

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3528



Introduced by **Representative Wilbert T. Lee**

**AN ACT INSTITUTING A FERTILIZER AND PESTICIDES SUBSIDY
PROGRAM AND APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

Article XII, Section 1 of the 1987 Constitution states that “[t]he goals of the national economy are a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged.”

The cost of fertilizer accounts for more than half of the production cost of our farmers. The dreary and unabated hike in prices of agricultural inputs, particularly fertilizers, has almost tripled in just eighteen months.¹ This makes rice and corn—two of the country’s major staples, more expensive.² Reports revealed that the prices of urea increased from an estimate of P900 to P950 per bag in 2021 to P2,240 to P2,920 in February 2022, according to the coalition group of farmers. This would also mean that around P1,340 to P1,970 per bag will be added in an average of six to eight bags per hectare used by rice farmers.³

This alarming situation will undeniably cripple our farmers and all our efforts in increasing productivity will go in vain if we fail to protect our small farmers from this “fertilizer crisis”.

Various farmer groups across the country propound that we continue to provide and expand our fertilizer subsidies moving forward⁴ to protect our farmers from the detrimental impact of high global prices” and call for the reduction of our importation on imported fertilizer and reliance on external production.

¹ BusinessMirror (26 October 2021) *Fertilizer crisis*. Retrieved last 8 August 2022 from: <https://businessmirror.com.ph/2021/10/26/fertilizer-crisis/>

² Ibid

³ Navales, R. (24 February 2022) *Government asked to act vs high fertilizer prices*. Retrieved last 8 August 2022 from: <https://businessmirror.com.ph/2021/10/26/fertilizer-crisis/>

⁴ Tan, A. (21 November 2021) *More fertilizer subsidies seen needed to shield farmers from high global prices*. Retrieved last 8 August 2022 from: <https://www.bworldonline.com/economy/2021/11/21/412154/more-fertilizer-subsidies-seen-needed-to-shield-farmers-from-high-global-prices/>

This humble representation is in consonance with the call of our farmers to come up with alternative solutions to this crisis by providing organic fertilizers and continuously subsidizing these farm inputs they need amid its high prices for the time being. These form of subsidies will be through actual fertilizer bags or subsidy vouchers depending on the geographical and logistical challenges of the regions. We are also introducing in this bill pesticide assistance from the government through subsidy vouchers considering that a number of crop growers are also affected by dire effects of pestilence.

In our pursuit to attain genuine food security and self-sufficiency, we need to acknowledge that fertilizers and pesticides play significant roles in boosting our crops' yield and production. As the prices of these crop inputs continue to increase, farmers are forced to purchase a smaller amount of fertilizer than recommended which might result in much lesser production.

Through this bill, we assure our agricultural sector that we respond and guarantee them that in scenarios of high prices of these agricultural inputs, subsidies are available as we separately push to sustainably increase its local manufacturing and production.

The National Fertilizer and Fertilizer Subsidy Program (NFPSP) is one of the key component in our proposed intervention in the realization of genuine reforms in the agricultural sector and broader food security solution. The swift passage of this measure is earnestly sought.



HON. WILBERT T. LEE
Representative
AGRI PARTYLIST

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

1 **SECTION. 1. *Short Title.*** This Act shall be known as the “National Fertilizer Subsidy
2 Act.”

3 **SEC. 2. *National Fertilizer and Pesticide Subsidy Program(NFPSP).*** The Department
4 of Agriculture (DA) shall implement a National Fertilizer and Pesticide Subsidy Program
5 which shall benefit qualified farmers.

6 **SEC. 3. *Fertilizer Subsidy.*** The DA shall provide fertilizer subsidy to qualified farmer
7 beneficiaries. The DA shall determine the amount of subsidy vouchers and fertilizers
8 depending of the current situation and prevailing market prices with the following scheme:

- 9 a) Six bags of fertilizers or subsidy vouchers not lower than P6,000 per hectare
10 annually for those who plant inbred seeds;
11 b) Seven bags of fertilizers or subsidy vouchers not lower than P6,000 per hectare
12 annually for those who planted hybrid annually.

13 **SEC. 4. *Pesticide Subsidy.*** The DA shall provide pesticide subsidy vouchers to
14 qualified farmer beneficiaries. The DA shall determine the amount of subsidy vouchers not
15 lower than P2,000 per hectare annually depending of the current situation and prevailing
16 market prices.

17 **SEC. 5. *Eligible beneficiaries.*** To be eligible for the fertilizer and pesticide subsidy,
18 beneficiaries must meet the following criteria:

- a) A bona fide Filipino citizen who is a member of the Agri-basic sector;
- b) Must be at least 18 years old at the time of registration;
- c) Must be a farmer, farm laborer/ worker or Agri-youth based on the Registry System for Basic Sectors in Agriculture (RSBSA) Definitions of Members of the Agriculture and Fisheries Sector.

Qualified farmers registered under the RSBSA shall be automatically included as eligible beneficiaries of the NFPSP.

SEC. 6. Program Report. The DA shall annually submit to the agricultural committee of both houses of Congress a report assessing the fertilizer and pesticide subsidy program. Each report required shall include, for the one-year period ending on March of the year in which the report is submitted:

- a) The number of farmers that participated in the program;
- b) Information regarding the demographic characteristics of the farmer beneficiaries;
- c) Description of the steps taken by the Department to help the farmer beneficiaries;
- d) Overall production performance by the farmer-beneficiaries;
- e) Assessment of its impact in our National Food Security Plan.

SEC. 7. Appropriations. The amount necessary to carry out the provisions of this Act shall be charged against those authorized in the current and subsequent General Appropriations Act.

SEC. 8. Implementing Rules and Regulations. The DA, in coordination with relevant government agencies, shall issue rules, regulations, and guidelines necessary to carry out the intent and purposes of this Act within six (6) months from date of effectivity.

SEC. 9. Mandatory Review on the Implementation of this Act. The DA shall submit to the Congress a report on the implementation of this Program at the end of the second year from the date of effectivity of this Act and every two (2) years thereafter.

SEC. 10. Separability Clause. Should any provision of this Act be found unconstitutional by a court of law, such provision shall be severed from the remainder of this Act, and such action shall not affect the enforceability of the remaining provisions of this Act.

SEC. 11. Repealing Clause. All laws, decrees, letters of instruction, resolutions, orders or parts thereof which are inconsistent with the provisions of this Act are hereby-repealed, modified or amended accordingly.

SEC 12. Effectivity. This Act shall take effect fifteen (15) days following its publication in three (3) newspapers of general circulation.

Approved,