

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7597



Introduced by **Representatives Wilbert T. Lee**

AN ACT STRENGTHENING LOCAL GOVERNMENT PARTICIPATION IN AGRICULTURE DEVELOPMENT BY INSTITUTIONALIZING A MINIMUM OF TEN PERCENT (10%) ALLOCATION FROM THEIR NATIONAL TAX ALLOTMENT (NTA) FOR THE IMPLEMENTATION OF PROGRAMS, ACTIVITIES AND SERVICES FOR AGRICULTURE AND FISHERIES ADVANCEMENT AND AMENDING FOR THE PURPOSE SECTIONS 17, 106, 287, 443, 454, AND 482 (a) OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE FOR THE OTHER PURPOSES

EXPLANATORY NOTE

Article XIII, Section 5 of the 1987 Constitution provides that “[t]he State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers' organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services.”

After World War II, the Philippines stood out as the heart of Asia’s rice-growing regions. This is one of the reasons why the International Rice Research Institute (IRRI) was established in 1960 at Los Baños, Laguna. We were well-known for our world-class farmers and this kind of reputation led international students to visit the country and benchmark our farming practices. There were even accounts that in the late 1960s to early 1980s, students from Thailand, and Vietnam pursued their graduate studies in agriculture and agriculture-related fields at the University of the Philippines at Los Baños (UPLB). By the late 2000s, batches of students from Myanmar, Cambodia and Laos attended various courses on agriculture offered by UPLB.

IRRI eventually became one of the world’s largest non-profit agricultural centers, and many of its innovations paved the way to prevent the Asian famine in the 1960s. In that decade, agriculture contributed 23% of GDP.

Today, our initial advantages in agricultural research and productivity have been lost. The agriculture sector has weakened in the last two decades. The Food and Agriculture Organization (FAO) of the United Nations noted the significant decrease in our agricultural productivity, high production costs, and low government support to the sector, among other things, have led to a crisis in Philippine agriculture. Despite the Philippines' status as a tropical country capable of planting a great variety of crops, we have not maximized our full potential to be an agricultural powerhouse in the global stage. Instead, the country is confronted with longstanding problems regarding food supply and security. Moreover, after we trained agriculture students and professionals from nearby countries, their agriculture sectors are now far more modernized, developed, and competitive compared to ours.¹

We must remember that agriculture is one of the most important sectors in our society, not just in providing jobs and livelihood to agricultural workers, but also in ensuring that there is food in every household in the country. If we do not prioritize our farming sector, our country will go hungry.

Meanwhile, our fisheries sector remains to be a potent brew of helping us increase our chances to achieve food security. The Philippine Statistics Authority (PSA) reported that for 2022, the total production grew to 4,339.89 thousand metric tons or by 2.2 percent, from the previous year's output of 4,248.26 thousand metric tons. Increases in production were noted in marine municipal fisheries and aquaculture, while commercial and inland municipal fisheries reported setbacks during the year. However, compared to our economy as a whole, the fisheries sector contributed little: in 2022, just 12% to total agricultural output and 1% of GDP.

It must be emphasized that the agriculture and fisheries sector must get its fair share of public funding to attain our country's food security and redeem ourselves as an agriculture powerhouse, at par with other ASEAN countries. We need to also ensure that our local food production can keep up with the immense population growth.

Agriculture and fisheries development is a task too big for the national government to address alone. But Local Government Units (LGUs) can play a crucial role in transforming both of these sectors. In the Supreme Court (SC) En Banc Resolution on the case Mandanas-Garcia Case promulgated last 10 April 2019, the SC declared as unconstitutional the phrase "internal revenue" appearing in pertinent sections of RA No. 7160, and ordered the Secretaries of Finance and Budget and Management and Commissioners of Internal Revenue and Customs, and the National Treasurer to include all collections of national taxes in the computation of the base of the just share of the LGUs according to the ratio provided in the LGC starting FY 2022. As a result, LGUs ought to have a higher budget that can directly provide interventions to their local needs. In this new fiscal regime, there is a strong case to be made for greater prioritization and just share of the agricultural sector for its growth and development.

Taking into consideration that the share of LGUs will be automatically and directly released to the provincial, city, municipal or barangay treasurer without need for any further action, and shall not be subject to any lien or holdback that may be imposed by the National Government, this measure shall ensure that the LGUs will be mandated to effectively participate in our serious pursuit of agricultural development and include it as their ppriority with the necessary funding.

¹ Dy, Rolando (11 March 2019) A tale of two agricultures: The Philippines and Vietnam. Retrieved last 12 March 2023 from: <https://www.bworldonline.com/editors-picks/2019/03/11/218985/a-tale-of-two-agricultures-the-philippines-and-vietnam/>

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



HON. WILBERT T. LEE
Representative
ACRI PARTYLIST

1 and rural communities in the management of their social, economic, and environmental
2 objectives by applying the bottom-up approach and helping them access government resources.
3

4 There shall be a comprehensive program on agriculture development in all local
5 government units which have at least ten (10) percent agriculture or/ and fisheries income
6 source. This function shall form part of the basic, regular, and direct services of the LGU to its
7 inhabitants.
8

9 Agriculture development is economic development and is associated with opportunities
10 for rural folks to move up the economic ladder.
11

12 **Sec. 3. Scope and Coverage.** - This shall be implemented in all Local Government Units
13 in consultation and partnership with their stakeholders.
14

15 **Sec. 4. Local Agriculture Development Programs(LADP).** LADPs shall focus on the
16 areas identified as factors contributing to the competitiveness of the agriculture industry. These
17 include the availability and production of seeds, livestock, fingerlings, and other farm and
18 fishery inputs, mechanization and post-harvest equipment and facilities, irrigation system
19 access and maintenance, marketing of products, credit, guarantee, and agriculture insurance,
20 knowledge of better farming systems, and knowledge of organic farming, among others.
21 Toward this aim, the Local Government Units (Municipalities, Cities, and Provinces) shall
22 undertake the following:
23

- 24 1. Enhance, strengthen and promote agriculture and fisheries as a major livelihood in the
25 locality;
- 26 2. Allocate a minimum of ten percent (10%) of their annual development fund to
27 agriculture and fisheries development;
- 28 3. Create a Committee on Agriculture and Fisheries Development in the Local
29 Government Legislative Council to address legislation in the said legislative body
30 related to all agriculture and fisheries development and protection matters;
- 31 4. Create the position of City and Municipal Agriculturist in the LGU regular plantilla;
- 32 5. Establish an agriculture and fisheries office and strengthen the capacities of its
33 personnel who shall see to the implementation of the agriculture and fisheries programs
34 and projects;
- 35 6. Empower the Local Chief Executives to deliver agriculture and fisheries programs;
- 36 7. Strengthen LGU linkages and partnerships among various partners in national
37 government working for agriculture development;
- 38 8. Conserve, protect, and manage the agriculture and aquatic environment using
39 sustainable agricultural and aquaculture practices;
- 40 9. Develop and strengthen the capacities and the technical skills of farmers and fisherfolks
41 throughout the production, harvesting, processing, storage, and transport stages in the
42 value chain including simple business management and profitability;
- 43 10. Provide appropriate infrastructure and equipment for post-harvest technology;
- 44 11. Promote easy access to financial institutions of agriculture stakeholders;
- 45 12. Monitor and assess the implementation of the agriculture and fisheries development
46 program and evaluate its impact on the citizenry.
47

Chapter II

Definition of Terms

Sec. 5. *Definition of Terms.* For purposes of this Act, the following terms shall be defined as follows:

- a. “Capacity” – refers to a combination of all strengths and resources available within the community, society, or organization. Capacity may include infrastructure, institution, human knowledge, skills, and collective attributes such as social relationships, leadership, and management. It also means capability.
- b. “Climate Change” - refers to a change in climate that can be identified by changes in the mean and/or variability of its properties and that persist for an extended period typically decades or longer, whether due to natural variability or as a result of human activity.
- c. “Food Safety” - refers to the conditions and practices that preserve the quality of food to prevent contamination and food-borne illnesses.
- d. “Food Security” – refers to building local capacity, increasing productivity, and improving markets and trade.
- e. “Good Agricultural Practices” (GAP) – refers to the approach which aims at applying available knowledge to addressing environmental, economic, and social sustainability dimensions for on-farm production and post-production processes, resulting in safe and quality food and non-food agricultural products.
- f. “Integrated Pest Management” (IPM) – refers to an ecologically-based approach to pest (animal and weed) control that utilizes a multi-disciplinary knowledge of crop/pest relationships, the establishment of acceptable economic thresholds for pest populations and constant field monitoring for potential problems. Management may include such practices as “the use of resistant varieties; crop rotation; cultural practices; optimal use of biological control organisms; certified seed; protective seed treatments; disease-free transplants or rootstock; timeliness of crop cultivation; improved timing of pesticide applications; and removal or ‘plow down’ of infested plant material.
- g. “Land Use Planning” – refers to the process undertaken by public authorities to identify, evaluate and decide on different options for the use of land, including consideration of long-term economic, social, and environmental objectives and the implications for different communities and interest groups, and the subsequent formulation and promulgation of plans that describe the permitted or acceptable uses.
- h. “Local Government Unit” - refers to a province, city, and municipality in the country.
- i. “Nutrient management” – refers to managing the amount, source, placement, form, and timing of the application of nutrients and soil amendments to ensure adequate soil fertility for plant production and to minimize the potential for environmental degradation, particularly water quality impairment.
- j. “Sustainable Agriculture” – refers to an integrated system of plant and animal production practices having a site-specific application that will in the long term satisfy human food needs, enhance environmental quality and natural resource base upon which the agriculture economy depends, sustain the economic viability of farm

1 operations, efficient use of on-farm resources to food, feed, and other plant and animal
2 production that balances environmental soundness, social equity, and economic
3 viability among all sectors of the public, including international and intergeneration of
4 people.

5 6 **Chapter III** 7 **Institutional Mechanism** 8

9 **Sec. 6. *Role of the DA and other Government Offices.*** – (a) The Department of
10 Agriculture shall continue to be responsible for the promotion of agricultural development by
11 providing the policy framework, public investments, and support services including
12 infrastructure support, research, development, and extension, including agri-business and
13 market development services, regulation and planning.
14

15 It shall use a bottom-up self-reliant farm system approach that will emphasize social
16 justice, equity, productivity, and sustainability in the use of agricultural resources. The DA
17 shall adopt the convergence framework that recognizes that “one size does not fit all” - that
18 different rural communities have different opportunities, needs, and aspirations.
19

20 (b) State Agencies and Instrumentalities and the Creation of the Regional Agricultural
21 Development Council. - Through convergence, the DA and the LGU shall maximize the
22 partnership in development to reduce cost in the delivery of services and maximize knowledge
23 on programs, funding and investment access. The Field Regional Offices of the Department
24 for Agriculture (DA-RFU), the Regional Directors of the Departments of Interior and Local
25 Government (DILG), the Department of Agrarian Reform (DAR), the Department of Science
26 and Technology (DOST), the National Economic Development Authority (NEDA),
27 Department of Public Works and Highways (DPWH), Department of Tourism (DOT),
28 Regional Integrated Agriculture Research Centers (RIARC), Regional Fisheries Research
29 Centers (RFRC), Regional Director of the Agricultural Training Institute (Regional Director -
30 ATI), Regional Head of the Philippine Association of State Colleges and Universities
31 (Regional Head of PASUC), Head of the Regional Agricultural and Fisheries Council,
32 Provincial Agriculture and Fisheries Council Head, Office of the Provincial Agriculturists
33 (OPA) and the Provincial Governors, all City Mayors and the Municipal Mayors shall
34 constitute the Regional Agricultural Development Council (RADC).
35

36 b.1. The RADC shall assist in the preparation, monitoring and evaluation of the
37 short- and long-term Local Government Unit’s development plans and
38 investment programs.
39

40 The offices of the various regional agencies of the government shall, upon
41 request of the local chief executives, provide such technical support as may be
42 required in the discharge of their functions.
43

44 b.2. The Council shall be headed by the DA Regional Executive Director. The
45 Council shall meet as often as necessary but not less than once a semester.
46

47 b.3. Funds necessary for the RADC operations, project monitoring and
48 evaluation, and implementation of special projects shall be included in the

General Appropriations Act of the DA, subject to the usual auditing and accounting rules and regulations.

(c) The Governors through the Office of the Provincial Agriculturist shall activate the provincial agricultural council which shall monitor the formulation, development, and implementation of the cities/municipality's agriculture development plans, programs, and projects within their jurisdictions.

(d) The Municipal and Component City Mayors shall activate their agriculture sectoral council which shall formulate and implement a three-year agriculture development plan with measurable and time bounded annual goals, programs, activities and projects. The Local Chief Executive (LCE) shall see to timeliness, transparency, and accountability in the delivery of technical know-how, goods, and services to farmers and fisherfolks. The agriculture development plan of each Local Government Unit shall be submitted to the Governor through the Provincial Development Council. An annual report containing the accomplishment and impact of the programs shall be submitted to the Provincial Development Council on or before March 31, of the succeeding year.

(e) The Municipal and City Planning Office shall be the Secretariat of their respective Agricultural Sectoral Council. The members of the council shall be the following - The barangay chairmen of the agricultural barangays, the Chair of the Municipal/City Sanggunian Bayan in charge of Agriculture and Fisheries, three (3) representatives of the local farmer's organization, the head of the local fisheries organization, an NGO in agriculture operating in the Municipality/City, a representative of a local agricultural development cooperative, the Local Chief Executive, the DA-Regional Executive Director or his representative.

Sec. 7. Incentives and Awards. - There shall be an institutionalized incentives and award system which shall be administered by the council under such rules and regulations as may be promulgated by the Department of Agriculture together with the Department of Interior and Local Government to deserving LGUs for their outstanding and model performance in promoting agriculture development and implementing effective agricultural practices.

Chapter IV

Amendatory Provisions

Sec. 8. Amendatory Provisions. Section 106 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

1. Section 17 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

“Section 17. Basic Services and Facilities. -

- (a) Local government units shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. They shall also discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to this Code. Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental

1 to efficient and effective provision of the basic services and facilities
2 enumerated herein.

3
4 **THE LOCAL GOVERNMENTS SHOULD STRIVE TO CAPACITATE**
5 **THEIR CONSTITUENTS AND THEIR INSTITUTIONS TO BECOME**
6 **FOOD SECURE BY: TRAINING THEIR SMALL FARMERS AND**
7 **FISHERFOLKS AND THE MICRO AND SMALL BUSINESSES IN**
8 **AGRICULTURE BE IT IN PRODUCTION, PROCESSING, TRADE**
9 **AND PROMOTION; AND MINIMIZING THEIR RISKS AND LOSSES**
10 **AND ESTABLISHING CLIMATE CHANGE ADAPTATION**
11 **STRATEGIES, INCLUDING PEST MANAGEMENT AND**
12 **PROMOTING FOOD SAFETY.”**

13
14 (b) Such basic services and facilities include, but are not limited to, the following:
15 XXX

- 16
17 2. Section 106 of Republic Act No. 7160, otherwise known as the Local Government
18 Code of 1991, is hereby amended to read as follows:

19
20 “SECTION 106. Local Development Councils. – (a) Each local government
21 unit shall have a comprehensive multi-sectoral development plan to be initiated
22 by its development council and approved by its sanggunian. For this purpose,
23 the development council at the provincial, city, municipal, or barangay level,
24 shall assist the corresponding sanggunian in setting the direction of economic
25 and social development, and coordinating development efforts within its
26 territorial jurisdiction. **TOWARD THIS END, AN AGRICULTURE AND**
27 **FISHERIES DEVELOPMENT COUNCIL SHALL BE CONSTITUTED**
28 **IN THE LOCAL GOVERNMENT WHERE AGRICULTURE AND/OR**
29 **FISHERIES IS A SIGNIFICANT INDUSTRY OR LIVELIHOOD.**

30
31 **SUCH LOCAL GOVERNMENT UNIT IS REQUIRED TO DEVELOP A**
32 **THREE (3) YEAR STRATEGIC PLAN FOR AGRICULTURE AND**
33 **FISHERIES DEVELOPMENT BASED ON THE FRAMEWORK AND**
34 **PRINCIPLES PROVIDED BY THE DEPARTMENT OF**
35 **AGRICULTURE (DA) AND THE NATIONAL ECONOMIC**
36 **DEVELOPMENT AUTHORITY (NEDA).**

37
38 **THE LOCAL CHIEF EXECUTIVE SHALL CONVENE THEIR**
39 **RESPECTIVE LOCAL DEVELOPMENT COUNCILS WITHIN**
40 **THIRTY (30) DAYS FROM THEIR ASSUMPTION TO OFFICE.**

41
42 **THE RESPECTIVE LEAGUES OF PROVINCES, CITIES,**
43 **MUNICIPALITIES AND BARANGAYS SHALL ACTIVELY**
44 **PARTICIPATE IN THE COMPLIANCE BY THEIR RESPECTIVE**
45 **LOCAL GOVERNMENT UNITS WITH SECTIONS 107 AND 110**
46 **HEREOF”**

- 1
2
3 3. Section 287 of Republic Act No. 7160, otherwise known as the Local Government
4 Code of 1991, is hereby amended to read as follows:
5

6 “SECTION 287. Local Development Projects. – Each local government unit shall
7 appropriate in its annual budget no less than twenty percent (20%) of its annual ~~internal~~
8 ~~revenue~~ **NATIONAL TAX** allotment for development projects. **PROVIDED THAT,**
9 **NOT LESS THAN TEN PERCENT (10%) OF THIS AMOUNT SHALL BE**
10 **USED FOR THE IMPLEMENTATION OF PROGRAMS, PROJECTS,**
11 **ACTIVITIES, AND SERVICES FOR AGRICULTURE AND/OR FISHERIES**
12 **DEVELOPMENT.** Copies of the development plans of local government units shall
13 be furnished to the Department of Interior and Local Government.”
14

- 15 4. Section 443 of Republic Act No. 7160, otherwise known as the Local Government
16 Code of 1991, is hereby amended to read as follows:
17

18 “SECTION 443. Officials of the Municipal Government. – (a) There shall be in each
19 municipality a municipal mayor, a municipal vice-mayor, sangguniang bayan
20 members, a secretary to the sangguniang bayan, a municipal treasurer, a municipal
21 assessor, a municipal accountant, a municipal budget officer, a municipal planning and
22 development coordinator, a municipal engineer/building official, a municipal health
23 officer and a municipal civil registrar.

24 (b) In addition, thereto, the mayor may appoint a municipal administrator, a municipal
25 legal officer, a municipal agriculturist, a municipal environment and natural resources
26 officer, a municipal social welfare and development officer, a municipal architect, and
27 a municipal information officer, **PROVIDED THAT AT LEAST TWENTY (20)**
28 **PERCENT OF THE LIVELIHOOD OF A MUNICIPALITY IS ENGAGED IN**
29 **AGRICULTURE AND/OR FISHERIES BASED ON THE TOTAL**
30 **EMPLOYMENT DATA REPORTED BY THE PSA OR OTHER RELEVANT**
31 **GOVERNMENT AGENCIES, THE APPOINTMENT OF A MUNICIPAL**
32 **AGRICULTURIST SHALL BE MANDATORY.**

- 33 5. Section 454 of Republic Act No. 7160, otherwise known as the Local Government
34 Code of 1991, is hereby amended to read as follows:
35

36 “SECTION 454. Officials of the City Government. – (a) There shall be in each city a
37 mayor, a vice-mayor, sangguniang panlungsod members, a secretary to the
38 sangguniang panlungsod, a city treasurer, a city assessor, a city accountant, a city
39 budget officer, a city planning and development coordinator, a city engineer, a city
40 health officer, a city civil registrar, a city administrator, a city legal officer, a city
41 veterinarian, **AND/OR A CITY AGRICULTURIST,** a city social welfare and
42 development officer, and a city general services officer.
43

44 (b) In addition, thereto, the city mayor may appoint a city architect, a city information
45 officer, a city agriculturist, a city population officer, a city environment and natural
46 resources officer, and a city cooperatives officer. The appointment of a city population
47 officer shall be optional in the city: Provided, however, that cities which have existing
48 population offices shall continue to maintain such offices for a period of five (5) years
49 from the date of the effectivity of this Code, after which said offices shall become
50 optional.

6. Section 482 (a) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

“SECTION 482. Qualifications, Powers, and Duties. – (a) No person shall be appointed agriculturist unless he is a citizen of the Philippines, a resident of the local government unit concerned, of good moral character, a holder of a college degree in agriculture or any related course from a recognized college or university and a first-grade civil service eligible or its equivalent. He must have practiced his profession in agriculture or acquired experience in a related field for at least five (5) years in the case of the provincial or city agriculturist, and three (3) years in the case of the municipal agriculturist.

The position of an agriculturist shall be mandatory for the provincial government and optional for the city and municipal governments, **PROVIDED THAT AT LEAST TWENTY (20) PERCENT OF THE LIVELIHOOD OF A MUNICIPALITY IS ENGAGED IN AGRICULTURE AND/OR FISHERIES BASED ON THE TOTAL EMPLOYMENT DATA REPORTED BY THE PSA OR OTHER RELEVANT GOVERNMENT AGENCIES, THE APPOINTMENT OF A MUNICIPAL AGRICULTURIST SHALL BE MANDATORY.**

Sec. 9. Appropriation. - The initial funding requirements for the convening of the various LGUs to implement this Act at the provincial, municipal, and city shall be charged against the current appropriations of the LGU. Thereafter, such sums as may be necessary to the implementation of this Act shall be included in the yearly budget of the LGU from their National Tax Allotment.

Sec. 10. Implementing Rules and Regulations. - At the instance of the DILG, in consultation with the DA and the Representative from the League of Provinces, League of Cities, and League of Municipalities together with a farmer and fisherfolk representative from each LGU classification, shall promulgate the implementing rules and regulations of this Act within ninety (90) days from the effectivity of this Act.

Sec. 11. Non-impairment Clause. - Nothing in this Act shall be construed as to diminish, impair, or repeal the prohibited acts under existing laws, presidential decrees, executive orders, ordinances, rules and regulations, and other issuances.

Sec. 12. Separability Clause. - If for any reason, any section or provision of this Act shall be declared to be unconstitutional or invalid, the other sections or provisions not affected thereby shall remain in full force and effect.

Sec. 13. Repealing Clause. - All laws, presidential decrees, executive orders, ordinances, rules and regulations, and other issuances or parts thereof which are inconsistent with this Act, are hereby repealed or modified accordingly.

Sec. 14. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation in the country.

Approved,