



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 8462



**Introduced By REPRESENTATIVES WILFRIDO MARK M. ENVERGA,
ELIZALDY S. CO, and STELLA LUZ A. QUIMBO**

EXPLANATORY NOTE

In December of 2022, the retail prices of onions in the Philippines peaked at P500-P800 per kilo, costing even more than meat. This put the country on the map with the “most expensive” onions in the world. The high prices of onions contributed significantly to the January 2023 inflation rate at 8.7 percent, the highest in 14 years. By May 2023, onion prices have declined but continue to remain high at P150-P200 per kilo. This is 87.5 percent higher than May 2022 prices.

In response to this, the Committee on Agriculture and Food conducted nine (9) marathon hearings from 8 February 2023 to 17 May 2023 to investigate allegations of hoarding, price manipulation, and cartel activities in the onion industry. While evidence collected during the hearings point to the need for enhanced anti-cartel enforcement as a long-term solution to the high prices of onions, short-term interventions are necessary, including the importation of onions.

It is important, however, that onion farmers will benefit entirely from the tariff revenues. Hence, this bill seeks to establish an Onion Competitiveness Enhancement Fund to support local farmers and boost their production efficiency, so that in the long-run, they are sufficiently capacitated to compete globally.

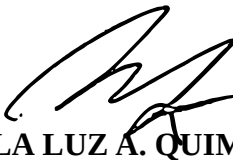
In view of the foregoing, the passage of the bill is earnestly sought.



WILFRIDO MARK M. ENVERGA



ELIZALDY S. CO



STELLA LUZ A. QUIMBO, PH.D



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**AN ACT CREATING THE ONION COMPETITIVENESS
ENHANCEMENT FUND, AND FOR OTHER PURPOSES**

SECTION 1. *Short Title.* – This Act shall be known as the “Onion Competitiveness Enhancement Fund Act.”

SECTION 2. *Declaration of Policy.* — It is the policy of the State to make the country’s onion industry viable, efficient and globally competitive.

Consistent with the constitutional mandate of protecting Filipino firms against unfair trade, it is furthermore the policy of the State to employ anti-dumping and countervailing measures to protect local producers from unfair trade practices, rather than use quantitative import restrictions.

To help the onion industry compete globally, the State shall seek to raise farm productivity levels by providing the necessary support services such as, but not limited to, irrigation, farm-to-market roads, post-harvest equipment and cold storage facilities, credit, research and development, extension services, other market infrastructure and market information.

SECTION 3. *Definition of Terms.* The following definitions apply to the terms used in this Act:

(a) “Agricultural products” shall have the same meaning as agricultural products under Chapters 1-24 of Presidential Decree No. 1464, otherwise known as the Tariff and Customs Code of the Philippines, as amended;

(b) “Onion” refers to red and yellow bulb onions;

(c) “Applied rate” is the rate of import duty that is actually used by Customs authorities in the collection of Customs revenues;

(d) “Tariff” refers to a tax levied on a commodity imported from another country. It earns revenues for the government and is regarded as instruments to promote local industries by taxing their competitors. The benefit is accorded to the local producers by the maintenance of a domestic price at a level equal to the world price plus the tariff;

(e) “Tariffication” refers to the lifting of all existing quantitative restrictions such as import quotas or prohibitions, imposed on agricultural products, and replacing these restrictions with tariffs.

SECTION 4. *Creation of the Onion Competitiveness Enhancement Fund for the Philippine Onion Industry (OCEF).* A Competitiveness Enhancement Fund for the Philippine Onion Industry, herein referred to as the OCEF, shall be established to address the pressing needs of the country’s onion industry and to support the development of the sector to its full potential as a driver of growth for the Philippine agriculture sector.

The entire proceeds from tariff revenues from the import of onions shall be set aside and earmarked by Congress for development and support programs to the benefit of Philippine onion farmers and the country’s onion industry to include support for onion farming inputs and equipment, production technology, farmgate price support, credit, crop protection, storage and cold storage facilities, extension services, market information dissemination and other forms of assistance.

Further, the Committee on Agriculture and Food, Appropriation and Finance of both the Senate and the House of Representatives shall conduct a periodic review of the use of the Onion Competitiveness Enhancement Fund. The Fund shall have a life of nine (9) years, after which all remaining balances shall not revert back to the General Fund but shall continue to be used for the purpose for which it was set aside. Fund releases charged against the OCEF shall not be subject to any ceiling by the Department of Budget and Management (DBM).

Any program undertaken in accordance with this Act shall be deemed complementary and supplementary to and shall not be a replacement of any existing programs for onion and onion farmers already implemented by the Department of Agriculture (DA) and other agencies concerned.

Priority shall be given to the top three (3) onion producing areas.

SECTION 5. *Implementing Rules and Regulations.* Within forty-five (45) days from effectivity of this Act, the DA, the NEDA and the DBM and other government agencies concerned and after consultation with directly affected stakeholders, shall promulgate the rules and regulations to effectively implement the provisions of the Act.

SECTION 6. *Penalties.* Any person or entity that violates the provisions of this Act shall be liable for fines and penalties as provided for by law.

SECTION 7. *Separability Clause.* If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SECTION 8. *Repealing Clause.* All laws, decrees, orders, rules, and regulations or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SECTION 9. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,