

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7357



Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.,
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY “HORI” G.
HORIBATA AND HON. BRIAN RAYMUND S. YAMSUAN**

EXPLANATORY NOTE

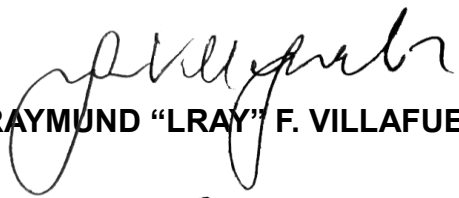
The country's salt making industry can be traced back to the 18th century. There was a time when the Metro Manila towns of Las Piñas and Malabon were the leading areas for salt production, even before Pangasinan. It then comes as a surprise to many, considering the long coast lines of the Philippines, that the country is reported in 2021 to be producing only seven percent 7% of its salt requirements and have imported the other 93% or around 550,000 MT.

There are at least two identifiable initial culprits to this decline. First, there is the ratification of the Philippines of the General Agreement on Tariffs and Trade (GATT) in 1994 which was believed to have led to the flooding of cheap salt import. Second, the ASIN law was enacted in 1995 which required salt iodization to curb the country's iodine deficiency. The capital requirement for the machinery and technology for the iodization was too heavy for local salt makers. Those in the industry dropped one by one and shifted to other sources of livelihood.

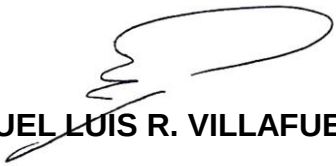
Other than the aforementioned changes in the 1990s, rapid urbanization has also contributed to the decline of the industry. Former salt farms have been converted to residential and industrial areas. There is also the climate change that has affected salt producers who are very dependent on the weather conditions.

This bill seeks to address the revitalization of the local industry by providing the right government support services for its protection and direction, specifically those that involve production and development. It has the goal of making the Philippine salt industry competitive in the local and international markets.

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



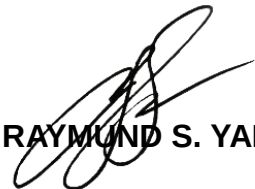
LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.



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AN ACT
STRENGTHENING AND REVITALIZING THE DEVELOPMENT OF THE SALT
INDUSTRY IN THE PHILIPPINES, APPROPRIATING FUNDS THEREFOR,
AMENDING REPUBLIC ACT NO. 8550, OTHERWISE KNOWN AS "THE PHILIPPINE
FISHERIES CODE OF 1998," AND FOR OTHER PURPOSES

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

SECTION 1. *Title.* – This Act shall be known as the "*Philippine Salt Industry Development Act.*"

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to promote and support industries that provide food security, health and nutrition, create and generate employment, reduce poverty, promote agricultural development, environmental sustainability and promote inclusive growth.

SEC. 3. *Objectives.* – This Act aims to make the Philippine salt industry competitive in the local and international markets while providing opportunities for local employment and establishing salt-based community enterprises by:

- a) Promoting the integrated and holistic development of the salt industry in various aspects of production, processing, marketing, consumption, capacity building, and regulation;
- b) Ensuring that the salt industry has sufficient identified production areas through the use of technology;
- c) Ensuring the cooperation with various government agencies, private entities and other relevant sources, to aid in the development of the industry;
- d) Promoting investments in the salt by providing substantial and attractive incentives to investors;
- e) Providing skilled labor and manpower through continuous relevant capacity building;
- f) Ensuring the provision of locally manufactured machines with improved capacity, efficiency, and quality at competitive costs; and,
- g) Providing access to markets of local salt locally and internationally through aggressive trade promotions;

SEC. 4. *Definition of Terms.* – for purposes of this Act, the following terms are hereby defined as follows:

- a) *Artisanal Sea Salt* shall refer to unrefined sea salt, derived directly from a living sea or ocean, harvested and cooked through natural evaporation process; it retains natural traces of minerals depending on the source and the manner of production which is solar-evaporation, cooked or smoked.
- b) *Food fortification* refers to the addition of nutrients to process food at levels above the natural state.
- c) *Iodized salt* refers to salt artificially spray-coated with iodine.
- d) *Large-scale Salt Farm/operator/producer* shall refer to:
 - i. An individual owner or leasehold of a salt farm that is more than fifty (50) but not more than five hundred (500) hectares.
 - ii. An association, cooperative or corporation that owns or is a leaseholder of a salt farm that is more than fifty (50) but not more than 1,000 hectares.

- e) *Medium-scale Salt Farmer/Operator/Producer* shall refer to an individual, association, cooperative or corporation that owns or is a leaseholder of more than three (3) hectares but more than fifty (50) hectares of salt farms.
- f) *Philippine sea salt* refers to salt produced from the evaporation of sea water, brine, or concentrated brine, in any salt farm or refinery within the Philippines.
- g) *Salt Farm* refers to areas of land, shorelines, or coastal areas, including its buildings, machineries, and equipment used in salt production.
- h) *Salt Producer* refers to an individual, corporation, cooperative, or association involved in the production of sea salt.
- i) *Salt Technology Demonstration Center* refers to training facilities where salt farming, harvesting, cooking and packaging is done for the purpose of conducting hands-on training, skills enhancement, and capacity-building.
- j) *Small-scale salt farmer/operator/producer* refers to an individual, association, cooperative or corporation that owns or leaseholder of a salt farm of not more than three (3) hectares.

SEC. 4. Salt as Aquatic Resource. – For purposes of this Act, the following provisions of Republic Act No. 8550, otherwise known as "The Philippine Fisheries Code of 1998," are hereby amended to read as follows:

(a) Section 4 is hereby amended to read as follows:

"SEC 4. Definition of Terms. - As used in this Code, the phrases shall mean as follows:

XXX

11. Commercial Scale – A scheme of producing a minimum amount per year of **SALT OR HARVEST OF** milkfish or other species including those raised in pens, cages, and tanks to be determined by the Department in consultation with the

concerned sectors.

XXX

22. Fish and Fishery Aquatic Products - include not only fish but also mollusk, crustaceans, echinoderms, marine mammals, and all other species of aquatic flora and fauna and all other products of aquatic living resources in any form, **AND SALT.**

XXX

28. Fisherfolk - people directly or personally and physically engaged in taking and/or culturing and processing fishery and aquatic resources **INCLUDING SEA SALT PRODUCED BY SALT FARMERS.**

XXX

32. Fishpond - a land-based facility enclosed with earthen or stone material to impound water for growing fish **AND/OR PRODUCING SALT.**

XXX

47. Fully developed Fishpond Area - a clean leveled area enclosed by dikes, at least one foot higher than the highest floodwater level in the locality and strong enough to resist pressure at the highest flood tide; consist of at least a nursery, a transition pond, a rearing pond, **RESERVOIR POND, EVAPORATING POND, SALT CRYSTALIZER POND,** or a combination of any or all said classes of ponds, and a functional water control system and producing in a commercial scale."

(b) Section 46 is hereby amended to read as follows:

"SEC. 46. Lease of Fishponds/**FISHPOND WITH SALT FARMS** – Fishpond leased to qualified persons and fisherfolk organizations/cooperatives shall be subject to the following conditions:

XXX"

(c) Section 54 is hereby amended to read as follows:

"SEC. 54. Insurance for Fishponds, **FISHPONDS WITH SALT FARMS**, Fish Cages, and Fish Pens - Inland Fishponds, **INLAND FISHPONDS WITH SALT FARMS**, Fish Cages, Fish Pens shall be covered under the insurance program of the Philippine Crop Insurance Corporation for the losses caused by force majeure and fortuitous events."

SEC. 5. Philippine Salt Industry Development Roadmap (PSIDR). – To be able to attain the objectives of this Act, there shall be formulated and established a Philippine Salt Industry Development Roadmap (Roadmap), which shall include, but not be limited to, programs and projects for the development and management, processing, utilization, business development, and commercialization of Philippine salt. The Roadmap shall include the following objectives, among others:

- a) Expand the number of salt-producing areas;
- b) Ensure the sustainable production, management and harvesting, and soil and water conservation practices in these areas;
- c) Encourage salt farming;
- d) Ensure the sustainability and viability of the salt industry;
- e) Promote investments in the salt industry development programs;
- f) Advance market access for Philippine salt products locally and internationally;
- g) Extend technical and financial assistance for the development, processing, commercialization and marketing of Philippine salt products;
- h) Require locally produce salt be used in the fertilization of coconut farms by the

Philippine Coconut Authority;

- i) Develop and distinguish category of salt areas into artisan salt production areas, as gourmet salt producing areas, iodized salt producing areas, salt eco-tourism sites, etc.;
- j) Provide continuous training and capacity building in the salt industry development; and
- k) Provide technical and financial assistance in the local design and fabrication of high-capacity processing equipment and machineries for the salt industry.

SEC. 5. Membership of the Philippine Salt Industry Development Council

(PSIDC). – The composition of the Philippine Salt Industry Development Council (Council) shall be as follows:

- a) Secretary of the Department of Agriculture (DA), as Chairperson;
- b) Secretary of the Department of Trade and Industry (DTI), as Co-Chairperson;
- c) Director of the Bureau of Fisheries and Aquatic Resources (DA-BFAR), as Vice Chairperson;
- d) Secretary of the Department of Science and Technology (DOST);
- e) Secretary of the Department of Interior and Local Government (DILG);
- f) Secretary of the Department of Health (DOH);
- g) Secretary of the Department of Tourism (DOT);
- h) The CEO of the Land Bank of the Philippines (LBP);
- i) One representative each from the League of Provinces of the Philippines, League of Cities of the Philippines and League of Municipalities of the Philippines;
- j) One (1) representative each from salt farmers, salt manufacturers, and salt process associations;
- k) One (1) representative from the private sector involved in a business belonging to the salt industry.

The BFAR shall be the Secretariat of the PSIDC and organize the necessary technical working group for the Council. The Council shall provide the overall policy and

program directions and coordinate the activities of the various agencies and instrumentalities to ensure the implementation, accomplishment, periodic review and enhancement of the Roadmap.

SEC. 6. Powers and Functions of the Council. – The Council shall have the following powers and functions:

- a) Formulate the Philippine Salt Industry Development Roadmap containing the short term, medium term and long-term development plan covering a period of five (5) year;
- b) Identify specific and priority programs and projects in support of, and in line with, the Roadmap;
- c) Identify sources of financing and facilitate credit windows with government banks and the ACPC to expand the salt industry development;
- d) Increase production of local salt by increasing land area devoted to salt and improving farm productivity;
- e) Institutionalize capacity building for salt farmers through the Agricultural Training Institute;
- f) Strengthen Market Linkage and Promotion of Philippine salt;
- g) Continual Research and Development such as postharvest technologies and the establishment of laboratory centers for iodization for food grade salt;
- h) Establish Agri-insurance Program for Salt producers;
- i) Submit annual reports, not later than June 30 of each year, to the Office of the President and to each House of Congress on the status of the implementation of the Roadmap and the salt industry development in the country;
- j) Recommend to the Department of Budget and Management the required yearly appropriations for the plan and implementation of the salt development programs; and
- k) Promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out the objectives of this Act.

SEC. 7. *Project Management Office (PMO).* – Department of Agriculture thru the BFAR shall lead in the industry strengthening, expansion and promotion of the Salt Industry. Towards this end a Program Management Office (PMO) is hereby created under the Office of the Director of the BFAR.

SEC. 8. *Department of Science and Technology (DOST) for Research and Development.* – The Department of Science and Technology-Forest Products Research and Development Institute (DOST-FPRDI) shall be tasked to develop and implement a comprehensive program for the acquisition, design, and manufacture of salt iodization equipment, and transfer of the salt iodization technology to salt producers/manufacturers.

SEC. 9. *Role of the Local Government Units.* – Local Government Units (LGUs) in cooperation with the DEN, DTI and the DOST-FPRDI, the National Fisheries Research and Development Institute (NFRDI) and in consultation with the DA and BFAR shall identify appropriate areas for local salt production in their respective localities.

SEC. 10. *Establishment of Provincial, City and Municipal Salt Industry Development Councils and Salt Industry Development Programs.* – LGUs shall, as far as practicable, establish their respective Salt Industry Development Councils. LGUs shall regularly conduct a survey of existing salt farms and salt enterprises in their respective localities.

Each local Salt Industry Development Council shall conduct a survey of existing salt processing enterprises that are operating in the locality.

SEC. 11. *Provision of Incentives to Investors involved in the Salt Development.* – The following incentives shall be provided to investors in salt farms development and salt processing facilities:

- a) The Board of Investments shall classify salt farms as preferred areas of

investment under its Investment Priorities Plan (IPP) subject to pertinent rules and regulations;

- b) Salt farm owners, and processors and other related businesses shall be exempt from the payment of import duties for imported machines and equipment subject to pertinent rules and regulations;
- c) Salt farm owners in public lands shall be exempt from the payment of forest charges that may be imposed by the national government and other fees or taxes imposed by LGUs;
- d) The salt farmers and processors shall be given priority to access credit assistance and guarantee schemes being granted by GFIs; and
- e) Salt farm development and their equipment shall be covered by the Philippine Crop Insurance Corporation.

SEC. 12. *Registration, Construction, and Lease of Salt Farms.* – The BFAR shall facilitate the registration of salt farms as well as assist in the design, construction and development of small-scale artisanal salt farms either through its own or through partnership with the private sector.

SEC. 13. *Control Measures.* – Salt farmers or producers of salt shall register with the BFAR.

The BAR shall adopt measures to ensure compliance with food safety law guidelines of salt intended for human and animal consumption. Provided that, salt which are not intended for food consumption shall not be subjected to food safety laws and guidelines;

The BFAR Regional Offices shall ensure that pure, un-iodized salt shall be issued the necessary transport permits and certification documents for the purposes it is intended.

SEC. 14. *Appropriations.* – An initial amount of One Hundred Million Pesos (Php100,000,000.00) to be sourced from the contingency fund of the Office of the

President shall be used to fund the first year of the law. Additionally, an amount of One Hundred Million Pesos (Php100,000,000.00) shall be sourced from the revenues of the Philippine Amusement and Gaming Corporation (PAGCOR) for the effective implementation of this Act also for the first year of implementation.

Thereafter, such amount as may be necessary for the effective implementation of this Act and for the continuous operation of this Act shall be included in the annual General Appropriations Act.

SEC. 15. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, DTI, in consultation with the members of the Council and other relevant stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 16. *Separability Clause.* – Should any provision herein be declared unconstitutional or invalid, the same shall not affect the validity of the other provisions of this Act.

SEC. 17. *Congressional Oversight.* – The Congressional Oversight Committee on Agriculture and Fisheries Modernization or COCAFAM shall see to the full Implementation of this Act.

SEC. 18. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 19. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,