as the
2 "Comprehensive Agrarian Reform Program Extension with Reforms" is hereby amended
3 to read as follows:

4 "Sec. 14. Section 37 of Republic Act No. 6657, as amended, is hereby further
5 amended to read as follows:

6 "Sec. 37. *Support Services for the Agrarian Reform Beneficiaries.* –

7 The State shall adopt the integrated policy of support services
8 delivery to agrarian reform beneficiaries. To this end, the DAR, the
9 Department of Finance, and the Bangko Sentral ng Pilipinas (BSP)
10 shall institute reforms to liberalize access to credit by agrarian
11 reform beneficiaries. The PARC shall ensure that support services
12 for agrarian reform beneficiaries are provided, such as:

13 "(a) x x x;

14 "x x x;

15 "(f) x x x; **AND**

16 **"(G) FULL CROP INSURANCE COVERAGE TO FARMER**
17 **BENEFICIARIES. COMPENSABLE LOSSES SHALL INCLUDE**
18 **NATURAL CALAMITIES SUCH AS TYPHOON, FLOOD,**
19 **DROUGHT, EARTHQUAKE AND VOLCANIC ERUPTION;**
20 **PLANT DISEASES AND PEST INFESTATIONS. THE TERM OF**

1 **INSURANCE SHALL BE RECKONED FROM THE DATE OF**
2 **PLANTING UP TO EXPECTED DATE OF HARVEST.**

3 "x x x."

4 *Sec. 2. Appropriations.* – The Secretary of Agriculture shall immediately include in
5 the Department's program the needed operational requirement of this Act, the initial
6 funding of which shall be charged against the corporate fund of the Philippine Crop
7 Insurance Corporation (PCIC). Thereafter, projections of the premium subsidy
8 requirement shall be submitted by the PCIC to the President, and shall be included in the
9 annual General Appropriations Act.

10 *Sec. 3. Implementing Rules and Regulations.* – Within thirty (30) days from the
11 effectivity of this Act, the Presidential Agrarian Reform Council, the Department of
12 Agriculture, the PCIC, the Department of Agrarian Reform, and the Department of Budget
13 and Management shall issue the necessary rules and regulations for the effective
14 implementation of this Act.

15 *Sec. 4. Separability Clause.* – If any provision, section or part of this Act shall be
16 declared unconstitutional or invalid, such judgment shall not affect, invalidate or impair
17 any other provisions, sections or parts hereof.

18 *Sec. 5. Repealing Clause.* – All laws, acts, decrees, executive orders, issuances,
19 and rules and regulations or parts thereof which are contrary to and inconsistent with
20 this Act are hereby repealed, amended or modified accordingly.

21 *Sec. 6. Effectivity.* – This Act shall take effect fifteen (15) days following its
22 publication in at least two (2) newspapers of general circulation or in the *Official Gazette*.

Approved,